



SECTOR "EDUCATION, EMPLOYMENT AND SOCIAL POLICY"

Minutes of the 4th Meeting of the Sector Working Group (SWG)

Venue: Conference Hall, Government of the Republic of North Macedonia, Ilindenska bb
Date: 20 September 2019, Friday

Opening Statements

- The Minister of Education and Science, Mr. Ademi, welcomed the attendees and emphasised the importance of sector coordination as an obligation for both ministries, as well as the direct support of donor community and EU towards accomplishment of national policies. He pointed out on participatory process undertaken to advance the situation in secondary education and vocational education and training with long-lasting effects and achievement of results. Comprehensive analyses of OECD and UNECEF recommended necessary reforms to be undertaken in which line he pointed out on newly adopted Law on Primary Education and Law on Teachers, as well as preparation of the laws on secondary education which is underway and the agenda to improve the overall situation in the education sector.
- The Minister of Labour and Social Policy, Ms. Carovska, emphasised the donor support and underlined one-year accomplishments in the sectors of employment and social policy since last SWG meeting held in July 2018. She pointed out that structured information on activities of this SWG is publicly available on the MLSP web-site. Intensive work and resources management ensured the social reform to start properly resulting in 300% increase of social benefits for the most vulnerable groups and strengthening of child protection with introduction of child and educational cash benefits for those in need. She pointed out the successful implementation of de-institutionalisation supported also by European Union (EU) and informed on ongoing call for local self-governments for development and implementation of social services (technical and programmable activities) at local level supported through the World Bank (WB) development loan. Stabilisation in pension system was ensured. The highest budget ever of 1,3 billion MKD were allocated for active labour market programmes and measures, 50% from which were targeted at women. As well, new Law on Internship ensured greater employability of young unemployed persons. She informed about an ongoing preparatory process of the new draft Law on Labour Relations, which would be subject to public debates. As well, new Law on Prevention and Protection against Discrimination and ratification of Istanbul Convention and adoption of its National Action Plan, shall ensure that human rights of the most vulnerable would be highly respected.
- The DEU¹ Head of Cooperation, Mr. Bertolini, stressed the importance of coordination among donors and institutions and the continuation of these form of discussions. He pointed out that a lot of work had been done on technical level and main objective of the SWG meeting was to validate and to make a consensus which draft indicators should be further used to measure progress of reforms in these sectors, not only for EU as a donor, but also for overall donor community present in the country. Importance of donor coordination should be understood and this coordination preferably to be led by beneficiary' institutions. He raised a concern after holding a Roma seminar two days ago that there was a lack of improvements due to Roma integration and based on monitoring on Roma and non-Roma on regional level; he pointed out that the overall objectives should be towards reaching higher social standards for Roma. He recommended/ proposed establishment and functioning of similar SWG which will follow the Roma integration and support the ideas for improvements.

I session – Performance Assessment Framework (PAF) in the sector "Education, employment and social policy"

- The Minister, Mr. Ademi, presented the draft Agenda for this SWG meeting according to the Rulebook, which was anonymously accepted. He introduced the agenda point on presentations for ongoing Performance Assessment Framework (PAF) in this sector. He highlighted the importance of PAF for monitoring of the implementation of sector policies. PAF process started with its preparation by establishment of indicators for assessment of the performance. PAF, as a framework, shall be good basis for following the performance of reforms, measuring the EU and other donor support in the sectors, and of utmost importance, transparent and accountable way of measuring the progress. Additionally, the

¹ DEU - Delegation of the European Union



measurement of indicators established under PAF shall ensure baselines for further IPA III programming. He mentioned that the overall PAF process is supported through IPA technical assistance project managed by B&S Europe and SEA/NIPAC.

- Mr. Drago, Team Leader on IPA technical assistance project managed by B&S Europe and SEA/NIPAC, presented ongoing PAF process for preparation and establishment of indicators, not only for these sectors, also for all 8 sectors for which SWGs are functional. PAF scope and its indicators are intended to measure progress in implementation of reforms. Currently, both ministries are working on development of a number of indicators with technical support and the most important shall be selected for further use. He pointed out that while preparation of PAF and indicators, the sources of State Statistical Office (SSO) are used, as well of Euro Stat and other publicly available sources. The intention is that the methodologies used for collection and presentation of indicators are comparable. Draft initial version of PAF portal was presented for all 8 sectors. For each sector, the portal provides a user friendly overview (presentation) of policy objectives and relevant macro indicators, their performance and possible comparison with EU targets and Sustainable Development Goals (SDGs).
- Ms. Slavkoska, IPA Coordinator in MLSP, presented a group of indicators in the sub-sectors employment and social protection collated so far, which are considered as relevant for policies creation and implementation. The selection of indicators was based on several criteria, such as the indicator reflects important aspects of policies and reforms in the sectors, its targets are comparable on national and international level, availability of information gathering and processing, the indicator is part of the national strategic documents, encompasses measurable values and their measurement is comparable with SDGs and other international organisations. Majority of indicators are also integrated in Employment and Social Reform Programme (ESRP) 2020. 28 indicators are identified, so far, for the sub-sectors of employment and social policy. The idea is to select the most relevant flagship indicators, which could be complemented with secondary indicators. Each indicator is presented with its definition, rationale for its measurement, sources of verification, unit used for presentation (numerical or in percentage), historical data since 2015 and where possible projections by 2022. The presentation focused on 10 indicators, such as Employment Rate (+15), total and for women and men, Unemployment Rate (+15), total and for women and men, activity rate (+15), total and for women and men, Activity Rate, total and for women and men, and Young People Neither in Employment nor in Education and Training (aged 15-29). Indicators selected in the area of employment are relevant for measurement of developments at labour market, which are also according to the methodologies used by SSO and International Labour Organisation (ILO) and available from administrative sources of Employment Service Agency (ESA). 13 indicators are selected for the sub-sector of social protection, and only few of them were presented at the meeting, such as Expenditure on all types of social protection expenditure as a share of Gross Domestic Product (GDP) calculated and published as per ESSPROSS of EUROSTAT, then At the risk of poverty rate after social transfers, Median relative income of elderly people and Coverage of social assistance among the poorest quintile. From 5 indicators foreseen as relevant in the area of pre-school education and care, the indicator Enrolment rate of children 3-5 in pre-school and care was presented. For several indicators EUROSTAT would be the source of verification. Having in mind the ongoing PAF process of preparation of indicators, the whole set is foreseen to be presented during next SWG meeting.
- Ms. Popovska, IPA Coordinator in MES, highlighted the importance of the exercise to create the PAF and underlined that gathering, analysing and monitoring of the framework outcomes is responsibility of the relevant educational institutions. She explained that a lot of data in the process of creation of the PAF have been used as official from the State Statistical Office, but that MES is also responsible for gathering and taking care of data for the education sub-sector. Ms. Popovska presented 13 indicators related to the education sub-sector, which are seen as very relevant for creating educational policies. She shortly explained on the methodology and benchmarks.

The first indicator is considering the public budget allocated on education over the GDP. The second indicator is connected with the public budget allocated for education per student. The third indicator shows the students (6-19 years) to teacher ratio in public schools in the country. The fourth indicator measures the rate of early leavers from education and training, the fifth enrolment of students in compulsory education (primary and secondary education). The sixth indicator measures the enrolment rate of recent graduates (20 -34 years). The next four indicators are related to the graduation rate of students in primary and secondary education (special focus on VET and cooperation of schools with the business sector), as well as to the student performance on TIMSS and PISA student assessments. At the end Ms. Popovska presented indicators which are relevant for higher education – student enrolment rate, as well as student graduation rate and the indicator on rate of participation in the Lifelong Learning.



In addition, she pointed out that including Roma aspect in the educational part of the PAF remains an open issue and will be discussed further.

The discussion followed after the separate presentations.

- Ms. Beaumont, Programme Manager in DEU, stressed the challenges in prioritization which indicators to be followed and importance for consideration of gender aspects in indicators in education sector, as well as involvement of external partners/other donor representatives and civil society organizations (CSOs) in their preparation. Ms. Popovska, MES IPA Coordinator, explained that data collection of indicators depends on inputs from other departments within MES, sub-working groups within MES were informed, in which CSOs are members, and still feedback is not received.
- Ms. Naumovska, Deputy Minister in MES, who is newly appointed on a position and well acquainted with processes in primary and vocational education and training, pointed out that the activities and indicators should be towards demand on labour market and youth involvement. She mentioned the latest statistical data on knowledge on natural and social sciences, as well expanding with other analyses. She proposed the MLSP to prepare integrated electronic system for following each young person from preschool education and education till its entering on labour marker, as Finish example.
- Ms. Naceva, WB Senior Education Specialist, emphasised the importance for preparation of national indicators for monitoring of reforms and progress, as well to select the appropriate indicators for both ministries with sensitive area of work. Those indicators should be comparable and outcome oriented. Data availability must be ensured for which coordination of both ministries is essential. Additionally, the indicators should be SMART in their definitions and to encompass inclusiveness aspects (gender desegregated data, education, etc). She proposed to introduce the indicator related to employment rate of recent graduates, with established mechanism for vocation education and to be introduced in EMIS, which should ensure availability of real-time data. She mentioned TIMS studies and importance for the country to be part of that society for measurement of scientific and mathematical skills. Additionally, she proposed to introduce an indicator related to measurement of language skills and pointed out that it would be desirable indicators to be measured for majority of schooling subjects, but it would be justifiable for long-lasting results to be kept the relevant. At the end, she emphasised the country participation in PISA survey for measurement of life skills and functional literacy for children aged up to 15.

II session – IPA 2019 programming and related policy developments

- Ms. Carovska, MLSP Minister, highlighted the importance of data gathering and analysing and availability of indicators, as an introduction to the second session related to IPA 2019 programming, preparation of revised ESRP 2022, progress of implementation of youth guarantee and establishment of regional VET centres.
- Ms. Prodanova, Programme Manager in DEU, briefly presented the status of programming of financial allocation as Sector Budget Support (SBS) for IPA 2019 as "EU for Youth" and Action Document for "EU for Inclusion". She informed that 15 million EUR are allocated to be implemented as SBS in two priorities related to Youth Guarantee (YG) and regional VET centres of excellence, for which it is good momentum to see where the country stands due to implementation of piloting phase of YG and ambitious to make an example for high quality reforms in VET education and establishment of regional VET centres. She informed that it is expected the EU Member States to formally approve the programming documents till 20.11.2019 and first tranche to be disbursed next year.
- Ms. Slavkoska, IPA Coordinator in MLSP, informed about ongoing revision of ESRP 2020. ESRP was prepared during 2016, though consultative process, and adopted by the Government during 2017. As coherent strategic framework it defines key priorities in the areas of labour market, human resources development, education and training and social policy. First report on ESRP implementation was prepared during 2018 and the second report was intended to be drafted during 2019. After the notification received by EC services that the strategic framework must be time-wise aligned with the IPA 2019 timeframe, the revision of ESRP with an overview of its progress of implementation has started. The ESRP as a strategic framework is foreseen to encompass time-frame up to 2022 in relevant areas. It is planned first draft to be finalised mid October 2019, to be followed with consultative process during November 2019 and the final version to be adopted by the Government by the end of 2019. The revision encompasses review of objectives and activities and it is done with technical support by ILO and EU. The structure of ESRP shall not be modified substantially. Content-wise, most objectives are still relevant with a strategic view till 2022, reforms in the areas shall be noted and forthcoming reforms with



concrete activities such as those in social policy, DI and informal economy shall be indicated. As well, the indicators shall be reviewed against the level of achievement of the target values by 2020. Targets of most of the labour market indicators were achieved already in 2018, while this is only partly true for indicators in education area and there is a slow progress in social inclusion indicators for the Roma. In light of the indicators performance, new target values will be set for 2022. Furthermore, ESRP has a focus on the supply side of the labour market and therefore objectives related to creating enabling business climate and job creation in the country will be left out of the document as they are dealt with by the Sector competitiveness. Moreover, this document must follow the implementation schedule of IPA 2019 and will serve as an initial base for IPA III programming 2021-2027.

- Ms. Frchkovski, Head of Unit in MLSP, elaborated that the Youth Guarantee started with its implementation in 2018 in 3 pilot municipalities and it has continued in 2019 with a coverage of whole country with a plan to reach out 9500 young unemployed; 30% of them are expected either to be employed or get involved in /complete the activities implemented by ESA. So far, MLSP and ESA have accomplished the foreseen results with registration of 13363 young unemployed person in YG and an exit of 4474 young employed persons, which implies a 33.3% success rate. Most of young people got employment, and fewer young people were involved in trainings foreseen in 2019 Operational Plan. The MLSP has prepared Plan for Implementation of Youth Guarantee for 2020-2022. Youth Guarantee is implemented through actions in three pillars, such as early intervention, outreach and activation and labour market integration measures. The challenges and their overcoming could be seen though the achievements supported with numbers, but it is evident that 3/4 of OP activities for 2019 were already implemented and the interest of the young people has increased by 40% compared to 2018. Therefore, the MLSP has requested additional funds with the budget rebalance for 2019. Moreover, SBS in forthcoming 3 years shall lead to increased coverage of unemployed youth and capacity building of local employment centres. Half of the unemployed participants in YG are from the less developed 3 regions (Note: South-East, South-West and Polog) and 1790 youth from those regions have successful exit from the YG.
- Ms. Carovska, MLSP Minister, highlighted that with the budget rebalance for 2019, additional 200 million MKD would be earmarked for active labour market programmes and measures and employment services. The total budget for active labour market measures for 2019 thus will reach 1,3 billion MKD, which is four times the amount of funds earmarked for such activities in 2015/2016.
- Ms. Bishkoska, Head of Department for Secondary Education in MES, elaborated about the activities for establishment of Regional VET Centres, undertaken in the past period. She informed that in 2018 a working group has been established for support of the process of establishment of Regional VET Centers, and that ETF and the EUD provided expert assistance for conducting a detailed analysis in three regions of the country - Southwest, Polog and Northeast region. ETF in cooperation with the MES and all stakeholders has worked in parallel to develop a Concept for establishment of regional VET centres. Based on the analysis and the concept, a report on establishment of Regional VET Centres with case studies for the three regions has been prepared.

The report presents the findings of a survey conducted in the period April - June 2019 and it takes into account the results of consultations conducted in July 2019 with the relevant stakeholders in the country. The survey on demand and supply of skills was intended to support the decision making regarding the establishment of the three Regional VET centres. This study assessed the type and scope of the current skills offer, as well as the potential for improvement and collaboration to better meet current and future skills needs. It also aimed to assess the current capacities and potentials of all VET providers (vocational schools, adult education institutions) in the three regions. Data on the number of enrolled students, staffing, profiles, management, funding and needs of all service providers as well as municipalities were analyzed. The report identifies challenges and opportunities for each of the regions and offers alternative scenarios for how vocational schools and adult education providers can better align the quality, quantity and variety of services they offer. These scenarios also include different options proposing the establishment of different types of regional centers in each region.

In the final phase of the process, at the workshops held in Skopje in July and August, the report was harmonized following discussions with representatives of the working group, the Employment Service Agency and the donors active in the field of VET. Consultation with local stakeholders indicated that multi-sectoral VET centers in all three regions are the preferred option.

Ms. Bishkoska informed on the conclusions of the analytical and consultation process as following:

1. NORTHEAST REGION



Multi-sectoral Regional VET Center for the leading sector Electro-technique and Mechanics, with supporting sectors Economy, Law and Commerce as support in development of entrepreneurship spirit. Additionally, this centre to offer education for adults and post-secondary education for the construction sector.

2. SOUTHWEST REGION

Multi-sectoral Regional VET Center for the leading sector Hospitality and Tourism and related sectors Chemistry and Technology and Economy, Law and Commerce as support in development of entrepreneurship spirit. Additionally, this centre to offer education for adults and post-secondary education in the catering and tourism sector.

3. POLOG REGION

Multi-sectoral Regional VET Centre for the leading sectors Agriculture, Fisheries and Veterinary and Electro-technique. Additionally, this centre to offer education for adults and post-secondary education in the traffic, catering and tourism sectors.

At the end, Dana explained that the choice of regional VET centres should be based on criteria such as: Selection of occupations/sectors to be offered against regional needs, potential partners, customers; Cost analysis, investment per person in the next three to five years, increase in the volume of services offered, expected profit, compared to "regular" VET providers; Expected number of yearly enrolled persons by occupation and type of student (formal and informal, initial and continuous VET, youth and adults) as a percentage of the total population in the appropriate age group, estimated employment rate, etc.; Expected impact on socio-economic situation in the region, reduction of poverty and unemployment rates, migration, economic productivity; Development potential, possible future resources and volume of funding, income generation, continuous attraction of the centre, both for students and for the employers. From a legal point of view, amendments to the legislation are envisaged in order to transform the existing institution into a Regional VET Centre with more competences and greater autonomy.

The discussion followed after the separate presentations.

- Mr. Drago, Team Leader on IPA technical assistance project, notified that the data for the indicators achieved and presented in ESRP should be gender disaggregated. Ms. Slavkoska, IPA Coordinator in MLSP, informed that the indicators will be gender disaggregated, where possible. On this issue, Ms. Carovska, MLSP Minister, notified that the MLSP puts special attention the national strategic documents to integrate gender aspects and presentation of gender disaggregated indicators, as much as possible.
- Mr. Ademi, MES Minister, informed on ongoing preparation of a new Law for Vocational Education expected to be enacted in October 2019, which it shall be a basis for establishment of regional VET centres and/ or the transformation of the existing VET schools.
- Ms. Popovska, IPA Coordinator in MES, added that ESRP 2022 will be core document for measurement of progress, and as a basis for forthcoming SBS support, it shall ensure revision of targets in the area of education and training. She also mentioned that there were legislative barriers the Skills Observatory in MES to become operational, but efforts are currently underway, so it can be in use.

III session – Any other business

- Mr. Bertolini, DEU Head of Cooperation, took note of the remarkable progress presented at the meeting and advised after consolidation of indicators, the comments to be given by CSOs and he marked a need for their greater involvement. He highlighted that CSOs should be much more coordinated and organised in IPA II programming processes. He mentioned the new IPA project for support of CSOs, as well several others, and called on their greater involvement in consultations, physically presence, having an impact on national policies and greater coordination, and greater transparency. In this line, Ms. Carovska, MLSP Minister, emphasised that the CSOs were invited and involved from the beginning of SWG group in dissemination of information and documents' consultations. Although her background is from CSO sector, she highlighted that the coordination among CSOs and their involvement in processes is responsibility of the CSO sector. Mr. Kolekevski, IPA II CSO Facility representative, elaborated that timely distribution of documents for consultations and interventions should be done for greater CSO involvement. In this manner, Mr. Bertolini, DEU Head of Cooperation, emphasised that EU is financing CSO sector through several projects and it is expected their higher involvement, coordination and transparency. Ms. Slavkoska, IPA Coordinator in MLSP, gave a clarification that the priorities for financing under IPA 2019 have not changed since the last SWG meeting. In 2019, the programming documents were shared upon the CSO request and upon received consent by SEA and EUD. However,



core exchange of ideas and opinion for IPA 2019 were done in 2018 both in the SWG and during side events organised by the CSOs. Ms. Carovska, MLSP Minister, emphasised that it is of mutual interest to ensure greater involvement of CSO sector, better background collaboration among CSOs in the CSO Council and their participation in policy making and monitoring.

- Ms. Carovska, MLSP Minister, invited the SEA/NIPAC representative to inform on WBIF and next activities for revision of Single projects pipeline with a view for IPA III. Ms. Kirkovski, SEA/ NIPAC Head of Department, added that also SEA expects greater involvement in the work of SWGs and coordination in CSO sector. She informed that one more meeting of this SWG is expected to be organised this 2019 year to discuss challenges and progress of implementation and highlighted two important dates, one is 15.10.2019 and other is 30.10.2019. Firstly, in relation to IPA III (2021-2027 programming period), SEA/NIPAC shall initiate these days with an official letter to national institutions, a process of revision of the Single (Investment) Projects Pipeline which should be finalised till 15.10.2019. The latest update of the Pipeline was done in November 2018. The Pipeline in the social sector consists of 20 investment projects in the areas of health, education and social policy. For the IPA III programming, the initial information is that only mature investment projects would be supported and this list is a solid base for investment/ infrastructure projects. This exercise is not just an obligation of the IPA Operational Structure in Line Ministries (LMs), but to all the departments in LMs. The proposed project ideas for future financing under IPA III and with WBIF/IPA support must be mature for financing and must have regional impact, coverage of national context in certain sector, the projects will compete for financing (as there will be no national packages) and finally must be objectives and results driven. As there will be no national packages in IPA III, it would be of utmost important to have mature investment projects encompassing both infrastructure and soft activities.

Ms. Kirkovski, SEA/ NIPAC Head of Department, elaborated that the development loans planned or used for mature investment projects should contain comprehensive scope of activities and the 'blending of funds' and use of different financing sources would be advisable.

Secondly, the first IPA II Monitoring Committee (MS) for the sectors of education, employment and social policy is scheduled to take place on 30.10.2019. It shall be held for a first time for IPA II 2017 Programme for the Education, Employment and Social Policy sector and presence of ministers of both LMs is expected. The IPA II MC is mandated to discuss and review the implementation of relevant action programme financed under IPA II.

As well, she reiterated that the preparation of the PAF is expected to be finalised by the end of the year, including the consultations and then SEA/NIPAC shall inform officially the Government in order to obtain highest political support.

- Mr. Ademi, MES Minister, informed that the revision of Single Projects Pipeline shall be initiated internally in MES and pointed out that the intention of MES is to request project support for reconstruction of sport facilities with schools, especially in primary education, built during ex-Yugoslav period.

Concluding remarks

- MLSP in cooperation with MES and MH² shall finalise the draft ESRP 2022 and final draft version of ESRP 2022 to be presented at the next SWG meeting. The revised ESRP 2022 could be adopted by the Government by the end of 2019. Draft documents shall be circulated to the SWG members two weeks prior to the meeting.
- The two ministries shall finalise the Performance Assessment Framework (PAF) by mid November 2019. The PAF indicators shall include measurement and comparisons of target values on national level and EU average. The PAF shall be presented, discussed and agreed in the next SWG meeting. The draft PAF should be shared with the SWG members prior to the meeting for comments.
- MLSP, MES and MH shall revise the Single Investment Projects Pipeline for the social sector in accordance with deadlines set by SEA/NIPAC.
- Starting from the next SWG meeting and continuing in 2020, SWG members shall discuss and prepare the strategic response of the Republic of North Macedonia for IPA III (2021-2027 programming period) along the areas set in the Programming Framework of the European Commission (in final stage of preparation).

² MH - Ministry of Health



- A special SWG for Roma issues shall be established. TA project should contact MLSP and Minister without Portfolio (MwP) responsible for Roma issues and organise the first SWG meeting by the end of 2019.
- MLSP and MES to initiate a meeting with CSOs to improve the CSO involvement in the SWG.
- Next SWG meeting for this sector shall be organised by the end of 2019 year (tentatively last week of November or first week of December) and at least 2 SWG meetings to be organised in the first half of 2020.

Annexes

Annex 1 Agenda

Annex 2 List of participants

Annex 3 MLSP Presentation on proposed indicators for sectors employment and social policy

Annex 4 MES Presentation on proposed indicators for sector education

Minutes taken by: Gordana Trenkoska, MLSP; Rosica Toshevska, MES

Minutes checked by: Aleksandra Slavkoska, MLSP; Ivana Popovska, MES