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Guide to Worker, Community and Enterprise Adjustment

Project Director's Manual
1st Edition

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Introduction and Overview

Introduction and Overview

Introduction: The Need for a Project Director’s Manual

Over the past six years, the USDOL and Worldwide Strategies have implemented adjustment projects in six Central and Eastern European countries as part of the Support for Eastern European Democracy (SEED) program authorized by the U. S. Congress in 1989. The USDOL's participation in the SEED Program, which started in 1993, was designed to introduce western and especially American industrial relations and labor market adjustment concepts and practices in the former communist countries, and to teach workers, enterprises and communities how to cope with the impacts of economic restructuring as they attempt to move from command to market economic systems.

The initial USDOL technical assistance and training efforts in CEE countries began in 1991. These efforts were modest and experimental in nature, with USDOL staff seeking to find out what kind of technical assistance was needed and how it could best be obtained and delivered. The results of the early projects were mixed, with some successes and some failures. Timing, readiness, and government interest and capacity problems all contributed to project success or lack thereof. Building on this early experience, several larger and more comprehensive adjustment projects were introduced, beginning in 1995 and 1996, to systematically address the worker and community adjustment problems being created by increasing economic restructuring. Subsequently, as the initial success achieved in these early pilot adjustment projects became known, additional adjustment projects were started in other countries within the CEE region.

Unfortunately, due to time and resource constraints, the process of systematically developing implementation guides and training manuals for these adjustment projects was not addressed until most of them were well under way. In the early years, training materials and guidelines were translated wholesale from the U.S. experience or developed on an ad hoc basis to meet a specific need. Equally important, with one or two exceptions, implementation manuals and training materials were not conceptualized or developed as part of a formal process that contemplated their wider use throughout the region for an extended period of time.

It was not until 2001, when most of the early labor market transition projects were winding down, that USAID was in a position to provide resources through the aegis of a regional project to systematically develop training materials and implementation manuals. It was at this point that USDOL/WSI technical experts were asked to compile and/or develop a handbook for those Project Director's who might be starting a new Adjustment Project in a new CEE country. This handbook is a product of that effort.

Objectives when preparing this Project Director's manual. Our objectives are that this manual contains the basic information, guidance and tools needed by a new project director who has been charged with setting up a project office to implement the latest iteration of the Integrated Worker, Community, and Enterprise Adjustment Program (IAP) Model in a country, region or community. The preparation of this handbook has benefited from the wisdom of several experienced project directors, and the experience of WSI staff gained from the time WSI became the USDOL's adjustment project implementation contractor in 1998. It has also benefited from the work of international technical experts who have designed and worked on USDOL SEED-funded projects in the region.

A Project Director Handbook should include information needed to set up an adjustment project office, recruit and train staff, and then systematically implement one or all of the four components of the IAP Model. It should represent the best thinking, knowledge and experience gained by those who have implemented these components in CEE countries during the past eight years.

Finally, a Project Director Handbook is a living document: When new knowledge or insights are gained by its users, or changes are needed or warranted as a result of their experience, these changes or additions should be incorporated in the handbook and made available by WSI staff to all other project directors.

Overview I

The Integrated (Enterprise, Worker, and Community) Adjustment Program

Experience gained during the early 1990s by United States Department of Labor ((USDOL) technical assistance experts working in Central and Eastern Europe (CEE) to help workers and communities severely impacted by economic restructuring led to the development of a comprehensive adjustment "model" comprised of four components. The objectives of this program and strategy are to overcome or reduce the serious worker and community adjustment problems caused by the privatization and restructuring of state-owned (SOEs),.and to strengthen the competitiveness of all remaining enterprises in order to preserve and create jobs in the community. When governments adopt this program and use it in a systematic and integrative way with other active labor market measures, it reduces the economic and social costs of adjustment, shortens the time required and facilitates the transition to a market economy, and provides a framework for achieving economic renewal and job generation at the local level.

Four very important lessons were learned from the USDOL technical assistance experts' work in CEE countries over a five-year period.

- ❖ First, the delivery of such basic labor market measures as employment services, unemployment compensation and severance pay are important and necessary, but not sufficient to achieve successful worker adjustment.
- ❖ Second, projects using discrete or separately administered adjustment programs (e.g., displaced worker assistance, vocational training, financial restructuring of enterprises, business incubators, or local economic development planning) to facilitate enterprise restructuring are less successful than projects using a more comprehensive, integrated approach—one that addresses enterprise, worker, *and* community, adjustment needs in a systematic and holistic way.
- ❖ Third, successful restructuring requires the active participation of employers and other interest groups (i.e., workers, community leaders, social service agencies, NGOs, etc.).
- ❖ Fourth, the most successful alleviation of the negative impacts of economic and enterprise restructuring and privatization on managers, workers and their communities requires the effective use of four adjustment components and the full participation of community leaders. These four components constitute the key elements of the integrated community adjustment program (ICAP) are described below.

The integrated community adjustment program is comprised of the following four components:

I. an ***Enterprise Restructuring and Competitiveness Component*** to strengthen local enterprises in order to (a) make them more competitive, and (b) preserve and create jobs;

II. *a **Rapid Response Displaced Worker Assistance Component*** to plan, organize and facilitate the transition of displaced or redundant workers to new jobs;

III. a ***Community Economic Renewal Component*** to stimulate local economic development efforts and generate new jobs in communities impacted by enterprise restructuring; and

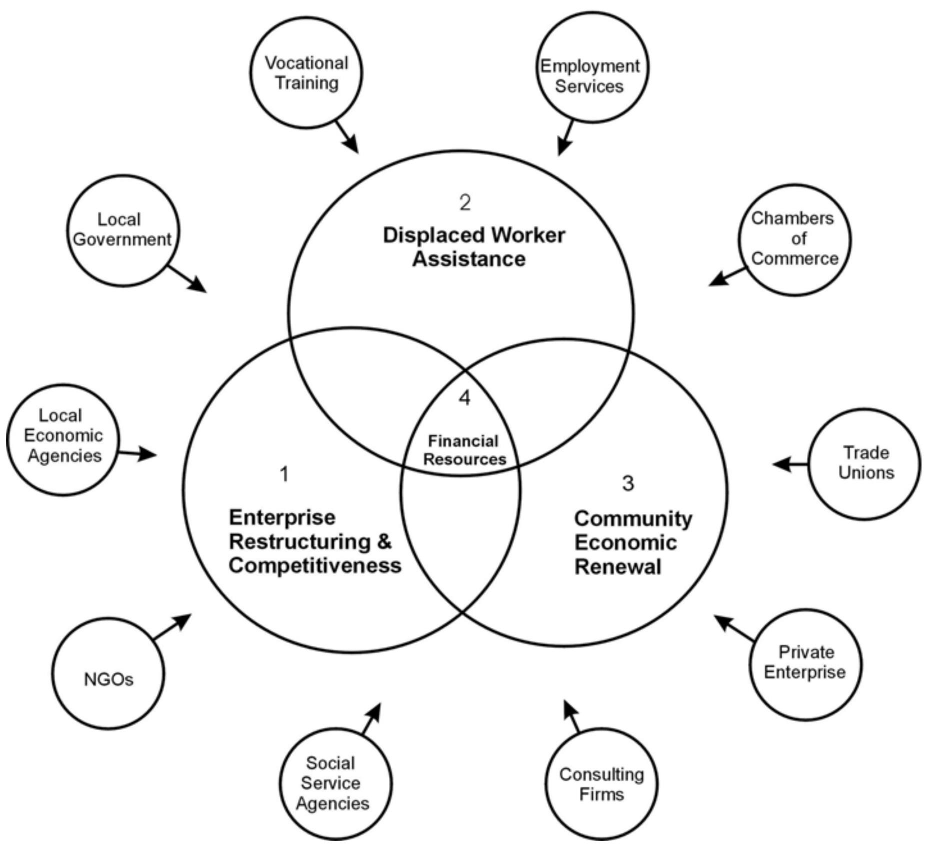
IV. a ***Financial Resources Component*** to provide funds to implement the worker, community and enterprise adjustment components.

Beginning in 1995 with the introduction and testing of the Rapid Response DWA Component in Hungary, and elements of the ERAC component in Poland, this integrated worker, community and enterprise adjustment program has been developed and successfully used by the USDOL and Worldwide Strategies to implement adjustment projects in six countries, Hungary, Romania, Bulgaria, Poland, Macedonia and Ukraine.

Chart 1-1, graphically presents the interrelationship between the four components of the integrated enterprise, worker and community adjustment program. Each of the components is described in greater detail on the subsequent pages.

Chart 1.1

Integrated Enterprise, Worker and Community Adjustment Program in Central and Eastern Europe



I. Enterprise Restructuring and Competitiveness Component

The enterprise restructuring and competitiveness (ERAC) component helps state-owned enterprises undergoing restructuring and downsizing, as well as other privately-owned business enterprises in the impacted communities or region, to become more productive and competitive in the national and global economies. Healthy enterprises provide more secure jobs for their managers and workers, and generate additional jobs in the community.

IA Specialists help enterprises, workers and their communities accomplish these objectives by providing information to enterprise managers and worker representatives about innovative tools and techniques that they can use or that can be made available to help them strengthen their enterprises. IA Specialists also help enterprise managers and worker representatives assess their situation, and by arranging for or delivering selected ERAC training and technical assistance services. Chart 1-2 outlines the tools that IA Specialists are able to make available to employers and workers as part of the Enterprise Restructuring and Competitiveness Component. Chart 1-3 outlines the basic steps used by IA Specialists to implement the ERAC component in a community, and to provide assistance to threatened and restructuring enterprises.

Chart 1-2
Essential Tools of the Enterprise Restructuring and Competitiveness Component

Enterprise managers and worker representatives, with the assistance of Project IA Specialists and using some basic analytical tools, conduct an assessment of their firm's competitiveness problems and needs, evaluate the various restructuring strategies available to them, select a suitable strategy, develop some restructuring guidelines, and implement one or more enterprise strengthening elements, including:

- Understanding the hierarchy of enterprise restructuring, and the strategies and practical tools available to help managers improve enterprise competitiveness
- Using socially sensitive restructuring techniques to strengthen enterprises and preserve jobs. This is done by helping restructuring enterprises establish plant-level productivity improvement and cost saving (PI/CS) projects to reduce costs and increase productivity, and by helping restructuring enterprises to develop and implement strategies that improve human resource utilization to preserve jobs
- Using socially sensitive measures to diminish workforce reductions and facilitate the transition of displaced workers to new jobs
- Improving labor-management relations by providing "Training for Partnership," "Interest-based Negotiations," and "Group Problem-Solving" workshops that teach managers, workers, and union officials in affected enterprises and communities the techniques that can be used to solve problems, build cooperative partnerships, and generate high-performance workplaces
- Upgrading workers' skills by helping restructuring SOEs and other private enterprises increase their competitiveness or expand their operations by using Quick Start Training to upgrade their existing workers' skills or to train new workers
- Maximizing joint competitive advantage of small enterprises by assessing the need and opportunity for inter-firm cooperation and collaborative networks of small companies in communities or regions to help them maximize their joint competitive advantage in the global marketplace
- Making ownership changes and using innovative group entrepreneurship approaches to strengthen enterprises and preserve or create jobs in the community.
- Providing managers and workers with economic education. In order for an enterprise to be more competitive, its managers and workers must understand the basic fundamentals of the market economic system and private enterprise. They must also learn basic concepts such as "open book management" to better understand a financial statement and how their enterprise can become a "least cost producer."

Chart 1-3
Steps used by IA specialists to implement the enterprise restructuring and competitiveness component

1. **Establish an early warning network** at the community or regional levels and make continuing assessments of enterprises and industries that are subject to or undergoing economic restructuring
2. **Meet with enterprise managers and worker representatives in threatened and restructuring enterprises** to assess their situation and introduce them to the technical assistance and other services that can be made available
3. **Determine the size, complexity and urgency of the existing or potential enterprise adjustment and competitiveness problems and issues**
4. **Assess the employer interest and willingness to participate in an ERAC program**
5. **Help interested employers identify their specific ERAC needs and determine whether any individual elements of the ERAC program can facilitate the adjustment process**, **strengthen the competitiveness of the enterprise, and preserve or create jobs**
6. **Gain the approval of enterprise managers and worker representatives** to (a) participate in specific project-sponsored ERAC training and technical assistance services, and/or (b) to introduce socially sensitive restructuring and competitiveness techniques in their enterprises:
7. **Identify resources (financial and technical assistance) needed and available** (through the ERAC program and other resources) to support ERAC strengthening programs at the enterprise level
8. **Prepare and have the parties sign a written agreement** spelling out the roles, responsibilities and resources that will be committed to the project, setting out what will be accomplished and how the project will be organized

II. Rapid Response Displaced Worker Assistance Component

The Rapid Response Displaced Worker Assistance (RRDWA) Component is implemented by a small group of highly skilled industrial adjustment (IA) specialists who function as an *industrial adjustment unit* or *rapid response (RR) team*. These individuals are carefully selected and trained by experienced international trainers in the most advanced techniques of worker adjustment. This unit or team can be located within the regional or local offices of the MOL or national employment service, attached to another government agency (such as a restructuring or regional development agency), or set up as a separate non-governmental organization (NGO).

IA specialists facilitate the timely organization and implementation of a systematic worker adjustment process in enterprises and communities undergoing economic and enterprise restructuring. They work with restructuring enterprise managers and worker representatives to develop and implement plans to provide adjustment services and programs to transition large groups of workers to new employment as quickly as possible. They also meet with community leaders and enterprise managers to assess how the restructuring will impact the community and enterprise, and provide technical assistance to help them develop and implement effective community economic renewal and enterprise competitiveness strategies (outlined below).

Chart 1-4
Steps used by IA Specialists to start a Rapid Response Displaced Worker Assistance Program

1. **Establish early warning networks** and make continuing assessments of enterprises and industries subject to economic restructuring and downsizing; identify threatened employers
2. **Initiate direct contact with the threatened employers and labor organizations representing workers**; and meet with them about the impending restructuring or closing
3. **Make a preliminary assessment to determine the size and complexity of the potential labor displacement**
4. **Assess the ability of those affected to cope with the anticipated change**
5. **Set up a mechanism to manage the displaced worker assistance program** (Reemployment Assistance Committee (RAC), or Community Displaced Worker Assistance (DWA) Team)
6. **Provide technical assistance to the RAC** or Community DWA Team as they conduct a survey of workers to determine the most vulnerable employees and their needs
7. **Provide training and technical assistance to the RAC** or Community DWA Team as they develop and implement an action plan, establish a transition center and peer support program, and arrange for needed services
8. **Monitor the progress and results**, and assess the relevance of the assistance strategies and tools used

Chart 1-4 outlines eight steps IA Specialists and RR Teams use to help local communities and business managers start a rapid response worker adjustment program for restructuring SOEs:

RACs or Community DWA Teams play a significant role in facilitating worker adjustment in restructuring enterprises. The RAC is an ad hoc in-plant group of workers and managers that organizes and coordinates the delivery of adjustment services with the help of an IA specialist and other stakeholders. (When it is not possible to establish a RAC, because of employer opposition or other reasons, a Community RR or DWA Team may be established to carry out these functions. It is made up of community members and stakeholders who perform many of the functions of an RAC to provide assistance to displaced workers.) IA specialists work with enterprise managers and worker representatives to organize a RAC whenever possible. The RAC becomes the primary mechanism to:

- conduct surveys to determine worker needs
- plan, organize and implement "in-plant" pre-layoff services
- establish a transition or worker assistance resource center (WARC) at or near the plant if one is needed and start a peer support program if appropriate, and
- arrange for the delivery of pre- and post-layoff employment and training services to workers being dislocated, including job search training, job development, job fairs, job clubs, job placement, self-employment help, vocational counseling, retraining, financial planning, remedial education, entrepreneurship training, and other forms of employment assistance

Twenty years of experience in North America and Western Europe, and more recently in Hungary and five other CEE countries, has demonstrated that when an IA Specialist or community Rapid Response Team is involved and RACs are organized to provide the leadership for worker adjustment efforts in a restructuring enterprise and community they substantially increase the reemployment rates and reduce the length of unemployment of the dislocated workers. They also reduce the financial costs to the public treasury and the social costs to the workers and their families.

III. Community Economic Renewal Component

The community economic renewal (CER) component of the Integrated EWC Adjustment Program helps communities and regions experiencing economic restructuring, enterprise downsizing or closures to develop and use a systematic business growth, job retention and job creation strategy to begin or expand local economic development efforts.

IA specialists work with government, business, and labor leaders in communities experiencing economic restructuring and privatization to help them better understand the essential local economic development (LED) principles and processes required to improve the business climate and revitalize their economies. Implementing the three phase CER process creates a new sense of "community," and greater purpose and direction to the community's response in the face of serious economic threats. Chart 1-5 outlines how the CER Component is implemented.

Phase I of the CER process starts with IA specialists inviting local government, community and business leaders and other people in affected communities to participate in a series of four grassroots participatory workshops. This phase concentrates on the promotion, selection, evaluation of letters of intent and preparation for community workshops.

Phase II. The economic development workshops help the members of this ***Community ER Team*** learn how to systematically assess their situation, design definite blueprints for local economic renewal, generate project ideas, and select suitable projects for further development and implementation. This phase is comprised of the four grassroots workshops – Wk A, B, C, D.

Phase III (1&2). Communities completing the four Phase II CER workshops are invited by the IA Specialist and USDOL/WSI Adjustment Project Country Director to participate in Phase II of the CER process. Workshop E is the first step in Phase III. The ***Community ER Team*** is provided training and technical assistance to help them complete their strategic plan, refine their project design and then implement a CER project

Four steps are taken by community team members as part of Phase II during and after they complete Workshop E: (1) complete the strategic plan for the community and write a formal CER project proposal, (2) develop an project implementation structure and select an "**action or implementation team**" to carry out the approved project, (3) implement the project, and (4) document and evaluate the results of their efforts.

While the ***Action Team*** is implementing the approved CER project, the broader ***Community ER Team*** participates in Workshop F, the first step in achieving sustainability, and the second step in

Phase III. During Workshop F, the ***Community ER Team*** accomplishes several important steps designed to help them achieve sustainability. The first step is to (a) conduct a sustainability analysis, which includes making an assessment of the community vision, goals, organizational capacity, structure, financial support and sustainability; (b) consider organizational changes and financial support needed to continue CER; (c) consider what is needed to attract donor/investor financial support for their continued activity, and (d) prepare a summary report of their findings. The second step is to revise and update their strategic plan. The third step is to develop new project proposals. The fourth step is to obtain the skills and training needed to continue their ER efforts on a long term basis.

Chart 1- 5
Steps used by IA Specialists to implement a CER program in a target community

1. **Complete planning, organizing and other preparations** for program start up at the community level
   - ⇒ Contact prospective communities and complete site selection process
   - ⇒ IA staff selection and training
   - ⇒ Community organization and training
   - ⇒ Facilitator selection and training
   - ⇒ Preparation of community profile
   - ⇒ Preparation and arrangements for Workshop “0”
2. **Conduct Workshop “0” –** CER orientation workshop
3. **Organize and conduct Workshops A-D -** Discovering business opportunities
   Workshop A: The factors analysis
   Workshop B: ER principles and strategies analysis
   Workshop C: Generating project ideas
   Workshop D: Evaluating project ideas
4. **Organize and conduct Workshop E –** Designing and implementing ER projects
   - ⇒ Strategic plan and project proposal development
   - ⇒ Project organization and management
   - ⇒ Project implementation
   - ⇒ Project evaluation
5. **Provide technical assistance and monitor project implementation**
6. **Organize and conduct Workshop F --** Sustaining economic renewal and development
   - ⇒ Complete sustainability analysis
   - ⇒ Prepare summary report of findings
   - ⇒ Make organizational changes needed to continue ER process
   - ⇒ Review and update strategic ER plan
   - ⇒ Develop and market new project proposals
   - ⇒ Identify and obtain skills training to strengthen ER efforts
7. **Provide technical assistance and skills training for sustainability**

IV. Financial Resources Component

The Integrated EWC Adjustment Program's financial resources component provides the money to pay for the above three essential adjustment components. The financial component can be organized and implemented in several ways:

- ❑ **USAID or Congressionally appropriated funds** that are allocated for adjustment projects in CEE countries are normally placed under the control of the Integrated EWC Adjustment Project (such as the USDOL Rapid Response Project in Hungary, the USDOL/WSI Labor Redeployment Project in Romania, the USDOL/WSI PLEDGE Project in Bulgaria, and the USDOL/WSI Poland Workforce Development Program in Katowice, Poland.
- ❑ **Salaries of IA Specialists and operating costs of Industrial Adjustment units are normally provided by the partner CEE government** from funds budgeted to the ministry of labor (MOL), employment service (ES) or national labor office, or through other appropriate agencies. Some resources may also come from the proceeds of grants or loans provided by international agencies and donors.
- ❑ **Special appropriations made using World Bank loans by CEE governments** to provide retraining and other services for workers displaced by enterprise restructuring, or proceeds from World Bank loans earmarked for this purpose, are usually disbursed by existing procedures (as has been done with World Bank loan funds in Romania).
- ❑ **Alternatively, the CEE government money or World Bank loan may be placed in a special fund** with its own administrative structure and procedures for disbursement. For example, in some countries a semi-autonomous Social Investment Fund has been created to disburse World Bank or other loan funds for community economic renewal projects.

If the CEE government intends to make available funds to pay for retraining programs or other worker adjustment services, or for community economic renewal projects, formal bidding, contracting and monitoring procedures must be established. These should be established by the MOL, Employment Service or other government agency assigned to solicit bids, award contracts, and monitor the contracts made to vocational training centers, NGOs, and other organizations that provide adjustment services.

Chart 1-6 shows the types of adjustment activities typically supported by the financial resources component when the USDOL and USAID assist a CEE government to implement an Integrated WCE Adjustment Program.

V. A Practical Toolkit for Accomplishing Restructuring and Strengthening Competitiveness

When the four-component Integrated EWC Adjustment Program described above has been embraced by progressive business, labor and community leaders seeking to restructure their economies and enterprises, and has been implemented in a systematic way by a team of skilled Industrial Adjustment Specialists trained by international experts and led by capable project directors, the results have been impressive. This innovative approach can provide countries undergoing economic restructuring with a powerful tool to restructure and modernize their economies and facilitate the successful adjustment of workers, communities and enterprises.

It is the challenge of Industrial Adjustment Specialists to make this happen in a timely, effective way.. The remaining sections of this guide have been developed to help you accomplish this objective when implementing the Enterprise Restructuring and Competitiveness Component.

Chart 1-6

Section 1.01 Adjustment activities supported by the IEWCAP financial resources component

Adjustment component	**Section 1.02 Source of Funding**	
	USDOL/USAID WCE Adjustment Project	CEE government, international lenders and/or employers
General	--USDOL Project office and operating costs --USDOL CTA salary and costs of International TA --International TA to MOL/ES to implement adjustment program --Training of IA specialists, including study tours --International TA to establish data base and monitoring system --International TA to establish a public relations campaign to promote the program	--IA specialists salaries and benefits --IA unit offices, and operating costs
Rapid Response Displaced Worker Assistance	--International TA to help IA specialists conduct pre-layoff planning and deliver basic adjustment services in pilot sites --RAC operating expenses at pilot sites, costs of quarterly IAS in-service staff training --International TA to train transition center staff and conduct pilot projects (e.g., transition workshops,	-SOE on-site transition centers -Vocational training programs -Employment services (labor market information, registration of job seekers, job development, listing and display of available jobs, referral of job applicants, follow-up, etc.) -Vocational counseling -Job clubs -Public works programs

Adjustment component	Section 1.02 Source of Funding	
	job clubs, and establish resource centers etc.)	-Adjustment compensation schemes
Community Economic Renewal	--International TA to train IA specialists in CER --International TA to help IA specialists conduct Phase I pilot CER workshops Phase I CER workshop expenses --Financial incentives and TA to implement Phases II and III CER projects	-Business incubator feasibility studies -Large scale CER projects -Small business TA -Entrepreneurship training programs -SME loan funds -Tourism development programs -Business promotion & support centers -LEDO financing
Enterprise restructuring and competitiveness	--International TA to train IA specialists in ERAC techniques --International TA to help IA specialists organize ERAC orientation and training workshops, for employers and worker representatives in selected communities and enterprises --Costs of organizing, conducting, monitoring and evaluating selected pilot ERAC projects	--Vocational training programs for dislocated workers—beyond pilot Quick start projects --Productivity improvement/cost saving (PI/CS) projects--beyond pilot projects --On-going costs for organizing and maintaining small business networking programs—beyond pilot projects --On going costs for Interest-based L-M training beyond pilot projects

Overview II

Evolution of the Integrated Adjustment Program Model

Excerpt from a paper presented by Dr. Gary B. Hansen, Utah State University, at the 5th European Congress on Industrial Relations, Dublin, Ireland, August 26-29, 1997. Footnotes have been omitted in this version.

[This author conceptualized and developed the integrated program model for facilitating worker, community and enterprise adjustment in CEE countries after reviewing adjustment programs carried out in North America over the past 20 years and by participating extensively in training and technical assistance activities conducted by the USDOL and other international agencies in several CEE countries undergoing economic restructuring and privatization from 1993 to 1997. He concluded that a comprehensive strategy, rather than narrowly focused or piecemeal adjustment approaches, could achieve more successful worker, community, and enterprise adjustments in CEE countries undergoing economic restructuring and privatization-and could lay the foundation for a permanent adjustment mechanism to deal with these issues in future years.]

I. North American contribution to the adjustment model.

Economic restructuring experience in North America and Western Europe demonstrates that:

1. rapid response and early mass layoff and plant closing intervention increase the probabilities of successful worker adjustment
2. involving workers directly in the development and operation of adjustment projects helps them cope with job loss and find employment
3. labor management adjustment committees (LMACs) are one of the most effective and economical methods for carrying out adjustment processes
4. direct linkages with community economic development help communities to expand the job base and impacted workers find jobs; and
5. enterprise competitiveness projects help threatened enterprises cut costs and increase productivity to preserve and create new jobs.

II. Rapid Response Worker Adjustment.

Canada first used rapid response techniques, industrial adjustment specialists and LMACs to organize worker adjustment projects in the 1960s. Employers and unions in the United States began using them in the early 1980s to deal with major economic restructuring resulting in substantial numbers of mass layoffs and plant closings.' Ford and the United Automobile Workers Union successfully used LMACs to assist workers when they closed their San Jose Assembly Plant and Sheffield Aluminum Casting Plant in 1983.

[The Ford San Jose experience remains the classic example in America of "best practice" in how to carry out a plant closure.]

Later, in 1985, the USDOL sponsored the Canadian-American Project with the National Governors Association to test the rapid response concepts on a larger scale. As a result of these positive experiences and the recommendations of the Secretary of Labor's Task Force on Worker Dislocation and Plant Closings in 1985, the United States Congress incorporated rapid response and LMAC concepts in the 1988 Economic Dislocation and Worker Adjustment Assistance Act.

A study of the LMAC-directed worker adjustment projects by the U. S. General Accounting Office found that four factors contribute to the success of dislocated worker projects:

1. **Respond rapidly**. Facilitate early intervention by beginning planning before the layoff occurs and by informing workers of their reemployment assistance options.
2. **Involve workers in the adjustment process**. Tailor assistance strategies to workers by involving them in planning the project, providing oversight and directing assistance to their fellow workers.
3. **Coordinate service delivery**. LMACs serve as a focal point for planning and providing a communication link between workers and service providers.
4. **Establish on-site assistance centers**. Provide encouragement to dislocated workers by establishing on-site assistance centers to maintain personal contact with them and sponsor other support activities.

The GAO study also found that two additional factors influence the outcomes of committee efforts:

1. **A strong state leadership role**. State rapid response worker adjustment specialists establish LMACs, regularly attend all committee meetings and guide committee activities. They help build effective working relationships within committees and with local service providers by explaining the approach, sorting out roles and responsibilities and resolving problems.
2. **Committee composition and sustained involvement**. Effective LMACs draw their membership from persons employed at the affected plant, including dislocated workers. Adequate numbers of committee members are needed to carry out the very time-consuming committee activities, i.e. planning the assistance strategy, maintaining contact with workers and helping dislocated workers find new jobs. Effective committees often function from eight months to one year after layoffs occur. Replacing committee members who are no longer available to help is essential.

A contemporary report on enterprise restructuring in OECD countries found that layoff assistance projects need:

- Adequate advance notice;
- Early intervention and rapid response;
- Local level cooperation to maintain communication links with affected workers;
- Temporary intensive on-site services; and
- Linkages to community economic development.

The OECD list is similar to the GAO criteria except for the addition of linkages to community economic development. These two reports highlight the importance of the first two components of the USDOL Adjustment Model - rapid response worker adjustment, and community economic renewal-to successful worker and community adjustment.

Use of the Rapid Response Worker Adjustment component in the United States has been very successful. Thirty percent of the unemployed nationally find jobs within six months; when LMACs are used the figure jumps to between sixty and seventy percent. Follow up studies of displaced workers have found that the workers and their families experience fewer social pathologies (suicides, alcohol and drug abuse, spouse and child abuse, etc.), greater numbers of workers use training and other adjustment services, and they have much more positive attitudes about their former employer and trade union as a result of participating in an LMAC-directed industrial adjustment process.

III. Community Economic Renewal.

Community economic renewal and local economic development became very important in the United States in the1970s and 1980s for three reasons:

1. researchers found that small businesses, not large ones, generate most of the new jobs.
2. the growing number of mass layoffs and plant closings caused by economic restructuring in the early 1980s created serious problems for small communities.
3. the need to reduce the national debt, disillusionment with national politicians, and increased skepticism about the federal government's ability to solve social and economic problems. With less federal money to go around and more problems to solve, state and local governments had to rely more on their own resources and initiative.

As a result of these factors, economic development in the U. S. focused on local aspects of the process-things that could be done at state and local levels with modest resources and by developing public and private partnerships to carry out renewal and development planning and projects. As a result, a number of strategies and techniques to foster and promote local economic development were proposed and tried. Those that succeeded were widely circulated and used to foster economic renewal and development in other communities.

Soon, worker adjustment practitioners and policy makers began to recognize the importance of linking worker adjustment directly with community and local economic development efforts. Today, active economic renewal and development programs are operating in tandem with worker adjustment programs at the local level throughout the United States.

IV. Enterprise Competitiveness.

The importance of the third component, enterprise competitiveness (EC), was recognized as being essential to mitigate the impacts of economic restructuring in Canada in the 1970s and in the U.S in the early 1980s.

The Canadian IAS developed an enterprise adjustment component as part of its industrial adjustment process in 1974 when their mandate was expanded to encompass human resource planning for plant expansions, high turnover or low productivity that might threaten the competitiveness of an enterprise and workers' jobs. Subsequently, except in times of recession or major restructuring, Canadian IAS specialists have spent about 70 percent of-their time working on enterprise competitiveness projects.

In the United States, similar efforts to broaden the adjustment program to include enterprise competitiveness components were undertaken in the early 1980s with the encouragement and support of the USDOL. Enterprise competitiveness concepts were first introduced by individual employers and their unions to preserve jobs and then promoted by several states in the U. S. as part of their nascent industrial adjustment programs. Because of the positive results achieved, enterprise competitiveness concepts were subsequently incorporated into the 1988 Economic Dislocation and Worker Adjustment Assistance Act passed by the U. S. Congress. Unfortunately, not all states make full use of its EC provisions, but those that do find them to be very helpful in preserving and creating jobs.

V. Financial Resources.

In the United States, the federal and state governments have provided substantial funds to pay for the rapid response worker adjustment, economic renewal, and enterprise competitiveness components, first on a demonstration basis, and, after 1988, through congressional appropriations under such legislation as the Economic Dislocation and Worker Adjustment Assistance Act and other laws. States have provided funds for Quick Start training and other enterprise competitiveness programs. The Canadian government finances the Canadian Industrial Adjustment Service through national parliament appropriations.

Introduction of The Four Adjustment Components in CEE Countries

Chart 3 shows the project origins in CEE countries of the four adjustment components comprising the USDOL Adjustment Model.

Bulgaria, Hungary and Poland: Rapid response worker adjustment. Two early attempts to introduce worker adjustment components into CEE countries had little impact because governments lacked the will to undertake needed measures to restructure and privatize their economies. USDOL conducted a worker adjustment training project for the Ministry of Labor in Bulgaria in 1994, but the government decided not to proceed with the proposed economic restructuring and privatization program. Consequently, the worker adjustment component was never fully developed nor implemented. In 1995, as part of a World Bank funded Employment Promotion and Services Project in Poland, the British Department of Employment provided training on worker adjustment techniques to the staff at local employment offices of the Polish Ministry of Labor and Social Policy. Once again the government did not carry out the restructuring and privatization program so this component was not fully implemented nor widely used.

The USDOL rapid response worker adjustment component was introduced in Hungary in 1994. Unlike other countries in the region, Hungary moved forward with its restructuring and privatization program. By early 1994 there was a real need for worker adjustment services. Beginning in July 1994, rapid response worker adjustment techniques emphasizing the use of LMACs were tested by the USDOL's Hungary Rapid Response Project at five pilot sites. The USDOL hired Maria Heidkamp, an experienced Rapid Response Specialist who had directed the Canadian-American Rapid Response Project for the National Governors Association in the mid-1980s, to be the full-time on-site Chief Technical Advisor for the project. Under her leadership the rapid response worker adjustment component using LMACs was successfully implemented at the five pilot sites. As a result of this success, and the growing need for worker adjustment services, the project was expanded nationwide in March 1995.

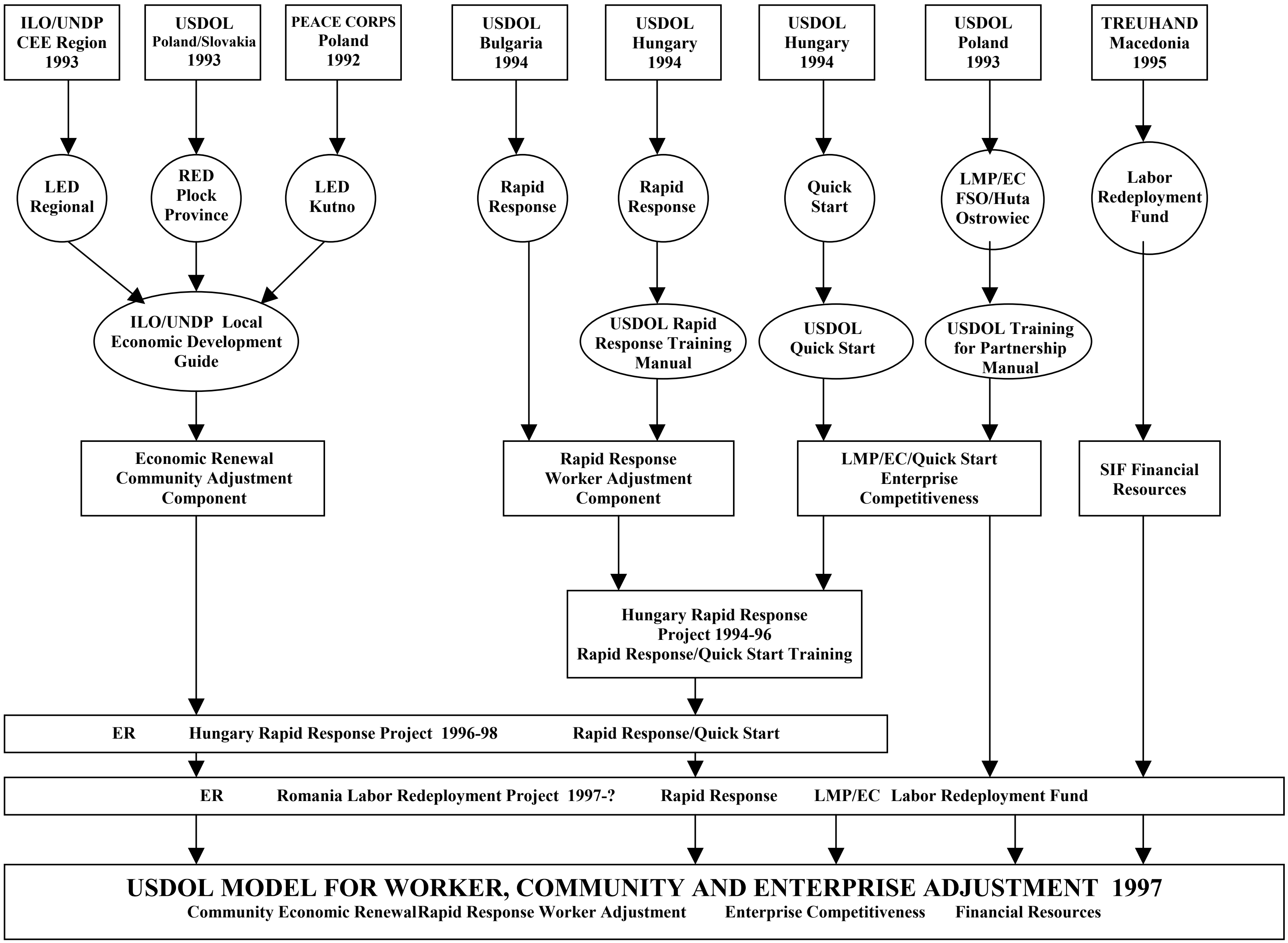
During the Hungary Rapid Response project's first two years, 24 LMACs were established to help 8,313 workers, and 4,313 of them considered themselves active job seekers. Forty-five percent of this group found new jobs before they became eligible to register as unemployed. Since that time 22 additional LMACs have been organized.

In one study of five sites in one county, the National Labor Center (NLC) found that 43 percent of the active job seekers who completed the surveys and asked for LMAC help credited the committee with helping them find new jobs. The costs were estimated at 2 million Hungarian forints (US$10,000) for staff, in-kind services and a training project. But the unemployment costs for one year of the 43 percent who found, jobs through LMAC services would have been approximately 30 million forints (US $160,000).

Another survey in 1997 by the NLC in several counties reported that 97 percent of the workers completing the survey said they would recommend the LMAC services to others in similar situations and would use the services again if needed: Eighty-six percent said the LMAC provided them with useful services during their notice period, and 73 percent who found new jobs credited the LMAC with helping them find them. Finally, and most importantly, the survey showed that where there was a Rapid Response LMAC the average time it took workers to find new jobs after notification of layoff was 130 days. Data from a control group where there was no LMAC found the average time to be 265 days. Thus, the data indicates that the Rapid Response LMAC model can help reduce the number of individuals who face long-term unemployment. The savings in terms of unemployment costs based on this time difference was estimated at 98 million Hungarian forints (roughly US$530,000).

[For an update on the outcomes achieved by the Hungary Rapid Response Project, see the paper by Gary B. Hansen and Maria Heidkamp entitled: "Implementing the US Department of Labor Adjustment Model in Central and Eastern Europe: The Hungary Rapid Response Project, 1994-1999." This article was subsequently published as "Innovative approaches to worker and community adjustment in Hungary." Chapter 6 in Martin Kuene (ed) ***Regional development and employment Polish: Lessons from Central and Eastern Europe***. With Maria Heidkamp. *(Budapest: ILO-Central and Eastern European Team, ILO Action Programme for Privatization, Restructuring and Economic Democracy, 1998) pp. 126-143.]*

Chart 3 – Evolution of the USDOL Adjustment Model 1993-1997



Poland, Slovakia and Hungary: Economic Renewal. The community economic renewal component of the USDOL model developed from two parallel pilot local economic development (LED) projects carried out by the USDOL and the ILO in Central and Eastern Europe and the work of an American Peace Corps Volunteer.

The first LED project was carried out in Poland and Slovakia in 1993 by the USDOL as part of a larger employment transition project funded by the USAID.As part of this project, a "handbook" was prepared by an American economic consulting firm to help several pilot communities or regions in each country conduct local economic development planning workshops."` The handbook helped them assess their economic needs and organize local or regional planning efforts, including regional planning councils or regional development organizations.

Although the USDOL regional LED project never got beyond the pilot phase because of serious organizational and personnel problems, the LED materials prepared for the project were used effectively at several sites in Poland during 1993-1994 and 1994-1995. Hanna Ruszczyk, an American Peace Corps Volunteer, used the materials to develop a successful LED plan in Kutno, Poland, and later she used them to write a strategic plan in the Plock Province, Poland, while she was working under the auspices of the ILO-UNDP.

The second LED project in Central and Eastern Europe started as a joint ILO/UNDP demonstration project started in 1993. It was directed by Angel Vidal Alonso and Dorthe Nielsen Short of the ILO COOP Branch. They conducted a variety of local development activities at pilot sites in eight CEE countries and the Commonwealth of Independent States. The ILO/UNDP project focused on helping local governments in selected areas develop strategies to enter into partnerships with national and international partners and "*to be instrumental in providing answers to solving the increasing unemployment and deteriorating living and working standards*." Hanna Ruszczyk, the ILO/IJNDP project coordinator in Poland, successfully facilitated the development of a regional plan for the Province of Plock, Poland, by a local task force in 1995.

As part of the ILO/UNDP LED Project this author was asked to prepare A Guide to Entrepreneurial Initiatives for Local Economic Development (hereafter called the LED Guide) to help community leaders and local economic development specialists in Central and Eastern Europe develop and implement LED programs."' This comprehensive two volume guide, completed in March 1996, became a widely used resource for generating community-level economic renewal activity in the region. The LED Guide includes practical examples and techniques with step-by-step instructions about how to implement them. These techniques are taken from the USDOL and the ILO/UNDP projects in CEE countries and successful worker and enterprise adjustment programs in North America and Western Europe The LED Guide also includes detailed information about how to conduct community workshops and organize economic renewal programs to expand business opportunities and create jobs. ""

Introducing the community economic renewal component in Hungary. Drawing on the previous LED experiences of the USDOL and ILO/UNDP projects in Poland and Slovakia, and using the LED Guide prepared for the ILO/UNDP project, the community economic renewal component was systematically implemented by the author, Marion T. Bentley and Maria

Heidkamp in June 1996 as the next step of the Hungary Rapid Response Project. The first phase of the Hungary community economic renewal (CER) component, conducting four CER workshops in 14 geographic locations with representatives from one to forty-two communities participating at each location, was completed in June 1997. From 25 to 70 participants attended each workshop; typical attendance averaged 50-55. The ER workshops help catalyze, train and organize the local community leaders to plan and implement economic development projects in a systematic way.

While it is too early to obtain information about substantive outcomes from the Hungary LED project, the first reports are very encouraging. Several projects are already being implemented in Gyomaendrod, one Hungarian community that participated in the Economic Renewal workshops. The local ER task force has established an "***Entrepreneurs' House"*** that has several units, including a new branch of the Local Enterprise Agency (LEA) in Gyomaendrod. In addition, they have hired a local area manager for their group, and are helping to launch a downtown shopping center-one of the project ideas generated in their workshops. The municipality is paying to implement the projects in Gyomaendrod, although the LEA and the employer organizations are providing the operating costs for the LEA branch office.

Task Force members in Gyomaendrod reported that the ER workshops brought people together who had been either thinking about or actually working on the same sorts of projects without knowing about what others were doing. In other words, "they said this collaboration will help reduce the duplication of efforts that was going on and will make for more efficient utilization of resources.

In Vasvar, another community which participated in the ER workshops, the local area has recently been awarded the equivalent of US$7000 from a development bank to pay for a local area LED manager. They are submitting a proposal to get some money from the Public Works Council for an environmental project (the idea of which came out of one of the ER workshops). This project would provide temporary employment for 100 people.

In Tolna County, the Rapid Response LMAC that was set up to deal with layoffs at the leather factory in Simontornya has turned itself into the Simontornya Job Creation Foundation, which is now registered as an official local NGO. It is now undertaking several projects, including creation of a leather manufacturing cooperative and the establishment of a business incubator.

Poland and Hungary: Enterprise competitiveness. Elements of the enterprise competitiveness component were pilot tested as part of two USDOL Labor-Management Relations training projects in Poland in 1993 and 1994 and by the introduction of a Quick Start training program at four pilot sites in Hungary in 1995.

The first enterprise competitiveness project in Poland helped the management and unions at FSO automobile manufacturing company, the country's largest auto manufacturer, establish a labor management partnership, learn quality management techniques, and lay the foundation for a high performance workplace. The second project in Poland helped 1,200 worker-owners of the Huta Ostrowiec Steel Mill establish a labor-management partnership in their enterprise and begin major PUCS projects to strengthen their enterprise's competitiveness. Several years previously foreign consultants had recommended that the plant be closed. Instead, the workers and managers purchased the plant to save their jobs and began operating it as an ESOP. In 1994 they solicited the help of the USDOL. Today, the 1,200 workers and managers are still employed and the company is making a profit.

The four pilot Quick Start training programs in Hungary have enabled the country's regional vocational training centers to work closely with employers to design and run customized training courses to help unemployed workers become trained and employed. The projects also trained 615 workers at two poultry and duck processing plants, taught 58 managers and workers at a synthetic wood fiber plant about quality management concepts so they can compete in global markets, and trained several hundred workers at an automobile parts manufacturing plant the basic concepts of CNC and other advanced machining techniques so they could maintain the quality and production standards required by the multinational auto firms for whom they make parts.

Macedonia: Labor Redeployment Fund. Although, as noted above, USDOL readjustment projects have had USAID funds to support specific adjustment activities in CEE countries since 1993, the use of a labor redeployment fund as a separate financial adjustment component was introduced in CEE by the World Bank and the German Treuhand as part of the labor redeployment program established for Macedonia in 1995. The USDOL is also considering establishing a retraining fund or other mechanism in Poland to provide adjustment services to coal miners who will be displaced in the Silesian region when that nation finally implements its restructuring and privatization program for major state owned enterprises.

These and other worker, community and enterprise adjustment projects in CEE countries provided the knowledge and information to conceptualize the USDOL Adjustment Model and use it as the basis for designing the labor redeployment component being implemented in Romania as part of the World Bank/USDOL/USAID Employment and Social Assistance Project approved in early 1997.

[Since this paper was written in mid-1997, components of the USDOL/WSI Adjustment Model have been implemented in Bulgaria, Poland and Macedonia, and the CER component is now being implemented in Ukraine.)

Romania: Labor Redeployment Program. In 1997, the US Department of Labor and USAID, together with the World Bank and Romanian Ministry of Labor, initiated the Labor Redeployment Program aimed to mitigate the negative effects of privatization and restructuring programs and provide a social safety net to displaced workers and heavily affected communities. The LRP completed all components in 2002.

This particular project combined funds from two donors and therefore implemented a complex mix of measures and services. Under the World Bank's loan to the Ministry, the LRP staff provided technical assistance to the Active Labor Market Measures program – an $8.5 million fund designed for six types of active labor measures services to be contracted out to private and public service providers and administered through the National and Local Agencies for Employment nationwide. The second major component consisted of the USDOL workforce adjustment model and implemented both the Rapid Response and Local Economic Development components. Unfortunately, due to design oversights, the Rapid Response did not receive adequate funding or support to initiate programs but rather worked on training and taskforce development within the Agencies to support their “prelayoff services” work provided by law through the Agencies to displaced workers.

The Local Economic Development component, funded by USDOL and USAID SEED funds, began in 1999 and completed project implementation (Phase I, II and III) in 35 communities. The program was a great success in both implementation, job creation, institution building at the local level and sustainability of LED projects.

Some results of the LRP include:

- **80,282** targeted workers (including defense) participated or served in services (prelayoff services, active labor market programs and economic development projects)
- **18,635** Jobs Created
- **4,105** New business start-ups
- **3,673** partners and clients from local agencies of employment trained (or participated in info session) in prelayoff services, active labor market measures, local economic development and media/public information training
- Of which, **1,385** partners trained in local economic development
- **644** public and private institutions assuming responsibility for implementing worker adjustment programs (active labor market measures and local economic development)
- **317** Local Agency of Employment staff trained and participating in 3 national taskforces
- **35** LED projects, funded and completed – of which **24** are active at project completion
- Total value of local contributions to LED projects was $839,864 – representing an **80%** match to donor money
- **23** Small business loans disbursed with 100% repayment rate, to date
- **6** new policies or regulations proposed and subsequently enacted to support implementation of worker adjustment programs within Romanian institutions
- **1** new NGO created (“MODEL") to continue to champion efforts of workforce and community adjustment programs in Romania.

SECTION I

Starting an ICAP Project

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I. Roles of a Project Director

The role of a Project Director for WSI/DOL programs that are implementing the USDOL/WSI Adjustment Model is varied and requires management skills, technical expertise and knowledge and flexibility. The primary function is to manage the workplan and budget and ensure timely submission of deliverables. Other secondary functions are as important to support those duties. These may include, but are not limited to, the following:

A. **Project management**: workplan development, strategic planning and project design, troubleshooting, implementation, monitoring and evaluation and overall financial/budget management.

B. **Logistics/Operations**: start up operations including office, staff, budget, logistics, transport, banking, registration, and all other in-country responsibilities related to legal, financial and human resources.

C. **HR management**: staff recruitment, interviewing, hiring; performance evaluations and promotions; assistance and mentoring in training and professional staff development; and outplacement upon completion of project.

D. **Contract/Relationship management**: relationship with host country local counterpart (usually at Ministerial levels), management of common activities and reporting, strategic planning, policy advice and recommendations.

E. **Diplomacy/US agency representative:** develop and manage all relationships with in-country partners as a representative of a US government agency. Such foreign partners include US Embassy, USAID, USDOL, EU, WB, other donors. Regardless of the presence of foreign consultants or experts, the Project Director is in the position to be invited to sit on panels of experts or participate in working groups at the national levels with such groups requires tact, diplomacy, professionalism and technical knowledge.

F. **Technical or Policy advisor**: Related to above, the Project Director often is asked to offer technical or policy advice, recommendations, opinions or suggestions. The Project Director must have a general background and knowledge in specific sectors such as labor, workforce development, economic development, transitional economies, foreign aid, US current events and history related to these sectors as well as in-country knowledge of these sectors.

The Project Director is also responsible to report to and update the US Department of Labor staff and WSI on any project implementation, status, changes, urgent news and/or current events related to the project and in-country progress in that sector. This could occur both informally and formally as the Embassy and USAID often request ad hoc reports and updates on the latest developments surrounding the project.

II. Project and Program Start up

A. *Project Start Up*

1. Staff Characteristics and Qualifications

The staffing structure must be determined according to the project design agreed upon with the local host country counterparts, the budget and the particular model components that were selected to be implemented for the project. This may require hiring full support staff and technical consultants, hiring key or core people. Co-locating with a compatible project and sharing certain support staff costs, and using external volunteers to be trained as IAS specialists or training and partnering with local host country counterpart institution's personnel. Either way, there are a number of decisions to be made in advance of hiring, i.e. staff structure and costs. Market research on average salaries for comparable positions within similar structures or institutions should be conducted in advance of hiring staff. USAID Missions have done this research and have developed wage scales for Foreign Service Nationals (FSNs) based on skill level and according to local market rates. If the project is USAID funded it must apply the FSN scale. If not, it may still be wise to follow it, as it is the definitive salary scale for the country.

Above all, good, flexible enthusiastic staff, proficient in English (speaking, reading and writing), will be desirable characteristics of potential candidates. Experience in other donor projects is useful but not critical. Some training experience is an advantage, as well as a general interest, familiarity or understanding of the sector and current events within the sector (labor, workforce, economic development etc).

See below for description of key staff and a copy of a standard IAS job description.

Support staff: No matter what the staff structure will be, there are essential positions that should be hired at the outset: financial person, translation and/or admin support and a driver. These key positions will greatly support the start up stages and will help the Project Director as they make decisions and set up a presence locally. Some key qualities of such personnel may include:

Finance: Experience in other international programs, and extensive knowledge of the legislation on labor and taxation; familiarity with two accounting and budget practices (the local country system and the US Government system); solid English language skills, written and spoken, is critical; flexibility, discretion and responsible professional ethics in their field (finance) are required.

Translator services: Dependant on the size of the project this may be a support staff, administrative assistant or a stand alone translator/interpreter - coupled or all rolled into one. Resourcefulness, cross-cultural awareness, knowledge of the local market and players within the donor world and the local counterpart institutions, and a sense of humor will be mandatory! As staff is hired, this person's role should be better defined – but at the beginning the broad and general survival help will be invaluable to the Project Director, especially if he/she is new on the ground. Once translation becomes the key activity – a test may be given to determine this person's level of technical skills in technical translation and tasks allocated accordingly.

2. Project operating procedures

WSI has developed a separate Field Office Finance Manual, which details WSI's financial management and accounting policies. These are compliant with USAID requirements. This should drive the policies that the local project uses and should be updated regularly based on local environment changes, etc. By aligning policies with the funding sources and government representatives, the project will be complying with the US Government policies already in place on the ground. The areas important for compliance are as follows:

- Labor (human resource policies, personnel policies, taxes and policies on hiring and recruitment)
- Registration as an entity (project vs. NGO, taxes, registration, contracts, necessary official documentation or agreements)
- Banking (accounts, currency, wire transfer, taxes, official documentation)
- Mileage/Per Diem rates (should be same as US Government State Dept rates or USAID local mission staff)

3. Budget and Banking

As mentioned above, inquiry can be made with other US Government contractors on the ground, or USAID local mission staff in order to determine issues and legal matters pertaining to local banking. This includes decisions on setting up bank accounts, systems for payments and wire transfers, etc. The Project Director should review the budget for the project in advance, and find out average rates for certain categories and adjust the budget accordingly. For example, average rents, salaries, payment for certain categories as utilities, telephone, taxes, cost of activities, rental of conference rooms, hotel average rates, etc. The Project Director should use comparable rates that other contractors are using on the ground.

It is mandatory for the project to hire an experienced Finance staff person to manage these budget issues. The most desirable candidate would be one with experience in other donor or international organizations on the ground locally, or if such a person is not available, anyone that worked within a joint foreign and local company or organization, he/she will be able to navigate the budget and finance issues quickly and certainly with more knowledge about legal implications of all budget activity.

4. Registration

As mentioned above, Project Director will need to determine what type of entity is easiest to operate within in this particular country. Being a legal NGO will take considerable amounts of paperwork, bureaucratic approvals, etc. The other options may be to examine the agreements of USAID (or ask local mission representatives) about the most convenient arrangement which may be as simple as using the official signed agreements as the “umbrella” of a foreign humanitarian assistance project, operating with (usually) tax or other exemptions in-country for a specific period of time. This may be easiest, but this may make certain activities difficult (purchasing fixed assets without a “fiscal code” or legal authority to be operating in-country, certain amounts of wire transfers and approvals, or even payment of taxes without a fiscal code). The Project Director has to examine all options and make the decision that is easiest and in compliance with direction from the local USAID mission and the US Embassy.

5. Inventory

The Project may be required to purchase significant amounts of inventory during the start up stages. Besides general management of the receipts, payments, guarantees, and invoices, there should be a system of marking each piece of inventory with a property ownership sticker (usually USAID). The USAID mission or US Department of Labor will provide all inventory, purchasing and other related documentation in advance. An inventory record should become part of the permanent documentation of the project, containing description of item, location, date of purchase, cost, disposition, and disposition date.

If the USAID mission offers to transfer previous project inventory, make sure that the list is updated, complete and stickers are updated on all pieces before assuming ownership. Also, having an official letter, signed by a USAID official, that explains the transfer will help the project significantly during close out phase when either property ownership transfers occur or when donations are to be made locally.

6. Marketing and Start-up Materials

There are particular necessary marketing materials that are required at the very beginning of a project – possibly even before staff is hired. Any marketing, promotion and communications activities that take place once staff is hired can be found in this manual under the section “Project Communications”.

The urgent necessary materials include: Project Director’s full in-country title (research local contractors and follow the local trend of USAID mission), a project title, name, business cards that reference funding source, a temporary brief brochure or fact sheet describing the project, a cell phone and a headquarters address (at least in the short term). In developing all of these materials, consider immediately the translation issues and implications of bi lingual materials and official language.

B. *Program Start Up*

1. Work plan preparation and development

Once the Project Director has reviewed the project documentation, agreements, proposal, budget and timeline, it is necessary to develop a comprehensive work plan. This may have been already requested by the USAID mission, or the counterpart, in terms of timeline and yearly activities. If not, the Project Director is responsible for developing the most realistic and thorough work plan with allocation of tasks, activities, intended outputs per activities, budget, timelines and external circumstances that may affect the implementation and execution of the plan.

There are many aspects to the scheduling of activities that will require input from WSI and USDOL in terms of timing, prerequisite approvals and official deadlines and timelines that must be adhered to by Project Director levels as well as the stateside contractor levels. Such aspects include: foreign consultants scheduling, administration and procurement of a consultant for a specified activity, travel schedules and country clearances. The Project Director should be briefed on the expertise available by WSI consultants (see Expertise Analysis or inquire to WSI) and they're past experience in activities or the region.

The execution of the model requires certain foreign consultants' expertise, in a certain sequence of activities and based on the project design, with certain input from local staff or partners.

Below is a sample scenario of a component activity with foreign expertise preparation required.

Sample 1: Rapid Response:

Foreign consultant will come to first train or brief the partners in the component. This may require an initial needs assessment visit, but will depend on the local counterpart institution. Preparation for their trip requires agreement on dates with local counterpart and their personnel's availability, translation of materials, hiring of trained translator and travel arrangements. Most importantly, however, the foreign consultant will be required to obtain country clearance from the US Embassy and local USAID Mission. This is standard policy for any consultant or agency operating with, by or under US Government funds in a foreign country. The Embassy and USAID mission have authority over all consultants when they are in country and the consultants, as well as the Project Directors, must comply with all rules and regulations set by these institutions locally.

This process begins with the Project Director's scheduling of consultants in advance (one quarter at the minimum). Then, five weeks in advance of the actual trip, WSI staff will draft a country clearance request to submit to USDOL, ILAB Program Manager. Then the request is sent to USAID (Washington DC) for approval, and then sent on to the US Dept of State, to the US Embassy local mission and finally to the local USAID mission and Program Manager assigned to the USDOL/WSI project. The process can take longer and delays are often – as well as clearance denial and trip cancellations. Due to this high importance policy, schedules and work plans are driven by this advance notice, and it is difficult to get local counterparts agreement or ability to work within these tight parameters. Hence, the work plan and agreement in advance is critical.

There will be inevitable circumstances that require changes, modifications and alterations to the plan. As long as both sides understand and contribute to the development of the work plan, and are kept updated regularly, these circumstances will be addressed with much more ease and compromise.

The work plan may be developed in draft form, and then presented to local counterpart institutions with all relevant information (excluding obligations and issues pertaining to the funding source). In planning, allow time for recruitment and training, flexibility in consultant's trip scheduling (use Plan A, B and C!), the schedules of the local partner and cultural or regional schedules (consider that summer months of July and August are low activity months, Sept – Dec 15 are good times for project implementation, Dec 15-Jan 15 or 30 are little to no activity periods, Easter is usually a no-activity week (research religious holidays), and other national holidays or customs must also be considered). Once the counterparts have reviewed, commented and agreed, continue to update them regularly or provide them with their own version of MS Project Management (even training them to use such a program will enhance their skills and the management of the program!).

2. Translation and Printed Manuals/Materials

All the materials and manuals that will be used by the project will have to be translated into the local languages early on in the process. Using edition or version numbers or coding will help in the management of the manuals. As the local staff and project partners will undoubtedly customize and improve the manuals to best fit their needs locally, there will be more editions or versions development. Keeping all the versions of the material in both or all languages, in an organized structured system, is a challenge but well worth the investment of time in advance. It is a proactive way to manage the processes of the project, and to avoid scrambling during final report writing and development! Documentation management (electronic ii preferable) may be a major element to a designated staff person's job description.

The translators and/or interpreters that are recruited should be trained and experienced as both. Giving a test during the interview of written translation is advised and evaluating this based on the language used is critical. Jargon, slang and conversation English is well known and widely used in this region. A trained, professional technical writer or translator with experience in training manuals would be ideal. Develop a glossary with the translator in advance, and hold staff meetings where the group determines the standard definitions of the technical language of the project (component titles, methods, processes and approaches). Develop the acronyms as well at this time and try to obtain consensus and understanding amongst all from the very beginning. As with any new "product", the language will be tested and may have to undergo first and second drafts or editions of even the glossary – but accurate definitions and standardization of terms is critical and will determine your credibility and reputation on the local market with partners and key stakeholders.

3. Baseline Surveys

Depending on the components to be implemented in the project design, it will be necessary to conduct informal research to determine that status of the environment and some baseline data to measure and evaluate later in the process. This is directly linked to the Performance Monitoring Plan (PMP) that may also have been developed for the project in advance. If not, it is advised to obtain a sample template, or copy of another country's PMP, and select similar indicators relevant to the funding, environment and the component to be implemented.

The type of baseline data to collect is extremely varied and can include, but is not limited to, the following:

- Existence of programs, methods, approaches and processes used locally
- Levels of awareness or knowledge about the existence of agencies or programs
- Levels of participation in services, programs or assistance centers by clients
- Number of participants
- Acceptance of methods and approaches used (past experience, willingness to learn, acceptance of new technologies, etc)
- Policies or regulations existing to support components and potential new needs; budget levels needed to support such policies
- Training or capacity levels of counterpart institutions or local partners
- Partnerships existing (and history of past collaborations – if)
- Any indications of audience or client groups' feelings, beliefs and attitudes towards the project and components or local counterpart institutions (can use focus groups, etc for data – informal, cheap but necessary for "pulse taking").
- Other

4. Project History – Documentation and Records

There should be ample documentation of the start up phases of the project, and a running “history” of activities, original work plans, all adaptations or modifications to work plans, any new funding or activities added, partners involvement, decision points and external environmental factors that may have altered the project implementation. Attached to this history should be a project timeline – intended and realistic. Such a history will be needed for final projects – but more importantly for potential changes both in Project Director, local staff and especially in the management of the funding source (i.e. Program Managers in USDOL and USAID). As government agencies tend to have employment cycles of two years per country or project, if the project lasts longer than two years, the history will be necessary in bringing new partners or staff into the project and giving them adequate information to see the big picture of the project and its intended implementation.

As mentioned in the translation section above, all manuals and records of project documents should be coded, marked and managed by designated staff and a process for adapting or updating documents should be created and instilled from the beginning.

The same history and documentation must also exist for the Project Budget. This may change several times, especially as USAID and government funding cycles are often allocated or committed per fiscal year, regardless of the written agreement at project start up. Annual submission to USAID of project and budget proposal is required. Such documents are usually drafted by the Project Director, and approved by WSI and DOL. Therefore, careful and thorough management of annual project budgets, related to activities, must be maintained and updated regularly. Usually the Project Director and the Finance Staff person divide share or jointly maintain and manage this function.

III. Establishing and nurturing partner relationships, role of advisory councils:

Establishing local credibility, and auspice for activity, and an avenue for eventual institutionalization can be greatly enhanced by organizing a national (or regional if that is the geographic area of the project) group that agrees to support and encourage the project. At the beginning no more than support and encouragement may be possible. Ultimately, they should become the leaders in the steps taken for adoption of the methods a project introduces. The members should understand this ultimate goal from the beginning. The name should be something like steering committee or advisory board, depending on local practice and translation implications.

The participants should represent the institutions responsible for the categories of activity introduced. They should also represent the tripartite interests involved in WSI worker adjustment projects. The organizations should have legitimacy as representatives of a particular sector in the eyes of the general population. Their representatives on the committee or board should have appropriate authorization to act on behalf of the group they represent. In some countries this advisory committee has USAID representation, which has been very beneficial for the projects image.

Partner selection may be determined during project development with the donor, or the Project Director must organize country partners during start-up. Every country has formed it's own partnership base and no two countries have the same base. All countries have the Ministry of Labor as a prime partner; some countries have several strategic partners.

Give attention to initiating the committee or board both to the model the project will introduce and also to their roles as advocates for the activity. Meet frequently. Keep them informed. Give them work to do in proportion to their ability to take it on. Be sure they are invited to celebrate victories like project openings so they feel something is coming from their efforts.

IV. Role, functions and training of Industrial Adjustment Specialists

A. The Role of an Industrial Adjustment Specialist

The successful implementation of this and the other components that make up the USDOL/WSI Integrated Adjustment Program Model requires the skills and leadership of highly trained, dedicated individuals--called Industrial Adjustment Specialists.

Industrial Adjustment Specialists must have experience and expertise in a number of areas essential to developing and maintaining effective rapid response and economic adjustment capability. They also must be self-motivated, well organized, have good communication and writing skills, good facilitation and negotiation skills and have a high energy level. Furthermore, to establish credibility and to be able to work effectively with both employers and employee groups, these specialists need to be familiar with and knowledgeable about all aspects of worker adjustment plus:

- Local, regional and national training and employment legislation, delivery systems and programs
- State Owned Enterprises private industry
- Market trends and their relationship to potential layoffs and closures labor markets and labor market institutions
- National and local economic development activities labor-management relations
- Enterprise competitiveness issues and human resource development issues in business

A worker adjustment component in a country or region is implemented by a small group of industrial adjustment (IA) specialists who may work individually, but function together as an industrial adjustment unit or rapid response team for a geographic region or the entire nation. The IA specialists can be located within the regional or local offices of the MOL or national employment service, attached to another government agency (such as a restructuring ministry or regional development agency), or set up as a separate entity or as part of an NGO.

IA specialists provide leadership to facilitate the timely organization and implementation of comprehensive adjustment programs in enterprises and communities undergoing economic restructuring. Their primary objective is to work with restructuring SOE managers, worker representatives, and community leaders to assess their situation and facilitate the development of action plans to provide adjustment services and programs to transition large groups of workers to new employment as quickly as possible.

B. Country specific variations of Role of IAS:

Using WSI Project and Partner Agency Specialists

In Hungary and Macedonia, the WSI project used Partner Agency personnel trained to become IAS Specialists. In both cases, this strategy was created at the project design stage with the full understanding and commitment of the Partner Agency. In both cases, the Partner Agency was the Ministry of Labor. The agreement must include the definition of an IAS and consequential commitment levels and responsibilities of the IAS. In addition, time and resources should be considered and the level of effort expended by these staff must be explained to the Partner Agency in order to avoid later confusion or inability for the personnel to act as IAS and fulfill the project implementation plan. This approach is ideal in that the institution agrees at the outset to contribute a portion of its limited resources (i.e. staff time) towards the implementation or at least pilot rounds of the project. As the Macedonia project is still in project implementation stages, the effects of this approach on sustainability and institutionalization cannot be determined. In Hungary, however, the project has been institutionalized within the Ministry of Labor, as well as other levels and within other agencies, and this was achieved with great advocacy efforts conducted by the IAS specialists within that Partner Agency.

In Romania, the WSI project was combined with a World Bank active labor measures program that required the hiring of full time technical consultants throughout the country to cover all regions and counties. This allowed the resources necessary to engage in such a labor intensive and costly approach. The consultants were located in seven regions of the country and were trained as the IAS. However, due to the contractual obligations of the project to the Partner Agency (also the Ministry of Labor and National Employment Agency), the local Employment Agency personnel were the key contact people in each of the sites where the model was being implemented. These people, after participating in the entire process and receiving informal on the job training, were formally trained to continue the work once the project was completed. This occurred at the end of the project - parts of the component were introduced into the employment legislation to allow budget and funds to be allocated towards these activities.

Using Volunteer IAS Specialists

In Bulgaria the WSI project focus was Local Economic Development and Quick Start. Partnerships were formed with six national organizations representing all aspects of economic development. Each partnership organization provided staff to become IASs, trained and able to implement the WSI process. In reality staffs located in the capital were not inclined to travel to local communities nor committed to the long-term WSI process. After the pilot round the WSI project implemented a lesson learned, to secure IASs from local partners in communities implementing the program. Currently, IASs from each community representing cross sectors such as NGO, municipal, private businesses are trained and have experience implementing the LED process. All community IASs participate in quarterly meetings, serve as trainers and local resources for new communities. This IAS volunteer network has allowed the project to be very cost effective while creating a country network of skilled, trained volunteers.

WSI Poland project is unique; there were only two years available for the project cycle from start-up to close out, because the funder (USAID) existed the country. Two partners agreed to participate and support the project, during training of their IASs both partners lapsed in their agreements and volunteers had to be procured on an step-by-step community bases. Staff served as the trainers and implementers while IASs were local resources for information, logistics and support. At the end of two years the project became a local NGO procuring grants and seeking sustainability. After a year of self-sustaining the NGO has been granted bi-lateral funds to build the capacity of the WSI model at the regional and local levels using partner staff as IASs.

In Ukraine, the project used trained local volunteers to act as IAS in the project sites. The local staff as well provided support, assistance and the necessary facilitation to IAS involved

V. Success and Sustainability

Critical Steps or Actions That Contribute to More Successful Adjustment Projects in CEE Countries

Experience to date in CEE countries demonstrates that several things contribute significantly to conducting successful and sustainable industrial adjustment projects, and to achieving more positive outcomes for workers, communities and enterprises. Among these are:

A. Understand that the USDOL/WSI adjustment model emphasizes active worker, business, and community participation in all aspects of the adjustment process and establishes partnerships among workers, employers, government and the community to promote economic restructuring and renewal.

B. Utilize all of the components of the integrated USDOL/WSI adjustment model, if possible. Whenever possible, the project design should include the four components and provide a framework for their systematic and timely implementation. However, it should be recognized that this may be somewhat difficult because many people, including some USDOL personnel, do not fully understand the importance of each component-and that the whole is greater than the parts. Consequently, it is necessary to have an effective education and marketing capacity available to educate those inside or outside the project who fail to understand the importance of each component and the synergy that can be achieved by using an integrated approach.

C. Obtain the necessary commitments from the national and local partners to ensure their full, active support and meaningful participation in the adjustment project, including the designation of competent national and local staff to serve two different functions: (1) as members of an advisory committee or council to provide input to and run interference for the project director and project; and (2) as members of a professional industrial adjustment service unit capable of working directly and in partnership with the Project staff-and provide it with the necessary facilities and resources to accomplish its objectives. Without such a commitment (and continued support for these two groups) from the national and/or local partners the project will have a very difficult time accomplishing its objectives and surviving beyond the ending date of the project.

D. Commit the national government to identify, designate or organize an Industrial Adjustment Service unit and staff within the ES or other suitable agency that can serve as the home of the IA specialists and as the delivery mechanism for industrial adjustment services developed through the USDOL/WSI adjustment project. The designated staff should be provided with the necessary training and TA, first by the project and later by the government, to help them accomplish their work during the project and after the project ends. The failure to obtain this commitment or to get the government to live up to this commitment, once made, is a recipe for failure.

E. It is important to have a technically competent and experienced Project Director/Chief Technical Advisor who is knowledgeable about the four components of the USDOL Mode1.5This person should be working full time on site to direct the project, and not have other external duties that will detract or prevent them from spending full time on the project.. If an experienced, technically competent person is not available, it is important to hire an effective project administrator, someone who recognizes their own limitations and who is prepared to use more heavily those technical experts who can provide the advice and training needed to achieve a successful project.

F. Select competent and experienced international consultant-trainers (who are knowledgeable about the components and objectives of the USDOL Model) to work closely with the Project Director in implementing the project and provide essential training and technical assistance to Project staff IA specialists, local IA specialists, and counterpart MOL or ES staff. Unfortunately, some technical experts are rather narrow in their expertise or views, and may try to impose their own philosophy, arid/or approach on the project director and staff. This situation can create problems, especially for project director's lacking knowledge and expertise about the Adjustment Model components, and should be avoided. It is up to WSI and the Project Director's to weed out these types of individuals whenever possible, and to keep the project focused on achieving its objectives by using the approved methodology and tools.

G. Hire a sufficient number of competent, highly motivated professional IA specialist staff at the Project level to provide effective and continuing leadership, support and guidance to the local IA staff, RACs, community teams, etc. They should be provided with high quality training (pre-service and in-service) and good leadership by the Project Director. They are a critical element to achieve ultimate project success.

H. Use well-trained and highly motivated Industrial Adjustment specialists to facilitate the use of the comprehensive adjustment process at the local community or enterprise level. Volunteer IA specialists can play a useful role, but they cannot devote the time or obtain the skills needed to perform this function as effectively as IA staff in the employ of the ES or other partner agency, or the project itself. Sustainability depends on having highly motivated, professional IA specialist staff available in the host country on a permanent basis after the project ends. Preferably, these individuals should be on the host government's payroll and not volunteers or self-employed persons scrambling to obtain work. There are few instances where alternative arrangements to locate IA Specialists *(e.g., as part of an NGO, foundation, or as volunteers attached to local communities)* have proven to be successful. This issue is critical to long term sustainability, and it should be addressed at the outset of the project and revisited frequently thereafter, and not left until the last few months of the project to address.

I. Establish and maintain close liaison and good working relationships with counterpart (governmental) agencies, partners and staff. The issue of public relations is important to the success of the project and its sustainability. Project Directors must devote considerable time (with the help of their coordinating council) to "winning friends and influencing people" in favor of the project and its objectives. Failure to do this could result in serious problems for the project and its ultimate success and the sustainability of the components after it ends.

J. Implement the adjustment components in phases-first, rapid response worker adjustment and financial resources components; second, economic renewal; and third, enterprise strengthening and competitiveness.

Although in several countries the CER component was implemented first, before the RRDWA component, or introduced without any intention to introduce other components, experience suggests that it is probably better to introduce the RRDWA component first and then expand into the CER and ES components, rather than vise versa. This is the better approach for a number of reasons:

1. The host governments (usually the MOL and the DOL) have less understanding about the role and functions of the CER component than the RRDWA component. It is only when they have been forced to come to grips with the unemployment problems a community faces because of job loss and the desperate need for job creation that they begin to see the linkage and complementary of the CER and RRDWA components in the Adjustment Model.

2. Starting out with the CER Component first can require a great deal more effort and time to implement than the RRDWA. Component. This may overwhelm an inexperienced staff that is not yet ready to take on such an assignment. Consequently, it may result in a less successful CER implementation. Establishing the RRDWA Component first requires less resources and staff capacity, and lends itself better to helping season an inexperienced IA Specialist staff. This component can be made operational with a less experienced staff before taking on the larger demands of the CER Component.

3. Can or should more than one component be started at the same time? In theory the answer should be yes, but in practice it has not proven to be a good solution. In addition to requiring excessive staff capacity (and more resources) to start more than one component at the same time, both with inexperienced staff, trying to implement several components simultaneously (e.g., RRDWA and CER) tends to divide the focus of the IA and Project Staff, and may contribute to one of the components receiving less attention and direction than it needs to be implemented successfully.

K. Have sufficient financial resources to do the job properly, plus a good financial management system with simplified administrative, monitoring and evaluation procedures. Procedures must be flexible and allow quick access to funds for rapid response adjustment planning and pre-layoff services, and timely delivery of needed programs to workers, communities and enterprises.

L. Evaluation measures must be established, in the design phase, before a project is started, and not imposed willy-nilly near the end or after the fact. They must also be limited to collecting information on those items that are absolutely essential, realistic, and can be obtained without unreasonable burden or distraction from the project's main work. Evaluation must be limited to those measures that can be useful in selling the projects' value and worth to the customer and funding agency, and not just as part of an exercise in designing grandiose, detailed evaluation schemes with little or no basis in reality and with even less value. Sustainability is facilitated by the availability of a limited amount of timely, accurate, and useful data; it is hindered by bundles of inaccurate, untimely, and meaningless data that provides little information of value to either project directors, host governments or funding agencies.

SECTION II

Rapid Response Displaced Worker Assistance Component

SECTION II

Rapid Response Displaced Worker

I. Assistance Component

Chart 1
Rapid Response Displaced Worker Assistance Component

Phase I ***Identify partner and develop early warning and rapid response capacity***	**Phase II** ***Organize and train RACs***	**Phase III** ***Implement action Plans and monitor service delivery***	**Outputs** ↓
Pre-startup (1) identification and selection of suitable Partner RRDWA training Workshops for IA Specialists and community RR Teams Establishment of early warning network and RR capacity Assessment made of community DWA resources Identification of threatened enterprises	Preliminary assessment of potential DWA problems and resources in threatened enterprises Ability of affected workers to cope with change assessed Establishment of mechanism in threatened enterprise (RAC, LMAT) to organize and direct DWA program RAC chair and members are trained and provided TA	RAC conducts survey of DWA needs and tabulates results RAC develops and implements action plans, including WARCs and pre-layoff services RAC monitors service delivery and documents results IA Specialist Monitor s DWA program implementation and evaluates results After DWA program is completed, IA Specialist helps revitalize and maintain DWA Team, including early warning and RR capacity, in community	1. Competent, committed and well-trained RRDWA Teams in participating communities and nations 2. An effective early warning system to identify threatened employers 3. Rapid response capacity and effective mechanisms to help employers and worker representatives identify the needs of displaced workers 4. Timely delivery of pre-and post-layoff services to displaced workers and their families 5. A significant reduction in (a) time workers need to find new jobs, (b) costs of unemployment benefits, and (c) extent of social pathologies

Chart 2
Steps to starting a Rapid Response Displaced Worker Assistance Program

1. Identify a suitable partner
2. Assess DWA needs, resources and opportunities
3. Organize and train a community Rapid Response Team
4. Establish early warning networks and make continuing assessments of enterprises and industries subject to economic restructuring and downsizing
5. Initiate direct contact with the restructuring employers and labor organizations representing workers; meet with them about the impending restructuring or closing
6. Make a preliminary assessment to determine the size and complexity of the potential labor displacement
7. Assess the ability of those affected to cope with the anticipated change
8. Set up a mechanism (Reemployment Assistance Committee or if this is not possible, use the community RR Team) to manage the displaced worker assistance program
9. Provide technical assistance to the Reemployment Assistance Committee or Community Team as they conduct a survey of workers to determine the most vulnerable employees and their needs
10. Provide training and technical assistance to the Reemployment Assistance Committee or Community Team as they develop and implement an action plan, establish a transition center and peer support program, and arrange for needed services
11. Monitor the progress and results, and assess the relevance of the strategies used
12. Complete and submit final report.

II. Steps to start and implement the Rapid Response Displaced Worker Assistance (RRDWA) Component in CEE countries

A. Start up Activities

1. The WSI Country Project Director should meet with Senior WSI Project IA Consultant/trainer to discuss the steps and timetable for implementing the RRDWA Component. The discussion should include determining the implementation strategy to be used, the partnership arrangements being considered or agreed to in the MOU, the RRDWA component staffing requirements, training needed, and other matters.

2. One of the first issues is to identify and recruit suitable partners) to implement the RRDWA component. It is important for the Project Director to discuss the objectives of the project with the partners and to obtain a written commitment from them agreeing to actively participate in the operation of the RRDWA component and spelling out what they are prepared to do to make it a success. Preferably, the MOL, NLO or National Employment Service will become the RRNVA partners and a formal commitment will be obtained as part of the initial negotiations. The commitment obtained should include the willingness to provide counterpart staff at the national and regional level to become directly involved in the RRNVA

implementation process, and to provide local agency staff needed to function as full or part-time IA RRDWA specialists. The partner agency should also be asked to provide office space, logistical support and released time for the IA Specialists to function in this capacity.

3. If the logical partner (NLO or MOL) is not interested in or capable of functioning as an effective partner, other partnership alternatives (e.g., using a foundation, local governments, NGOs, etc.) that could provide a home for the RRDWA unit and IA specialists should be considered. Another alternative is to hire and use full-time project employed staff for this purpose, with the hope and/or expectation that a suitable governmental partner can be found or will emerge once the RRDWA component is operational and demonstrates its value.

4. Follow up actions should be taken by the Project Director to ensure that the designated partner identifies and selects (a) the key staff members at the national level who will function as RRDWA counterparts, and (b) those individuals at the regional and local level who will function as IA specialists in implementing the RRDWA component at the local level. It is very important that competent individuals are selected, and that they are fully supported by their superiors in carrying out this important assignment.

5. Arrange to have the international RRDWA manuals and other training materials, worksheets and handouts translated into the local language, and print sufficient copies for distribution as part of any subsequent national agency training sessions and IA specialist training workshops.

6. Begin planning for start up of RRDWA services. Arrange for a WSI international RR/WA trainers to help prepare and conduct a one or two day training-session for the partner's key staff at the national and regional level to explain the USDOUWSI ICAP Model and the essential features of the RRDWA component that will be implemented
7. Project RRDWA staff in consultation with the counterpart RRDWA staff designated by the host government should establish selection criteria (e.g., pilot regions where major plant closures had occurred or will be occurring, sites having higher than average unemployment rates and expectations of further mass layoffs, etc.) and identify appropriate communities and enterprises to participate in pilot RR/WA activities in the selected regions.

8. The Project Director, in consultation with the WSI Director, should set a date for the training of IA Specialists from the counterpart's regional and local ES or labor offices in the pilot regions. WSI will arrange for qualified international trainers to conduct the initial RRDWA training.

9. Project RRDWA staff, counterpart RRDWA Team and local IA specialists will participate in a one-week workshop to learn the RRDWA philosophy, methodology and techniques.

B. Establish early warning network

1. The foundation of a worker adjustment program that will be successful over time rests on having an effective early warning system and good information about what is happening to businesses and employers in a community or region. Consequently, another start up activity undertaken by the Project Director and Project staff should be to help the counterpart national Team and regional and local IA Specialists establish an early warning network and instruct them to continually assess enterprises and industries subject to economic restructuring and downsizing.

2. Project RRDWA IA specialists work with counterpart RRDWA staff, local labor offices, local and regional MOL offices, restructuring ministries and other government agencies involved with privatization, and local elected officials and trade unions, to establish and activate an early warning system or network to obtain accurate and timely information about pending and future enterprise restructuring which may occur in a community or region.

3. Project and counterpart RRDWA staff use the network to collect, organize and circulate to local IA specialists any information from contacts that will help them to keep tabs on enterprises or industries in their region or locality that are in danger of losing jobs or scheduled to be restructured. A computerized information system should be established by the Project RRDWA and counterpart staff to help IA specialists track these developments.

4. Local IA specialists closely monitor the situation in these enterprises and industries to determine: (1) when it is appropriate to make direct contact with them to discuss their situation, and (2) if the rapid response worker adjustment process should be activated on their behalf.

C. Develop a management information system (MIS)

The WSI Adjustment Project staff and counterpart staff should develop and implement a basic MIS system to keep track of the essential information generated by. the early warning system and the implementation of RRNVA activities at the enterprise level. If possible, a computerized reporting system will be made available by USDOUWSI to the project for translation, modification and use in each country. (Computerized systems have been developed in Hungary and Romania, with the latter now available for use in new countries.)

D. Implement the Rapid Response Worker Adjustment Process

1. Once the pilot communities or regions have been identified by the Project Staff (usually after consultations with the host government and partner) and restructuring enterprises selected, Project RRDWA staff (and/or international trainers) should assist local IA specialists to initiate direct contact with the restructuring enterprises in the pilot communities.

2. Project and local RRDWA IA specialists meet with restructuring employers and unions representing their workers to discuss the closures or downsizing, - preferably prior to the action being taken. If it is not possible to meet before the closure, they should still meet with the parties to begin discussions as soon as possible after the closure has occurred. The Project staff should provide technical assistance, but should require the local IA specialists to do the actual implementation.

E. Make a preliminary assessment to determine the size and complexity of the potential labor dislocation.

Regional or local IA Specialists are responsible for making an assessment to determine the nature, extent and impact of the enterprise restructuring on the workers and their communities. They should:

1. look for alternatives to the closures or layoffs, and explore any promising alternatives with the employers, unions and community leaders
2. review the personnel policies of the enterprise
3. inventory the entire work force, wage levels, education, age, experience, etc.
4. analyze the composition of the work force
5. review the labor regulations or special arrangements concerning severance pay, retraining, transfers, retirement, etc.
6. review the collective bargaining agreements, if any exist
7. estimate the optimum work force numbers if the enterprise is being downsized rather than closed
8. determine the layoff size and number of workers likely to need services
9. determine if the remaining workers and the enterprise (if it is being downsized rather than closed) will need access to enterprise competitiveness services
10. assess the appropriateness of enterprise adjustment strategies or policies the employer intends to use to carry out the closure or downsizing

F. Assess the ability of those affected to cope with the anticipated change.

IA specialists should compare the nature and magnitude of the problems faced by the workers and employer with their capacity and that of other groups in the community to provide the assistance that will be needed. To accomplish this, the IA specialist must assess:

1. the local features of the environment where the specific restructuring is taking place, including the local labor market situation and state of the economy
2. the coping strategies, such as farming, trade, self-employment, commuting, etc. that are available to help absorb the workers.
3. the local Employment Service or Labor Office capacity
4. the institutional, NGO, or other community-based capacity to help deliver assistance to workers (retraining, vocational counseling, job search, job development, financial help, peer counseling, etc.)
5. what community leaders are involved, what roles they play and their willingness to participate in achieving the adjustment process
6. the willingness and capacity of the employer and trade unions in the SOE to become actively involved in facilitating the adjustment process, and their willingness to establish and support a reemployment assistance committee or LMAT
7. the need for establishing a worker assistance resource center (WARC) on-site or elsewhere to provide needed services to workers; and the willingness of the employer and union to participate in its establishment and operation, and the development of a peer counseling program, if appropriate

G. Set up a mechanism (RAC or LMAT) to organize and manage the worker adjustment program.

As noted in Item D, it is the responsibility of the IA specialist, with Project Staff support (and international TA during the pilot phase), to establish an effective ad hoc mechanism (preferably an LMAT or RAC) to organize and manage the worker adjustment program and arrange for the delivery of needed services to workers and their families. The IA specialist must:

1. sell the idea of organizing a RAC or LMAT to the employer and union
2. contact community leaders and alert them to the status of enterprise restructuring and the potential for worker dislocation, and the possible needs this may create
3. develop institutional arrangements to link restructuring policies with local action planning by the RAC
4. identify all the key players or stakeholders who should be informed or involved in the adjustment process and enlist their support and participation
5. conduct an on site meeting with employer and employee representative separately and then jointly. The purpose of the meeting is to explain the worker adjustment services available and procedures for accessing them. An

6. explanation should be provided about the reemployment assistance committee (RAC) or Labor Management Adjustment Team (LMAT) concept and its use should be promoted to the employer and worker representatives.
7. sign an agreement with the employer and trade union (if one exists) to establish the RAC or LMAT. If the enterprise managers and worker representatives agree to the formation of an ad hoc RAC or LMAT, an agreement spelling out who will provide the needed facilities, services, staff, etc., is signed by representatives of the company, the union and the IA specialist (representing the Project or parent ES agency). If the RAC or LMAT concept is agreed upon, the IA specialist offers assistance in finding a suitable chairperson.
8. Provide training and technical assistance to the RAC or LMAT members so they can effectively carry out their work
9. During the pilot phase, RACs should be able to apply to the Project Office for up to $3,000 (depending on the project resources and size of layoff) to cover operating costs, including such items as fees for a neutral chair, conducting a worker survey, job fairs, newsletters and pilot demonstration WARC costs. Employers and the ES partner should make in-kind contributions to the efforts including space for meetings and staff time. Normally, no Project resources are used to provide vocational training or other active measures. Existing ES and other public resources provided directly by the government or through World Bank loans, etc. should be used to finance vocational training, Job Clubs and other active labor measures and services. (In Macedonia, sufficient resources have been made available to the project by USAID to pay for Job Clubs and some of the other more extensive activities.)
10. If the parties do not agree to establish a RAC or LMAT, the IA specialist should work with the community leaders to organize a community task force or other group to take a leadership role in planning, organizing and coordinating the delivery of services and assistance to affected workers. In this event, the IA specialist drafts an agreement with this group to establish roles, services and facilities to be used to address the dislocation event. Training and technical assistance will be provided to the members so they can effectively carry out their work.

H. Provide technical assistance to the IZAC, LMAT (or Community Task Force) as they conduct a survey of workers to determine the most vulnerable employees and their needs.

The IA specialist, assisted by Project Staff, provides technical assistance to help RACs, LMATs or community task forces:

1. develop a set of questions to gain information on the basic demographic characteristics of the workforce, their training and other needs, and the services they will need in transitioning to new employment
2. decide how to carry out the survey conduct the survey
3. review and analyze the surveys compile the data in a useful format

I. Provide technical assistance to the RAC, LMAT or community task force as they develop and implement an action plan

The IA specialist serves in a liaison role with education and training institutions and public employment offices, encourages project linkages to ongoing services offered in the community, and provides technical assistance to help RAC, LMAT or community task forces as they develop an action plan to provide the needed adjustment services to workers and their families. The action plan prepared and implemented by the RAC or LMAT should include the following elements:

1. establishing a data base and procedures to track the dislocated workers over time to determine their use of RAC services and success in finding new employment or need for additional services
2. developing an internal communication plan for reaching the dislocated workers (newsletter, bulletin boards, personal contacts, letters)
3. developing an external communication plan (press, community contacts)
4. encouraging partnerships with and accessing resources of local enterprise agencies, municipalities, chambers of commerce, employers, trade unions, job clubs, training institutions, NGOs, the media and others
5. organizing, individual and group presentations to provide workers with information about training, retirement, entrepreneur4ship, job clubs, legal questions, etc.
6. planning and staffing an effective on-site worker assistance resource center (WARC) or in a nearby community where dislocated workers can go for peer support, information, counseling and job listings.
7. analyzing the local labor market conditions
8. organizing job search skills workshops, Job Clubs, and Job Fairs with area employers and other programs
9. developing job leads for workers and tapping into the "hidden job market"
10. organizing, arranging or contracting for, and coordinating the delivery of services and other worker adjustment measures, e.g., early intervention services, basic readjustment services, retraining services, community services including mental health, family and financial counseling, etc.
11. serving as advocates for the dislocated workers

J. Facilitate the creation of jobs and community economic renewal

Project Staff and IA specialists should provide TA to the RAC or LMAT in how to develop and foster links with economic development activities and institutions, or, if none exist, help them start up economic renewal and job creation efforts in the community and region where the mass layoff and worker dislocation occurs. Consideration should be given to starting the USDOL/WSI CER Component in the community to facilitate and further this process.

K. Monitor the progress and results, and assess the relevance of the RR/WA strategies used.

IA Specialists, with help from the Project Office, monitor the progress and success of the RAC, LMAT or community task force to see whether the needs of the dislocated workers are being met in a timely and cost effective way. The IA specialist monitors employee participation and RAC efforts as needed, by reviewing:

- survey completion
- attendance at RAC sessions
- registration for training, participation in job clubs, etc.
- job development
- job placement.

The IA specialist, with training and TA from the Project Director and Staff, also provides leadership to:

- establish performance measures to monitor the impact on the dislocated workers to ensure that the action plan produces the anticipated results measure the financial effectiveness of the services provided by the service deliverers
- assess the relevance of various strategies to avert or cushion the layoff or closing, such as those involving community economic renewal workshops or ownership transfers
- continually assess the need for additional public resources and takes appropriate action to access such resources when indicated

L. Evaluation and Wrap-up of each RAC or LMAT (or community) worker assistance efforts.

When the work of an LMAT or RAC is finished, IA specialists should follow up to ensure that the necessary evaluations and reports on each closure or downsizing are completed and submitted in a timely manner. These reports include:

1. a final report by the chair of the LMAT or RAC describing the work and results achieved by the group.
2. a formal ES or Project Office assessment on the work of the LMAT or RAC in addressing the needs of the dislocated workers
3. a RAC members' assessment an ES or LLO follow-up survey of the status of the dislocated workers

M. Next Steps-Facilitate national and local efforts to achieve sustainability.

The Project Director and Staff, assisted by counterpart agency staff and IA specialists, should take whatever actions that are necessary and appropriate to facilitate the sustainability and institutionalization of the RR/VNA Component within the nation and/or regions where this process has been implemented.

The Project Director and project staff should arrange to provide training and TA to the counterpart national or regional ES or L0 staffs as they develop and introduce a national version of the RRNVA manuals and materials that are suitable for the local needs after the project ends.

The Project Director and project staff should plan and organize a RRDWA dissemination conference (national, regional?) at the end of the project so that national counterpart staff, local RRDWA IA specialists and LMATs can share their experiences and results with key government, business and labor leaders and publicize the successes achieved in their communities and country.

N. Prepare a Final Report on the RRDWA Component.

The Project Director and staff should use the "Outline of data and information needed to document and evaluate USDOL RRDWA projects in Macedonia, Poland and Romania" (and whatever evaluation guidelines that may be developed by USDOL and WSI to collect and organize all of the information needed for inclusion in the final report of the project.

The Project Director should prepare and submit the final report on the RRNVA component to WSI and USOL upon the completion of the project.

III. Financial guidelines for USDOLIWSI Adjustment Project Rapid Response Dislocated Worker Assistance Component

Subject: Use of USDOL/USAID ICAP project grant funds in support of the Rapid Response Dislocated Worker Assistance (RRDWA) Component.

Objectives of guidelines: To clarify fiscal procedures and allowable expenditure of USDOL/USAID funds for the RRDWA component in accordance with United States Congressional Law governing SEED and other USAID-funded programs.

A. Definitions:

1. **Rapid response activity**. The term *"rapid response activity*" means an activity provided, or by an entity designated by the USDOL/WSI project with an RRDWA Component, with funds provided by the United States Department of Labor and/or USAID under the SEED or other U.S. government funded programs

in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or other circumstance, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including:

2. **Reemployment assistance committee or labor management adjustment committee.** The terms "*reemployment assistance committees*" (RAC) or *"labor-management adjustment committees"* (LMAC) mean committees voluntarily established to respond to actual or prospective worker dislocation, that ordinarily include (but are not limited to) the following:

    a. shared and equal participation by workers and management;
    b. shared financial participation between the company, USDOL/WSI Adjustment Project, and public employment service or employment and training agency, if one exists. Within the budget guidelines, the USDOL/WSI Adjustment Project will pay for the routine and normal operating expenses of the committee up to a maximum of $3,000 (unless otherwise determined in the project design). The company will provide in-kind contributions in the form of committee member salaries, meeting and seminar premises expenses, and other value-added company contributions. Public employment and training agencies will provide the employment and training services normally provided to displaced and unemployed workers (vocational guidance and counseling, job search assistance, vocational training, etc.),
    c. a chairperson, to oversee and guide the activities of the committee, (i) who shall be jointly selected by the labor and management members of the committee; (ii) who is not employed by or under contract with labor or management at the site, and (iii) who shall provide advice and leadership to the committee and prepare a report on its activities;
    d. the ability to respond flexibly to the needs of affected workers by devising and implementing a strategy for assessing the employment and training needs of each dislocated worker and for obtaining the services and assistance necessary to meet those needs;
    e. a formal agreement, terminable at will by the workers or the company management,
    f. local job identification activities by the chairman and members of the committee on behalf of the affected workers.
    g. The term "service provider" means a public agency, private nonprofit organization, or private-for-profit entity that delivers educational, training, or employment services.

B. Purpose:

The purpose of the rapid response worker assistance component is to promote expanded services to unemployed or at-risk workers by creating Reemployment Assistance Committees or Labor Management Adjustment Committees.

Implementing an RRDWA component in a community and/or restructuring enterprise results in:

1. the establishment of on-site contact with employers and employee representatives
2. the provision of information and access to available employment and training activities; (Please note: USDOL/WSI Projects do not pay for retraining of worker populations. See Duplication of Services).
3. assistance in establishing a RAC or LMAC, voluntarily agreed to by workers and management, with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining group services to meet such needs;
4. the provision of assistance to the local community in developing a coordinated response and in obtaining access to community economic renewal planning and enterprise strengthening services.

C. Expected Employer Contribution:

Employers are expected to contribute the cost of committee member salary costs while engaged in RAC or LMAC initial training, ongoing committee meetings; provision of services (i.e. group seminars, group surveys, etc.), necessary research, bid solicitation, and on-site premises expenses for meetings, seminars, and worker assistance resource center (WARC) operations or events.

D. Eligible Expenditures of USDOL/WSI Adjustment Project funds:

1. **Basic Readjustment Services**-Following the guidelines project funds may be used to provide basic readjustment services to eligible dislocated workers. The services may include:
2. **Group Seminars** - A group seminar is defined as more than 3 workers formed into a group which has been
   - identified using recruitment from the dislocated workers. Such recruitment must include: Distribution of flyers, newsletters, postings on bulletin boards, and widely distributed sign-up sheets.
   - Evidence of recruitment efforts must be submitted to the USDOL/WSI Country Project office before the event invoice will be paid.
3. **Introductory Training -** Introductory Training is defined as seminars and or classes not lasting more than 30 classroom hours in duration with certified trainers, teachers, or publicly recognized professional experts (i.e. Job Search Training, Entrepreneurship Training, Small Business Plan Development).
   a. **Worker Assistance Resource Centers** - Establishment of an on-site worker assistance resource center where the dislocated workers can go for peer support, information, counseling, and job listings;
   b. **Information Sessions** - Provision for information sessions and workshops on training programs, entrepreneurships, legal and financial questions (not personal financial payments nor assistance), job search skills, and other topics;

c. **Communication** - Establishment and maintenance of communication systems to inform dislocated workers and the community at large through newsletters, press releases, personal interviews, and small group meetings;
d. **Developing employment opportunities** - using such techniques as:
   - organizing job fairs, advertising of workers' skills, contacting area employers,
   - relying on word of mouth possibilities,
   - trying to tap into the "hidden labor market" (identifying jobs that are not listed with the National Employment Service including: conducting employer job opening surveys, analyzing data from survey collection and the publication of the survey analysis).
e. **Job Exploration Seminars** - Including seminars focused on a specific occupation (i.e. accountant, computer repair, nurse, etc.)
f. **Outreach -** The costs associated with the creation, production and distribution of outreach materials including flyers, newsletters, posters, brochures, and other public information written materials.
g. **Expert Technical Assistance** - Expert trainers in the field of job placement, job search techniques, interviewing, and other worker specified topical areas are only allowable if contracted vendors co-facilitate or co-train with employment service personnel.
h. **Employer Information** - Data gathering of labor market information to determine job opportunities (both current and long-term) within the community and neighboring communities.
i. **Enhanced Job Search** - Must included structured interviewing, video taping, distribution of required materials, etc..
j. **Cooperative Rapid Response Programs** - Conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.
k. **Business Start-Up** - Group Seminars for entrepreneurial training including business start-up planning, development of a business plan, development of a financial proposal, group legal advice, etc.

E. Ineligible RRDWA Component expenditures provided by other Ministries

General - The following services should be provided by the Employment Service or other ministries such as a National Employment and Training Agency;
Retraining and Job Club services are usually provided by the national employment service, World Bank or other donors through a Labor Redeployment program and are therefore, ineligible USDOL/WSI expenditures;

1. Job or career counseling
2. Job Clubs
3. Assessment, including evaluation of educational attainment and participant interests and aptitudes;
4. Job placement assistance
5. Job development

F. Ineligible RRDWA Component funding expenditures:

1. Direct payments to workers of any kind including; including but not limited to:
   - Direct payments to dislocated workers and RAC or LMAC committee members for wages, wage replacement, retirement, severance,
   - Individual payment of commuting assistance for job search, seminar/training attendance, or retraining.
   - Relocation assistance for family and/or personal belongings for any reason.
2. Capital investment for the business start-up which includes direct legal fees, equipment purchase, premises set-up, product design, marketing, distribution and all other associated costs of business start-up
3. Direct payments or services of any kind to family members of dislocated workers.
4. Retraining Services: Funds allotted may not be used to provide individual training services under this part to eligible dislocated workers. Such services may include (but are not limited to):
   - classroom training;
   - occupational skill training;
   - on-the-job training;
   - out-of-area job search;
   - relocation;
   - basic and remedial education;
5. No funds under this part may be expended to provide wages for public service employment.

G. Competitive Bid Requirements

The use of USDOL/WSI Project Funds to purchase goods or services requires a competitive quote/bid process. All committee expenditures for goods or services of $100 US or more requires the acquisition of 3 written competitive quotes of equal service or goods.

In the case of Neutral Chair expenses, a competitive solicitation of applicant resumes/curriculum vitaes must be distributed to the full committee for criteria screening. A structured interview process and consensus decision by the all committee members completes the requirements for competitive processes for this expenditure.

Committee members have a direct clear responsibility and liability to deliver all written documentation to the USDOL/WSI Country Project Chief Financial Officer. Payments will not be made without the required documentation.

Elements of Monitoring Plan for RRDWA
Managing and Monitoring Plan for USDOL/WSI Adjustment Model Projects

Part III: Monitoring Plan for EC Component

Phase I: Develop early warning network, MIS, and EC capacity			
Pre-startup: assessment, planning, pilot site selection & orientation meetings	EC training workshop for partner staffs and designated IA Specialists	Establish early warning networks and MIS	Assess EC strengthening resources nationally and locally

1 → 2 → 3 → 4

Phase II: Implement EC analytical assessment process			
Identify "at-risk" enterprises	Conduct preliminary visit to assess EC problems, needs and interest	Sign an agreement with enterprise to authorize EC project	Conduct EC restructuring Workshop R

5 → 6 → 7

Phase III: Select restructuring strategy and implement EC tools			
Select EC restructuring strategy and tools	Access and implement EC tools within enterprise	Monitor the implementation of EC project(s)	Prepare final report on completed EC project(s)

8 → 9 → 10

Phase IV: Institutionalize EC capacity in community and country			
Workshop S	Review EC project(s) and organizational status	Develop action plan to continue EC work	Training and TA provided to maintain EC capacity

11 → 12 → 13

Component Phases (I, II, III)

Phase I: Identify partner and pilot sites, develop early warning and RR capacity

A. **Pre startup:** Identification and recruitment of suitable partner

- Orientation workshop for national partners
- Agreement to participate in implementing RRDWA Component
- Selection or recruitment of partner IA Specialists

B. **Pre-startup: needs assessment, planning and pilot site selection.**

- Letters of interest
- DWA need and demand assessed
- Pilot sites selected
- Orientation meeting: BR/LA options presented and expected outcomes discussed
- Decision to participate made
- Members of community RR team identified-names, addresses, telephone
- RRDWA training workshops scheduled
- IA Specialists-trained

C. **Community RR team-attendance data**

- Community team-network RR and worker adjustment needs readiness Checklist
- Community RRDWA team-Organized

D. **Establishing of early warning network**

- Early warning network established by community RR Team
- Published and unpublished information collected on enterprises in community
- Information and data analyzed to determine BR/LA problems and needs
- Threatened enterprises and crisis situations identified

Phase II: Organize and train RACs

A. **Preliminary assessment of potential DWA problems in threatened enterprises**

- Employer and worker representatives contacted to assess DWA needs
- Assessment of workers' ability to cope with change
- Assessment of pre-layoff services needed completed

- Assessment of availability of community resources
- Assessment of impact of downsizing or closure on other enterprises and community
- Establishment of mechanism to manage DWA program
- Agreement to organize a RAC is reached
- Neutral chairperson selected (if appropriate)
- Roles of RAC and partners clarified

B. RAC members trained and provided TA

- Workshop to orient and train RAC chair and members

Phase III: Implement action plan, monitor service delivery and maintain RRDWA capacity

A. RAC conducts survey of displaced worker needs

- survey developed and administered to soon-to-be displaced workers
- survey of displaced workers completed and analyzed

B. RAC Action plan developed and implemented

- Action plan developed by RAC
- WARC established (if appropriate)
- pre-layoff services delivered

C. RAC monitors delivery of services and program results, and prepares final report

- RAC monitors service delivery
- RAC chair records and evaluates program results
- Final report of RAC is prepared by chairperson and submitted community RR Team

D. RR Team makes changes needed to maintain early warning and RR capacity in future

- Community RR team completes case study write up, including evaluating results of its RR DWA work during life of project
- Recommended changes are incorporated into RR approach
- Early warning and RR capacity remains operational

RRDWA Monitoring Checklist

Phase I

Activities	Responsibilities	Dates	Comments
1. Pre-startup: Identification and recruitment of partner ▪ Orientation workshop for national partners ▪ Agreement to participate ▪ Selection of partner IA specialists			
2. Pre-startup: Needs assessment, planning and pilot site selection ▪ Letters of interest ▪ DWA need and demand assessment ▪ Pilot site selection ▪ Orientation workshop : options presented and explained -Planning -Orientation -Facilitation ▪ Decision to participate ▪ Community RR team identified ▪ RRDWA Training Workshop scheduled			
3. RRDWA Workshops ▪ RRDWA Workshop for IA specialists -Attendance -Workshop evaluation ▪ Community RR Team organized ▪ Community RR Team homework ▪ (RRDWA needs readiness checklist)			
4. Establish early warning network ▪ Early warning network established ▪ Published and unpublished information on enterprises collected and analyzed ▪ Threatened enterprises and crisis situations identified			

RRDWA Monitoring Checklist

Phase II

Activities	Responsibilities	Dates	Comments
5. Preliminary assessment of potential DWA problems in threatened enterprises ▪ contact enterprise managers ▪ contact enterprise worker representatives ▪ Assess workers ability to cope with change ▪ Assess availability of community DWA resources ▪ Assess impact of downsizing or closure on other enterprises			
6. Establish mechanism to manage DWA program ▪ Agreement to reorganize a RAC ▪ RAC chairperson selected ▪ Roles of RAC and partners explained			
7. Train RAC members and provide them with TA ▪ Workshop to orient and train RAC chair and members -Attendance -Workshop evaluation -Homework			
8. RAC conducts survey of displaced worker needs ▪ Survey developed and administered ▪ Survey of displaced workers completed and analyzed			
9. RAC Action plan developed and implemented ▪ Action plan developed ▪ WARC established (if appropriate) ▪ Pre-layoff services delivered			
10. RAC monitors delivery of services and program results ▪ RAC monitors service delivery ▪ RAC chair records and evaluates program results ▪ Final report of RAC is prepared to chairperson and RR team			
11. RR Team revitalized to maintain RR capacity and EW network in community ▪ RR team completes case study and report on DWA project ▪ Recommended changes incorporated by RR Team ▪ EW and RR capacity maintained			

RRDWA Evaluation Plan: Indicators and Outputs

RRDWA M&E Plan Element	DO	Indicator or output
M&E Step 1	IO3	National partner (s) agreement to participate in RRDWA program
M&E Step 2	IO3	Pilot sites selected RRDWA orientation meetings completed Community RR team selected
M&E Step 3	IO3	IA specialist/community RR team members trained RR Team organized
M&E Step 4	IO3	Early warning network established
M&E Step 5	IO3	Preliminary assessment of D WA problems in threatened enterprises
M&E Step 6		Establishment of mechanism to manage DWA program
M&E Step 7		RAC conducts survey of DWA needs
M&E Step 8	IO2	Action plan for DWA developed and implemented WARC established Pre-layoff services delivered
M&E Step 9	IO2 IO3	Action plan for DWA developed and implemented WARC established Pre-layoff services delivered
M&E Step 10	I02 I03 Sub IO4 Sub IO5	RAC monitors delivery of D WA services Final report is prepared and delivered to project office Public/private institutions implementing DWA services Increase in bud et allocation for DWA
M&E Step 11	IO2 IO3 Sub IO4 Sub IO5	RR team revitalized to maintain early warning and RR capacity New policies/regulations adopted to support DWA programs Trained and designated professional providing DWA services

Outline of Data and Information Needed to Document and Evaluate USDOL/WSI Rapid Response Displaced Worker Assistance (RRDWA) Projects

A. Introduction

Background of RRDWA component organization and structure at national level (organization, staffing, expectations of USAID and government, unique problems in starting project, political issues that impacted on startup and ongoing activities, linkage with MOL, ES, etc.). Also, provide information about any previous worker adjustment projects or government activities that included attempts to assist workers dislocated from enterprises including reasons for their success or failure, and how this project relates to or will be impacted by those efforts.

B. Description

Description of RRDWA component objectives and implementation strategy (partners and their roles, IA specialists' roles, rationale and selection criteria for selecting pilot communities, timetable, unique characteristics, etc.). Description of how RRDWA component will be related to and coordinated within the overall USDOL/WSI adjustment project (i.e., if there are several components in the project), and how it will be related to other USAID or international projects in the country.

C. Preparations

Preparations for launching RRDWA component, e.g., training for IA Specialists (including workshops, TA, Study tours, etc.); training for ES or other partner agencies at the national, regional and local levels; and establishing a regional or local presence in geographical areas to implement the RRDWA component, etc.. This section should include the number of IA Specialists (and others) who received RRDWA training.

D. Background

Background of each pilot community's and enterprise's situation prior to USDOL's RRDWA project involvement

E. Chronology

Chronology of Rapid Response LMAT/R.AC events for each community selected to participate in pilot rounds. Sample description of LMAT/R.AC process to be used:

1. **Phase One: Verifying layoffs, determining needs and selling the LMAT/RAC concept**
   - Look for layoff alternatives
   - Demonstrate the value of a LMAT/RAC to enterprise management and employee representatives-trade union and works council representatives

2. **Phase Two: LMAT/RAC Inception**
   - Select LMAT/RAC members from trade union, works council, dislocated workers and management

- Select neutral Chair
- Sign an agreement among the LLO/ES, enterprise and employee representatives specifying responsibilities and procedures
- Orient the LMAT/RAC to its mission and train them in how to use brainstorming and consensus decision-making

3. **Phase Three: LMAT/RAC work**
   - Inform workers about the LMAT/RAC and its goals
   - Survey dislocated workers about their skills and needs O Analyze dislocated workers' needs survey
   - Develop and Implement an Action Plan
     a. Develop an Internal Communication plan to reach the about-to-be dislocated workers through newsletters, bulletin boards, personal contacts, and letters
     b. Develop an External Communication plan using the media and community contacts
     c. Encourage partnerships with Local Enterprise Agencies, municipalities, chambers of commerce, employers, trade unions, job clubs, training institutions, NGOs, the media and others and use their resources
     d. Arrange for Information Sessions about training, retirement, entrepreneurship, Job Clubs, legal questions, etc.
     e. Set up an on-site Worker Assistance Resource Center (WARC) to provide the about-to-be dislocated workers with information, counseling, job listings and peer support
     f. Organize job search skills workshops and Job Fairs with area employers and other programs
     g. Develop employment opportunities and tap into the "hidden labor market"
     h. Serve as an advocate for the about-to-be dislocated workers
   - Monitor employee participation and adjust LMAT/RAC efforts as needed by reviewing:
     a. Survey of Workers' skills and needs
     b. Attendance at LMAT/RAC sessions
     c. Registration for training, Job Clubs, etc.
     d. Job placements

   - Foster links with local economic development agencies or start new job creation/economic development efforts (CER Projects)
   - Evaluate enterprise competitiveness (EC) needs in downsizing and other enterprises in the community. If appropriate, start EC projects to strengthen enterprises and preserve jobs.

4. **Phase Four: Evaluate and Wrap-up**
   Complete and submit reports: i.e., the LMAT/RAC Chair's final report, LLO/ES assessment, LMATIRAC members' assessment, LLO/ES follow-up survey

F. Description of project implementation

Description of USDOL/WSI RRDWA project's implementation of LMAT/RAC in each pilot enterprise and community. Describe what was actually done and why-including explanations of any significant deviations from the chronology of events outlined in letter E. above. Include a description of all services that were provided either through or in support of the work of the LMAT/RAC.

G. Description of other worker adjustment activities and services

Description of any other worker adjustment activities and services (other than LMAT/RAC directed) initiated or provided by the USDOL/WSI RRDWA project to partners, workers, enterprises or communities (e.g., vocational training, vocational counseling, preparation of training materials and manuals, dissemination workshops, etc.)

H. Financial support

Financial support provided by RRDWA project and other sources for LMAT/RACs and other support services for dislocated workers. Description of USDOL/WSI funding support provided for LMATs/RACs, and how and when this assistance was delivered. Also, include a description of government support (human, technical and financial) made available to:

- directly finance, or
- indirectly support the work of the LMAT/RACs and facilitate the transition of workers to new jobs.

I. Outcomes/results of LMAT/RAC activities

Outcomes/results of LMAT/RAC activities at each site or enterprise. Establishment of a project data collection system is essential. Data collected should include:

1. Number of LMATs/RACs established
2. Number of dislocated workers from each of these pilot sites
3. Number of active job seekers from these sites
4. Number of individuals who participated in LMAT/RAC programs
5. Number of active job seekers who completed written surveys
6. Number of active job seekers who were reemployed
7. RAC costs versus unemployment benefit costs
8. Amount of time from notice of unemployment to new job
9. Results of LMATIRAC customer satisfaction survey
10. Number of worker assistance resource centers (WARCs) created and types of services delivered
11. Types of services and number of workers using each service (e.g., counseling, training, testing, job clubs, job development, financial counseling, etc.) that is arranged for, delivered by or through the auspices of the LMAT/RAC at each site including services delivered through WARCs, and those delivered by other government and NGO providers etc.
12. Type and usefulness of government-funded support services (vocational training, job search, etc.) to the success of the LMAT/RACs or lack thereof at the enterprise level.

J. **Lessons learned**. Unique or unusual problems and difficulties experienced when implementing LMAT/RACs. Discussion and analysis of difficulties and problems experienced, and adjustments or solutions developed to overcome them. Also, what were the impacts of these problems on the outcomes or success of the LMAT/RAC in meeting the needs of dislocated workers.

K. **Sustainability**. Discuss actions and steps taken to institutionalize and sustain the RRDWA component in the country once the project ends. This should include information about creating and disseminating local versions of RRDWA materials and steps taken by the government to institutionalize the RRDWA process through administrative and/or legislative means.

Role of Industrial Adjustment Specialists in organizing and facilitating the delivery of adjustment assistance to dislocated workers in CEE countries

A. The role of an Industrial Adjustment Specialist

The Rapid Response Displaced Worker Adjustment Component is the first of three essential adjustment components needed to facilitate the successful adjustment of workers and communities impacted by restructuring SOEs and other enterprises in CEE countries. The successful implementation of this and the other components that make up the USDOL/WSI Integrated Adjustment Program Model requires the skills and leadership of highly trained, dedicated individuals--called Industrial Adjustment Specialists.

Industrial Adjustment Specialists must have experience and expertise in a number of areas essential to developing and maintaining effective rapid response and economic adjustment capability. They also must be self-motivated, well organized, have good communication and writing skills, good facilitation and negotiation skills and have a high energy level. Furthermore, to establish credibility and to be able to work effectively with both employers and employee groups, these specialists need to be familiar with and knowledgeable about all aspects of worker adjustment plus:

1. Local, regional and national training and employment legislation, delivery systems and programs
2. State Owned Enterprises private industry
3. Market trends and their relationship to potential layoffs and closures labor markets and labor market institutions
4. National and local economic development activities labor-management relations
5. Enterprise competitiveness issues and human resource development issues in business

A rapid response worker adjustment component in a country or region is implemented by a small group of industrial adjustment (IA) specialists who may work individually, but function together as an industrial adjustment unit or rapid response team for a geographic region or the entire nation. The IA specialists can be located within the regional or local offices of the MOL or national employment service, attached to another government agency (such as a restructuring ministry or regional development agency), or set up as a separate entity or as part of an NGO.

The term "*rapid response*" refers to the concept whereby IA specialists and the agencies and organizations they work for are capable of responding quickly (within 48 hours) to announcements of impending mass layoffs or plant closures in their community or region. It is based on the premise that the most successful worker adjustment programs occur when they are started well in advance of the actual layoffs or closure. A meaningful rapid response requires a number of advance program linkages with the national and local agencies needed to implement basic readjustment services for dislocated workers.

Advance notice, careful planning and effective use of the time preceding layoffs or plant closures are essential to successful transition programs.

IA specialists provide leadership to facilitate the timely organization and implementation of comprehensive adjustment programs in enterprises and communities undergoing economic restructuring. Their primary objective is to work with restructuring SOE managers, worker representatives, and community leaders to assess their situation and facilitate the development of action plans to provide adjustment services and programs to transition large groups of workers to new employment as quickly as possible.

Steps or Actions Taken by Industrial Adjustment Specialists to Start and Manage Rapid Response Displaced Worker Assistance Programs

The basic steps and actions IA Specialists take to provide leadership and to implement an effective rapid response worker adjustment program in restructuring SOEs in a community or region are:

Step 1: Establish early warning networks and continually assess enterprises and industries subject to economic restructuring and downsizing

The foundation of a successful worker adjustment program rests on an effective early warning system and the good information about what is happening to businesses in a community or region. Consequently, the first activity undertaken by an Industrial Adjustment Specialist is to:

1. take whatever steps are necessary to establish an early warning system or network to obtain accurate and timely information about enterprise restructuring in a community or region. (An example of early warning signs developed to identify private firms that may be in danger of closing see Chapter 14, pp. 198-199 in Part II of the LED Guide)
2. use all available contacts and information, identify enterprises or industries in the region that are in danger of losing jobs or scheduled to be restructured
3. closely monitor the situation in these enterprises and industries to determine:
   - when it is appropriate to make direct contact with them to discuss their situation, and
   - if rapid response should be activated

Step 2: Initiate direct contact with the restructuring employer and labor organization representing workers to meet with them about the impending restructuring or closing

IA specialists meet with restructuring employers and their unions (or representatives of their workers) to discuss the impending closures or downsizing prior to the action being taken. They:

1. contact the management and unions in these enterprises and request a meeting to discuss the need for rapid response worker adjustment assistance. (If an on-site plant meeting is not acceptable to the employer, the IA specialist makes alternative arrangements for a community meeting.)
2. contact community leaders and alert them to the status of enterprise restructuring and the potential for worker dislocation, and the possible needs this may create.
3. conduct on site meeting with employer and employee representative separately and then jointly.
4. explain the worker adjustment services available and procedures for accessing them. Also explain the reemployment assistance committee (RAC) or Labor-Management Adjustment Team (LMAT) concept and promote its use to the employer and worker representatives..
5. obtain agreement from employer to work with IA specialist, public agencies and community groups to address worker adjustment problems and provide needed services. If the RAC or LMAT concept is agreed upon, IA specialist offers assistance in finding a

suitable chairperson and offers group effectiveness training to get the committee started. If the RAC or LMAT approach is not agreed upon, the IA specialist -should consider the formation of a community task force, and begin to implement linkages with appropriate agencies and community leaders to do so.

Step 3: Make a preliminary assessment to determine the size and complexity of the potential labor dislocation

IA Specialists are responsible for making an assessment to determine the nature, extent and impact of the enterprise restructuring on the workers and their communities. To do this they must:

1. review the personnel policies of the enterprise
2. inventory the entire work force, wage levels, education, age, experience,
3. analyze the composition of the work force
4. review the labor regulations or special arrangements concerning severance pay, retraining, transfers, retirement, etc.
5. review the collective bargaining agreements, if any exist
6. estimate the optimum work force numbers if the enterprise is being downsized rather than closed
7. determine the layoff size and number of workers likely to need services
8. determine if the remaining workers and the enterprise (if it is being downsized rather than closed) will need access to enterprise competitiveness services
9. assess the appropriateness of enterprise adjustment strategies or policies the employer intends to use to carry out the closure or downsizing

Step 4: Assess the ability of those affected to cope with the anticipated change

IA specialists compare the nature and magnitude of the problems faced by the workers and employer with their capacity and that of other groups in the community to provide the assistance that will be needed. To accomplish this, the IA specialist must assess:

1. the local features of the environment where the specific restructuring is taking place, including the local labor market situation and state of the economy
2. the coping strategies, such as farming, trade, self-employment, commuting, etc.
3. the local Employment Service or Labor Office capacity
4. the institutional, NGO, or other community-based capacity to help deliver assistance to workers (retraining, vocational counseling, job search, job development, financial help, peer counseling, etc.)
5. what community leaders are involved, what roles they play and their willingness to participate in achieving the adjustment process
6. the willingness and capacity of the employer and trade unions in the SOE to become actively involved in facilitating the adjustment process, and their willingness to establish and support a reemployment assistance committee (RAC) or labor management adjustment team (LMAT)
7. the need for establishing a worker assistance resource center (WRAC) and peer support program on-site or nearby to provide needed services to workers

Step 5: Set up a mechanism to manage the worker assistance program

It is the responsibility of the IA specialist to establish an effective ad hoc mechanism to organize and manage the worker adjustment program and deliver the needed services to workers and their families: S/he must:

1. develop institutional arrangements to link restructuring policies with local action planning
2. identify all the key players or stakeholders who should be informed or involved in the adjustment process and enlist their support and participation
3. sign an agreement to establish the 1tAC or LMAT. If the SOE managers and worker representatives agree to the formation of an ad hoc reemployment assistance committee (RAC) in the SOE (Step 2 (d) and (e) above), an agreement spelling out who will provide the needed facilities, services, staff, etc., is signed by representatives of the company, the union and the IS specialist (representing the LRP or parent agency). If the parties do not agree to establish a 1tAC or LMAT, the IA specialist may work with the community leaders to organize a community task force or other group to take a leadership role in planning, organizing and coordinating the delivery of services and assistance to affected workers. In this event, the IA specialist drafts an agreement with this group to establish roles, services and facilities to be used to address the dislocation event. (For additional information about establishing a RAC see Establishing Labor-Management Adjustment Committees: A Handbook for Industrial Adjustment Specialists)
4. provide technical assistance and training to the RAC, LMAT or community group so they can effectively carry out steps 6 and 7 (for additional information to help provide training to RACs and LMATs see Skills Training for Labor-Management Adjustment Committees and Guidebook for Labor-Management Committee Members and third party Neutral Chairpersons)

Step 6: Provide technical assistance to the RAC, LMAT or Community Task Force as they conduct a survey workers to determine the most vulnerable employees and their needs

The IA specialist provides technical assistance to help RACs, LMATs or community task forces:

1. develop a set of questions to gain information on the basic demographic characteristics of the workforce, their training and other needs, and the services they will need in transitioning to new employment
2. decide how to carry out the survey
3. conduct the survey
4. review and analyze the surveys
5. compile the data in a useful format

Step 7: Provide technical assistance to the RAC, LMAT or community task force as they develop and implement an action plan

The IA specialist serves in a liaison role with education and training institutions and public employment offices, encourages project linkages to ongoing services offered in the community, and provides technical assistance to help RAC, LMAT or community task forces as they:

1. develop an action plan to provide the needed adjustment services to workers and their families
2. establish a data base
3. establish good communications links to workers and the local media
4. organize individual and group presentations to provide workers with information about adjustment issues and concerns.
5. plan and staff an effective worker adjustment resource center at the enterprise or in a nearby community (for additional information about establishing a resource center see Step 2 in Chapter 16, pp. 240-243, Part II of the LED Guide; Serving Workers in Transition; and Exemplary Model of Triage in a One-Stop Setting)
6. set up a peer counseling program if appropriate (for additional information on how to do this see: Serving Workers in Transition: A Guide to Peer Support)
7. analyze the local labor market conditions
8. develop job leads for workers
9. establish job clubs
10. organize, arrange or contract for, and coordinate the delivery of services and other worker adjustment measures, e.g., early intervention services, basic readjustment services, retraining services, community services including mental health, family and financial counseling, etc.
11. help the RAC or LMAT (or employment service) set up or use a basic MIS system to track the dislocated workers over time to determine their success in finding new employment or need for additional services

Step 8: Monitor the progress and results, and assess the relevance of the strategies used

IA Specialists monitor the progress and success of the RAC, LMAT or community task force to see whether the needs of the workers are being met in a timely and cost effective way. The IA specialist provides leadership to:

1. establish performance measures to monitor the impact on the workers to ensure that the action plan produces the anticipated results
2. measure the financial effectiveness of the services provided by the service deliverers
3. assess the relevance of various strategies to avert or cushion the layoff or closing, such as those involving economic development or ownership transfers
4. continually assess the need for additional public resources and takes appropriate action to access such resources when indicated

Role and Functions of Reemployment Assistance Committees

As noted above, Reemployment Assistance Committees (RACs) or Labor Management Adjustment Committees (LMACs) or Labor Management Adjustment Teams (LMATs), as they are sometimes called, play a significant role in facilitating successful worker adjustment in restructuring enterprises. The RAC is an ad hoc in-plant group of worker representatives and managers that organizes and coordinates the delivery of adjustment services with the help of an IA specialist and other stakeholders.

The mission of the WRAC, acting in concert with the employer, union, applicable government agencies and the business community, is to help dislocated workers make a successful transition to a satisfactory job in the shortest possible time.

Whenever possible, IA specialists work with SOE managers and worker representatives to organize a RAC or LMAT. The RAC or LMAT becomes the primary mechanism to carry out steps 6 and 7, including:

- conducting surveys to determine worker needs
- planning and organizing *"in-plant"* pre-layoff services
- serving as an advocate for workers in obtaining the needed services
- developing in detail the employment alternatives available to dislocated workers
- providing the services necessary to assist the workers in finding a new job,
- establishing a peer counseling program to assist the workers,
- establishing an outplacement or worker assistance resource center (WARC) in the plant if one is needed, and
- arranging for the timely delivery of pre- and post-layoff employment and training services to workers being displaced, including job search training, job development, job clubs, job placement, self-employment help, vocational counseling, retraining, financial planning, remedial education, entrepreneurship training, and other forms of employment assistance.

If it is not possible to organize a RAC or LMAT, or obtain a management commitment to provide leadership to the adjustment efforts, the IA specialist works with union (if one exists) and community leaders and other groups to develop and implement an effective worker adjustment program. This community group, assisted by the IA specialist, will carry out steps 6 and 7 discussed above.

Role and Functions of Peer Support Programs and Worker Assistance Resource Centers (WARCs)

"***Peer support***" is the term that describes a systematic assistance approach that selects and trains a number of co-workers to function as on site ***"peer support specialists***" to help their fellow employees who are faced with a layoff, a plant closing, or outdated skills. Peer support specialists are there to listen to other people, to give them information, to answer their questions, to understand their feelings, to let them know that what they are experiencing and feeling is normal. Peer support specialists help dislocated workers understand and use the information that can be provided, help them make plans and develop the skills they need to carry out those plans, and make it easier for them to find their way through the maze of social service programs. Most importantly, peer support specialists are there at the plant, or in a WARC with them so they don't face their transition alone. That support may be crucial to their success in finding suitable training and new employment.

Worker Assistance Resource Centers are rooms or buildings at a central location (preferably at the worksite or nearby) that workers can get to easily. It is a place where workers can bet the information and services they need, as well as the social support that makes a transition to training or a new job easier. It is a comfortable worker-identified environment. Ideally, its space includes a resource room large enough for a support group or a job club meeting, as well as a space where people can talk privately. It includes office equipment, job boards and a variety of materials to help workers find jobs and services.

Peer support programs and WARCs are essential elements of effective dislocated worker adjustment programs.

Additional Components of Effective Adjustment Programs

Experience has demonstrated that worker adjustment programs, no matter how good they are, cannot alleviate all of the negative consequences of economic restructuring and privatization on workers and their communities. The best results are achieved when an integrated, holistic approach that includes several other components in addition to well designed rapid response worker adjustment programs like those outlined above. Consequently, it is essential that IA specialists be equipped to help communities and employers implement the additional components needed to achieve a more successful community adjustment.

A. Community Economic Renewal Component.

In the course of worker adjustment planning and organizing, IA specialists meet with community leaders to assess how the SOE restructuring will impact the community's economic and employment situation. If additional efforts are needed to revitalize or strengthen the community's economic situation, IA Specialists provide technical assistance and training to help the community leaders develop and implement community economic renewal strategies and programs to promote economic development and create jobs. The USDOL Community Economic Renewal Component (CER) can be introduced to facilitate this process. (For additional information about how to implement a CER process, see Chapter 6 in Part I of the LED Guide.)

B. Enterprise Strengthening and Competitiveness Component.

In the course of their adjustment work, IA specialists also meet with the managers and worker representatives of other business enterprises in the community to assess how the SOE restructuring and downsizing will impact their individual business operations, and to determine their capacity to create jobs and absorb dislocated workers. If these other firms are losing their competitiveness, or having productivity problems, IA specialists will help the managers and worker representatives develop and implement strategies and programs to strengthen their competitiveness and preserve (and create) as many jobs as possible. The *USDOL Enterprise Competitiveness Component* can be used for this purpose. (For a brief summary of the elements that make up the Enterprise Competitiveness component see page 7 in the *USDOL Model handout*.)

SECTION III

Community Economic Renewal (CER)

SECTION III

Community Economic Renewal

Chart 1
Community Economic Renewal Component - 2002

Phase I **Planning and organizing for CER**	**Phase II** **Discovering business opportunities**	**Phase III(1)** **Designing and implementing ER projects**	**Phase III(2)** **Sustaining ER and development**	**Outputs** ↓
Pre-workshop planning in each pilot community Site selection IA TA staff selection and training Community organization and training Training for small group facilitators in each pilot community Community profile Preparation and arrangement of orientation workshop **Conduct Workshop "Zero"** Meeting to "launch" CER Component	**Workshop A** The Factors Analysis **Workshop B** ER principles and strategies analysis **Workshop C** Generating project Ideas **Workshop D** Evaluating g ER project ideas Result: **Blueprint for Action** Community goals, an economic renewal strategy, and one or more project ideas to implement	**Workshop E** ***Designing and implementing ER projectsl*** Write strategic plan and project Proposal & submit for approval Project organization and management Develop action plan and Implementation Procedures Make assignments to each work group or team Project implementation Project monitoring and follow-up Project evaluation	**Workshop F** ***Sustaining ER and developmentl*** Conduct sustainability analysis Carefully review Phses I-III(1) Revise and update strategic ER plan Develop new project proposals Identify and obtain skill training needed to strengthen ER efforts	Updated community vision, goals and strategic plan, new project proposals to market to potential donors, and the organizational capacity and skilled human resources to continue economic development on a long term basis

Steps to Start and Implement the CER Component in CEE Countries

(Seventh Edition)

Phase I

A. Start up Activities

1. Meet with Senior WSI Project IA Consultant/trainer to discuss implementation of CER Component
2. Translate Parts I-IV of the latest edition of the *CER Guide* and other training materials, worksheets and handouts into local language and print copies for distribution
3. Project CER Team and IA specialists participate in one-week International TOF workshop to learn CER philosophy, methodology and techniques
4. IA specialists identify appropriate communities to participate in pilot CER Workshop series
5. IA Specialists Invite communities to submit letters of interest to DOL Project CER Team
6. Review applications to see if they meet selection criteria
7. Select appropriate number of sites or communities for pilot rounds
8. Schedule the first pilot round of workshops
9. IA specialists Identify a core group (or strategic committee) in pilot communities who can take the leadership in organizing the workshops and carrying out the CER assessment process

B. Pre-workshop planning meeting with Core Team in each pilot community

1. Review workshop materials
2. Discuss agendas, schedules, facilities, invitations, and logistics for workshops
3. Make assignments to prepare for Workshop Zero and Workshop A
4. Decide who will facilitate small groups
5. Review workshop facilitator's role (and make arrangements to provide facilitator training)
6. Make small group assignments
7. Set date for next meeting
8. Follow-up

C. Pre workshop orientation meeting for Local IA Specialists and Local Coordinators from the pilot communities

1. Review schedules and agendas for workshops
2. Review logistics and organizing needs for workshops Zero and A.
3. Determine media arrangements
4. Review financial arrangements for workshops
5. Conduct dry-run of Workshop A (local situation, LED fundamentals lecture, lessons, and Getting Started, etc.)

D. Pre-workshop facilitator training for individuals selected from the pilot communities to function as small group facilitators during Phase II workshops (A-D)

1. Conduct small group facilitator training (using Part III of CER Guide and other materials), including:
   a. Small group work (fact finding, analyzing work, recording results, evaluating joint work, setting future tasks, deadlines and responsibilities)
   b. Brainstorming
   c. Consensus decision making
   d. Visioning and goal generation
   e. Need to know
   f. Homework
2. Review Workshop A agenda and procedures
3. Review small group facilitator assignments for Workshop A

E. Conduct "Zero" meeting or workshop for community participants to launch CER process

1. Welcome: Introduce CER Team, Community Partners, local IA Coordinators) and Facilitators
2. Introduce USDOL Adjustment Model
3. Explain objectives of CER Component, Phases I and II, and discuss availability of seed funds to implement one or more project ideas generated
4. Have Mayor or other local officials express strong support
5. Discuss importance of community partner role in achieving success--promote the CER process and encourage their participation in Workshops
6. Close and Serve Refreshments

   Note:
   a. Meeting should be held in late afternoon or early evening
   b. Meeting should last about one hour to one-and one-half hours in length
   c. Make sure everyone shows up
   d. Do not start with workshop materials

Phase II

I. Workshops A-D

A. Arrange for International trainers to conduct CER workshops A to D in the pilot communities-as outlined in document setting out formats for workshops *"Phase II USDOL CER Format for Workshops A-D"*
B. Have a Project or local IA specialist monitor pilot communities to ensure that they complete their homework and collect need to know information between the workshops
C. Monitor work of communities to make sure that they successfully complete their Phase II workbooks – which will contain the raw material to complete Section I of the *"Contents of Phase III(1) Project Implementation Proposals"* discussed below

D. Conduct an assessment of all CER Phase II workshops after the pilot round is completed. (An assessment of the pilot round of CER workshops will be conducted by the International Trainers and DOL/WSI assessment team as was done in Bulgaria and Romania.) After the completion of each subsequent round of A-D workshops, have one of your Project professional staff conduct an assessment of the local IA specialist and facilitators who conduct these rounds of CER workshops using the *"Assessment form for Workshops A&B"*, and a similar one prepared for use with Workshops C&D.
E. Invite communities that successfully complete Phase II to participate in Phase III
F. Provide communities with a copy of "*Contents of **Phase III(1)** Project Implementation Proposals"* and explain what their formal CER proposals should contain and the proper format for that document
G. After Workshop D is completed, have project IA specialist visit and help community teams prepare a format draft of their strategic plan and ***Phase III(1)*** Project Implementation Proposal (Section I, Part A and B) prior to attending workshop E (which will provide them with guidance in preparing Section II). For more information about what is included, see: the document *"Contents of Phase II Project Implementation Proposals"*
H. Explain purpose of Workshop E to the communities-it prepares community teams to design and implement their priority project (s)

Phase III (1)

I. Workshop E - CER Phase III(1) Implementation Workshop

A. Translate and prepare handouts and other materials needed for Workshop E
B. Schedule Workshop E
C. Arrange for International CER Trainers to conduct Workshop E for community core teams, using prepared outline for this workshop
D. Hold Workshop E at a central location. Representatives from community project teams will come together for the first time. During the workshop they will: (a) share information about their project proposals, (b) receive project proposal writing and implementation instructions, (c) participate in project implementation training, and (d) provide feedback to the International CER advisors and country project staff about the conduct and usefulness of Workshops A-D.
E. Review each community's strategic plan and Phase III(1) Project Implementation Proposal (Section I, Part A and B) to make sure it is complete and in the proper format
F. Review CER Project implementation guidelines *"Protocol for Monitoring and Supervising CER Project Implementation."* Use this protocol as a guide in carrying out steps H. and I. below.

II. Post-Workshop E CER Proposal Review and Approval

A. Monitor proposal writing progress and collect formal CER project proposals from all community teams. The proposals should be written according to the outline set out in Sections I and II of the document "Contents of Phase III(1) Project Implementation Proposals"

B. Carefully review (with the assistance of International CER Consultant) the CER Project Proposals submitted to the Project Office by the Community Teams

C. Notify communities of the status of their proposals-whether they need revision, or have been approved

D. Have an IA specialist follow up with the community teams to see that all proposals that do not meet the approval criteria are revised and re-submitted in a timely manner

E. Once proposals have been formally approved and proper financial procedures established, begin releasing funds for project implementation according to WSI procedures

1. Monitor community Implementation of CER Project(s), preparation of final reports and case studies, and conduct evaluations of community projects

F. Using the "*Protocol*" as a guide, monitor the progress of communities in implementing their CER projects)

G. Monitor financial disbursements to ensure fiscal responsibility

H. Schedule and conduct Quarterly meetings with community teams to allow representatives from project teams to meet and share information, receive training and help in implementing their projects

I. Schedule and conduct Quarterly meetings for Project IA Specialists to receive instructions, discuss problems and obtain in-service training

J. Make sure final project report is completed by each community and submitted (see final report guidelines)

K. Make sure that case study is completed by each community project (see case study guidelines)

L. Conduct an evaluation of the community projects

Phase III(2)

I. Phase III(2)-Workshop F—Sustaining ER and development

A. Identify and select pilot training sites (one or two per country) for introduction of Phase III(2)

B. Schedule Workshop F in Pilot sites

C. Organize and conduct Workshop F for Community Teams in selected pilot sites. (Bring the larger community team back together in the pilot sites, and, with the help of International trainers and Project IA specialists, conduct Workshop F)

D. Provide direction and guidance to Community Team as they conduct a sustainability analysis

- ❑ Carefully review phases I-III(1)
- ❑ Conduct assessment of goals, needs, achievements, organizational capacity, etc.
- ❑ Respond to the question: "Where are we now and where do we want to go from here?"
- ❑ Consider organization changes and financial support needed to continue CER on a long term basis
- ❑ Consider what is needed to attract donors/investors to support economic development
- ❑ Prepare summary report of changes needed to achieve future success

E. Provide guidance and direction to Community Team as they complete a review and updating of their strategic plan
- ❑ Revise existing strategic plan developed in Phases II and III(1)
- ❑ Consider changes, modifications and additions needed in the plan to strengthen and sustain community’s future ER efforts
- ❑ Prepare new updated strategic plan to guide the CER efforts during next five years
- ❑ Prepare an action plan to implement next steps set out in the strategic and sustainability plans
- ❑ Identify any skill training needed to implement the new strategic and action plans

F. Provide direction and guidance to Community Teams as they develop new project proposals
- ❑ Assess stakeholder or donor reactions to new project ideas
- ❑ Use project proposal outline, and guidelines to write new project proposal(s)
- ❑ Screen possible implementing organizations
- ❑ Market project proposals to potential donors

II. Facilitate obtaining of CER skills training

A. Help Community Team obtain needed CER skills training
- ❑ Business planning (a) at the project level, and (b) at the economic development organization level
- ❑ Attracting donors/investors
- ❑ Evaluating development plans
- ❑ Using specialized tools in CER Resource Handbook
- ❑ Integrating ICAP components

III. Review pilot round Workshop F results and make necessary changes

A. Review pilot round Workshop F results and make necessary changes

B. Schedule and conduct workshop F at other CER sites using International and /or Project and local IA specialists functioning as a team

IV. Facilitate national and local efforts to achieve sustainability

A. Take whatever actions that are deemed necessary and appropriate to facilitate the sustainability and institutionalization of the CER Component within the participating communities and at the national level

B. Work with appropriate national and regional government agencies and NGOs to find a suitable home for the CER component and the technical expertise developed to facilitate its implementation

C. Plan and organize a CER conference (national, regional, local?) at the end of Phase III(2) so that communities can share their results and publicize the successes achieved by the CER component in their communities and country

V. Post-Workshop F Monitoring and Technical Assistance

A. Monitor post-Workshop F community activities and provide TA to Community Teams as needed and requested to complete their revitalization work

- ❑ Revising and updating strategic plan
- ❑ Making organizational or institutional changes to strengthen sustainability
- ❑ Planning, obtaining funding and embarking on new CER projects
- ❑ Training and technical assistance to implement needs identified in Workshop F
- ❑ Implementing elements of sustainability plan
- ❑ Use of PMP forms and collection and submission of data and reports

VI. Prepare a final report of the CER Component

A. Use the *"Outline of data and information needed to document and evaluate USDOL CER projects in Bulgaria, Macedonia, Poland, Romania*" and the supplementary evaluation document prepared by WSI to collect and organize all of the information needed for inclusion in the final report of the CER Component and USDOL/WSI Adjustment Project carried out in your country

B. Complete handover of responsibilities and project property to designated recipients and local partners, and carry out Phase out procedures

Format for Planning Meetings and Workshops

Phase I: Pre-Workshop Planning and Orientation Meetings

Session I: CER program planning meeting in each pilot community

Participants	**Presenters: Project Manager and / or Regional IAS Specialist and Local IAS Specialist**
Local CER Core Team or Strategic Committee	Conduct pre-workshop planning session Review workshop materials Discuss agendas, schedules, facilities, invitations and logistics for workshops Make assignments to prepare for Workshop Zero and/or Workshop A Decide who will facilitate small groups ▪ Review facilitators roles (and arrange to provide them with facilitator training) Make group assignments

Session II: Orientation meeting for Local CER IA Specialists and core team representatives from pilot communities

Participants	**Presenters: Project Manager, National and/or Regional IAS Specialist**
Local CER IA Specialists; Core Team representatives from pilot	Review schedules and agendas for workshops Review logistics and organizing for workshops Zero and A Determine media arrangements Review financial arrangements for workshops Review Workshop A: ▪ Local Situation -A brief picture of local economy -A brief review of local CER efforts to date ▪ LED fundamentals lecture (Options 1 and Lessons) ▪ Getting Started – making an assessment -Factors analysis -Introductions -Go thru example -Break into small groups -Monitor the groups -Reports ▪ Summary -Review assignments to be done before Wk B -Next meeting – tentative date.

Session III: Small group facilitator training in each pilot community

Participants	Presenters: Project Manager National and / or Regional IAS Specialist and Local IAS Specialist
Local CER Core Team or Strategic Committee; Local Community CER workshop small group facilitators	Conduct small group facilitator training session ▪ Small group facilitation skills ▪ Small group work (fact finding, analyzing work, recording, evaluating joint work, setting future tasks, deadlines and responsibilities) ▪ Consensus decision making ▪ Visioning and goal generation ▪ Need to explain Homework Summary ▪ Review small group facilitator assignments; Workshop A ▪ Review workshop A agenda and procedures

"Zero Workshop"

Participants	Facilitator
CER Local/Regional IA Specialist/Workshop Coordinator; Local CEDR team; Community	Welcome (local IA Coordinator) and Specialist/Workshop Coordinator ▪ Introduce partners and Local CER Team Briefly explain USDOL Adjustment Model Community Partners Discuss purpose of CER Workshops ▪ Introduce CER Component (Phases I & II) ▪ Discuss financial support and seed grants Mayor or other political official expresses strong support Emphasize importance of community partner role and having good attendance at CER workshops Close Serve refreshments *Note: Meeting should be held in late afternoon and should not last more than one hour*

USDOL Community Economic Renewal Component

Format for Phase II Workshops A - D

Workshop A

<table>
<tr><th>Participant</th><th>Facilitator</th></tr>
<tr><td rowspan="3">Small Group Factor Analysis (Worksheets A1-5)
Determine Need to Know (Worksheet A6)
Presentation of Results
Homework
▪ Complete understanding ER Principles (4 worksheets)
▪ Complete Need to Know assignments</td><td>Pre-Workshop
Preparations:
▪ site selection
▪ participant selection
▪ communication
▪ agenda
▪ community profile
▪ location
▪ room layout / breakout areas
▪ equipment
▪ handout materials
▪ worksheets and homework
▪ name tags / cards
▪ supplies
▪ flipcharts, markers, colored dots
▪ lunch, refreshments
▪ choose and orient local facilitators</td></tr>
<tr><td>Workshop
Introduction and Welcome
Local situation, profile speaker
USDOL Adjustment Model (Circles OHs)
Option 1: Lecture on Essential Principles of Economic Development & Restructuring (OHs)
Option 2: Lecture on Local Economy (Barrel) CER Model – Phases I and II (Charts 2A-B)</td></tr>
<tr><td>Workshop A
▪ Factor Analysis
▪ Worksheets A 1-6 (hand out set to participants)
▪ Instructions
▪ Small Group Activity
▪ Monitor activity
▪ Facilitate small group
▪ Presentations
▪ Next Steps
▪ Review Need to Know & homework assignments
▪ Summarize what will occur in Workshop B
▪ Close workshop</td></tr>
</table>

Workshop B

Participant	Facilitator
Small Group ER Principles Analysis (B1-4) Determine Need to Know (BS) Presentation of Results of ER Principles Analysis Homework ▪ Read Appendix II "Business Opportunities Casebook" ▪ Read Part II of LED Guide ▪ Complete Need to Know assignments and "Innovative Approaches" Worksheet B6	**Option 1** Review ▪ CER Workshop Model ▪ Workshop A Results ▪ Homework Introduce Workshop B ▪ Lecture on Local Economy (Barrel) ▪ ER principles ▪ Worksheets ▪ Instructions Monitor Small Group Work Facilitate Feedback Session Review Need to Know and homework assignments Close Workshop B
Small Group ER Principles analysis (B1-4 Determine Need to Know (B5) Presentation of Results of ER Principles Analysis Homework ▪ Read Appendix II Business Opportunities Casebook" ▪ Read Part II of LED Guide ▪ Complete "Need to Know" assignments and "Innovative Approaches" Worksheet (B6)	**Option 1** Review ▪ CER Workshop Model ▪ Workshop A Results ▪ Homework Introduce Workshop B ▪ Lecture on Local Economy (Barrel) ▪ ER principles ▪ Worksheets ▪ Instructions Monitor Small Group Work Facilitate Feedback Session Review Need to Know and homework assignments Close Workshop B

Workshop C

Participant	Facilitator
Small Group Work ▪ Identify Community Goals / Preferred Future Worksheet C 1 ▪ Generate Project Ideas (Worksheet C2) ▪ Potential Projects Analysis (Worksheet C3) Present Project Ideas Individual Work ▪ Rank Project Ideas (Worksheet C4) ▪ Select projects for further analysis in ▪ Workshop D (Use colored dots) Homework ▪ Need to Know	Review ▪ CER Model, Workshops A and B ▪ Homework Introduce ▪ Workshop C ▪ Preferred Future ▪ Project Idea generation-(Brainstorming) ▪ Potential Project Analysis ▪ Worksheets / Instructions (C 1-4} Monitor Small Group Work Facilitate ▪ Presentation of Project Ideas ▪ Rank / Prioritize Project Ideas (Colored dots) Make Homework Assignments Close Workshop

Workshop D

Participant	Facilitator
Small Group Work ▪ Evaluate Project Ideas ▪ Group Report: Present results of Evaluation Rank / Prioritize / Decide on Project Ideas that are worth pursuing Discuss next steps	Review ▪ Model, Workshops A, B and C ▪ Homework ▪ Preferred Future Introduce ▪ Workshop D ▪ Evaluation Guidelines - stress importance ▪ Evaluation of Selected Project Ideas ▪ Worksheets / Instructions Monitor Small Group Work Facilitate Presentations Help Group prepare for Next Steps / Phase II Close Workshop

Format for Phase III (1) Workshop

Workshop E

Participant	Facilitator
Small group work ▪ write a strategic plan ▪ write a project proposal ▪ determine project organization and management structures ▪ developing an action plan ▪ building effective teams Discuss next steps	Review ▪ CER ***Phase II*** ▪ Vision Statement and core values ▪ Summaries of Workshops A-D ▪ Prioritized list of project ideas Introduce ▪ Workshop E ▪ worksheets/instructions Monitor small group work Facilitate ▪ writing strategic plan ▪ writing project proposal ▪ teambuilding training ▪ project implementation and ▪ evaluation training Help group prepare for next steps Close workshop

Format for Phase III(2) Workshop

Workshop F

Participant	Facilitator
Small group work a. assessment of CER work to date b. "where are we now and where do we c. want to go next?" d. sustainability e. update strategic plan f. attracting donors/investors g. evaluating development plans h. CER skill training needs assessment Assignments ▪ Sustainability plan ▪ Updated strategic plan ▪ - Proposal/business language	Review ▪ CER ***Phases I-III(1)*** ▪ project implementation ▪ project evaluation Introduce ▪ Workshop F ▪ worksheets/instructions Monitor small group work Facilitate ▪ Sustainability analysis of CER activity ▪ Assessment of CER team goals, achievements, organizational capacity, etc ▪ Updating of strategic plan ▪ CER skills training needs assessment ▪ Developing new project proposals Help group prepare for next steps • Obtaining ER skills training • Marketing project proposal Close workshop

Assessment Form for CER Workshops A and B

Workshop: A B *(Circle)* Date: Place:
IA Specialist Trainer/Facilitator:

Technical Logistics	Rating 1- 5*	Comments
1. Pre-Workshop arrangements completed		
"Zero" Workshop conducted: *Yes No (circle)*		
2. Workshop logistics		
a. Materials prepared in advance		
b. Agenda		
c. Training materials and equipment		
▪ Workbooks and worksheets		
▪ Flipcharts, markers, masking tape		
d. Meeting room set up, refreshments, etc.		
3. Relationships		
a. Facilitators		
b. Local Partners		
c. Participants		
4. Community Scenario/inventory (See ***Chart 2.1***)		
a. Initial preparation		
b. dates		
c. Interacted within workgroups		
5. Introduction, USDOL Model, CER Component		
Introductory Lecture (Option 1 or 2)		
5A. Factors Analysis (Workshop A)		
a. Presentation, instructions		
b. Interaction within workgroups		
5B. CER Principles Analysis (Workshop B)		
a. Presentation, instructions		
b. Integrated within work groups		
6. "Need to Know" and "Homework"		
a. Defined, emphasized, assignments made		
b. Follow up: answers obtained and info collected		
c. Information resented to group and used		
7. Workgroups		
a. Productive, mastered the material and concepts		
b. Involved climate of participation		
c. Supportive attitude		
d. Presentation of results		
	(i) Rating Scale 1 Unacceptable 2 Needs some attention 3 OK - gets the job done 4 Better than average 5 Exemplary	

Personal Style of IA Specialist/ Trainer/Facilitator	Rating	1-5*	Comments
8. Time and Agenda management			
9. Interactive with participants and workgroups			
10. Involve participants in discussions			
11. Knowledge of topics			
12. Problem solving abilities and attitude			
13. Professional appearance			
14. Clear instructions and directions			
15. Self confidence			
16. Innovative treatment of topics			
17. Training skills (Ex:)			
18. Professional Behavior (Ex:)			
19. Consulting skills (Ex:)			

Name of Assessor: **Position:** **Date:**	**Rating Scale** 1 Unacceptable 2 Needs some attention 3 OK gets the job done 4 Better than average

Suggestions/Recommendations/Corrective Action:

Guiding Principles for Selecting CER PMP Evaluation Measures

System focused	Does it help achieve project goals and objectives?
Limited	Is it limited to the most important indicators of success, not everything, useful or not?
Practical and straightforward	Methodology and collection procedures are simple, straightforward, and as easy to implement as possible-they do not create an undue burden on staff and participants
Avoids unintended consequences	Does it lead to other consequences that are not linked to the objectives?
Cost effective	Does it justify the cost of collecting and processing data?
Efficient	Streamlined, use existing data sources to reduce data collection problems, barriers and costs
Reliable	Same measure yields same results in different circumstances
Valid	Measures what is intended
Informative	Has some utility and value to program managers and communities
Clear	Clear links are established between task and and measures
Measures can be explained and justified to those who must collect data	Why data is collected, value of information; it is not a waste of time with little or no useful purpose
Supports continuous improvement	Do evaluation measures monitor the project's success and contribute to its improvement?
Contributes to sustainability	Will the measure help achieve the sustainability of the CER process in the community and country?

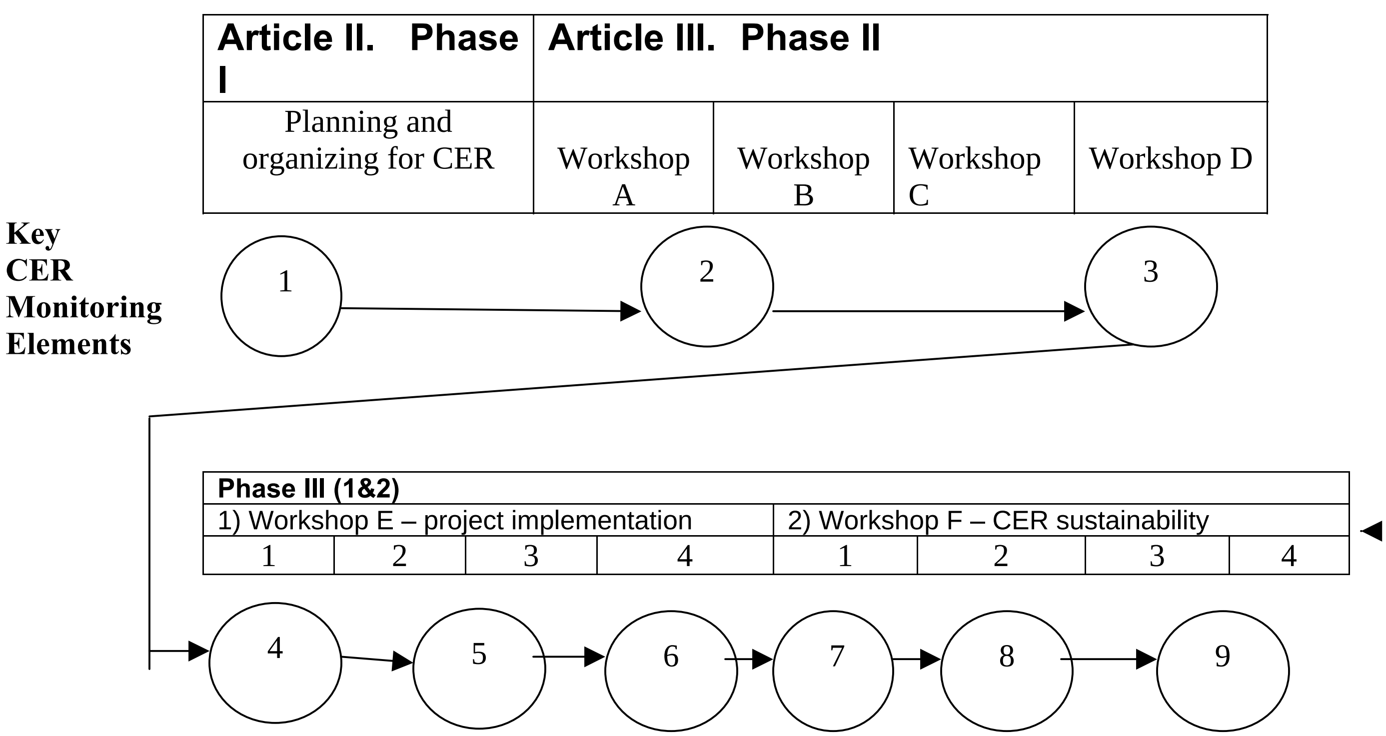
Managing and monitoring the CER Component of USDOL/WSI's Integrated Community Adjustment Program (ICAP)

The success of the CER Component and the economic renewal projects selected and implemented by community teams depend to a great extent on a number of critical factors, including active and public support of the host community, the selection of a balanced and committed community team, and a trained and experienced IAS staff.

Another critical factor is the commitment and support of project staff to the implementation guidelines for the CER component provided by the ICAP country staff. That support and the technical assistance it represents is in large part the systematic monitoring and management of key CER component implementation steps and procedures, a process that feeds directly into the formal USDOL/WSI monitoring, evaluation and reporting system.

An overview of the key implementation steps is outlined below. Key implementation steps are numbered, circled and time-sequenced on the graphic below. The basic structure of that system is outlined below for each model component

Key monitoring steps to implement the CER component



Phase I: Planning and organizing for CER

Phase I of the CER component represents the weeks or even months of planning or preparations at the ICAP country project office and in the field that will assure the successful launch of the community economic renewal process within a community or multiple communities. It is the foundation on which subsequent planning and implementation actually are constructed. It includes community site selections and organization, selection and training of regional or local IA technical assistance staff, the receipt of a formal letter of interest and participation from the mayor, the selection of CER community team members and their orientation and training, and the selection and training of small group facilitators in process facilitation skills. A community profile is developed for use in the CER planning phase, and finally, preparations including logistics, agendas, letters of invitation and media announcements are made and double checked for the community pre-startup orientation meeting (Workshop Zero).

Phase I: Planning and organizing for CER
Planning, organizing and other preparations to implement CER component 1. Site selection 2. IA technical assistance staff selection and training 3. Community organization and training 4. Facilitator selection and training 5. Community profile 6. Preparation and arrangements for orientation workshop 7. Workshop “0”

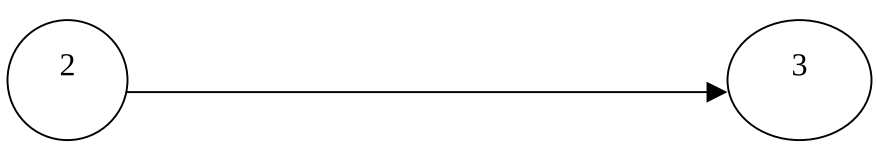
1

The key monitoring step in Phase I (1) includes the selection of appropriate sites (that is, the communities where the CER component will be implemented), selection and training of suitable IA technical assistance staff, recruitment of CER teams in each community, selection of facilitators and their training, the preparation of a community profile, and planning for and conduct of the orientation Workshop “0” to be held in a community to formally launch the CER process

Phase II: Discovering business opportunities

Phase II of the CER process represents the community team commitment to a day of community analysis and planning once a month for four consecutive (if possible) months, plus additional homework or meetings held between these workshops. These four workshops are designed to help community team members learn fundamental economic renewal principles, assess the economic problems and needs in their communities, and to develop projects and programs that will strengthen the local business sector and community, and create jobs. These projects and programs will assist community efforts to start, improve or recruit businesses that take advantage of the local community's unique situation..

Phase II: Discovering Business Opportunities			
Workshop A **The factors analysis**	**Workshop B** **The ER principles and strategies analysis**	**Workshop C** **Generating project ideas**	**Workshop D** **Evaluating project ideas**
Analyze how each factor contributes to business conditions 1. Access to capital 2. Business environment 3. Infrastructure 4. Human resources 5. Quality of life	Analyze how each ER principle affects business conditions 1. Plug the leaks 2. Support existing businesses 3. Encourage new enterprises 4. Need to know	1. Summarize business conditions 2. Develop project ideas 3. Analyze the potential of each project idea 4. Determine how the project will improve business conditions	1. Consider the community's preferred future 2. Analyze your resources 3. Identify pitfalls & liabilities 4. Determine project timing 5. Look at people's politics 6. Determine who benefits 7. Assess the risk & reward 8. Select suitable project idea(s) for proposal development

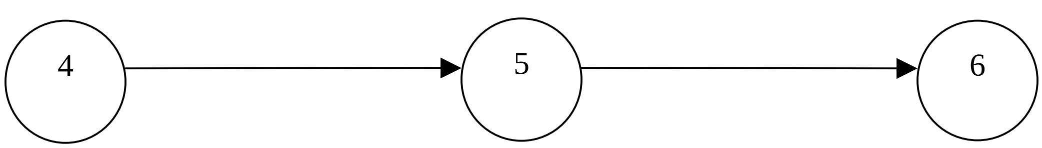


Key Monitoring steps in Phase II include (2) collecting and monitoring attendance data, workshop evaluations and the homework assignments given to individuals and small group teams at each workshop; and (3) the development of an authentic vision or preferred future, careful analysis and evaluation of workshop-driven project ideas to generate businesses and jobs, and the monitoring and follow-up of the project idea(s) selected by the CER team for implementation in their community..

Phase III: 1) Designing and Implementing ER projects (Workshop E)

Phase III (1) of the CER process is carried out by a ***project implementation team***, whose job is to organize and implement the project idea(s) selected by the community team in Phase II. The project implementation team will prepare a formal project proposal with action plan from the project idea, manage and monitor the project's implementation, and complete the project development cycle with a final report and case study analysis of the project implementation process.

Phase III: Designing and implementing ER projects (Workshop E)			
Step ONE Strategic plan and Project Proposal Development	Step TWO Project Organization and Management	Step THREE Project Implementation	Step FOUR Project Evaluation
Write strategic plan and submit proposal to implement CER projects in your community 1. Introduction to region, issues, problems 2. Summary of factors and CER principles 3. Proposed goals, objectives and CER project(s) 4. Project work plan and implementation team 5. Budget and matching funds Determine what you need to do to address your business conditions	Establish organization and management structures needed to implement projects 1. Legal structure of project 2. Charter and mandate 3. Organization structures 4. Project management 5. Implementation teams Determine what you need to do to successfully implement your CER projects	Develop action plan for projects and make assignments to each work group or team Implement action plan using project management tools 1. Action log 2. Timeline and milestone chart 3. Meeting schedule 4. Reporting criteria and procedures 5. Monitoring and follow up Develop measures to evaluate the results and impacts of your projects	Evaluate results and impact of projects on business conditions 1. Results of projects completed—objectives, summary of planned and unplanned outcomes 2. Impact of projects on goals, business environment, factors and CER principles 3. Consider sustainability of project and potential for new projects Assess the risks and rewards, and consider your next steps



Key monitoring steps for project design and implementation activities include: (4) evaluating strategic plan and project proposal for structure, comprehensiveness, and quality; (5) monitor project organization and management structures, and project implementation; and (6) monitor completing final project implementation requirements for evaluation, case study and final report.

Phase III: 2) Sustaining economic renewal and development (Workshop F)

Phase III (2) of the CER Component is designed to help the community sustain and build on the economic assessment and planning activity started as a result of participating in the CER process. Phase III (2) is carried out by the larger *community team*, whose job is to sustain and continue strategic CER planning and renewal work into the future. The community team will revise and update their initial strategic and sustainability plans and initiate the design and implementation process for subsequent CER projects.

Phase III Sustaining economic renewal and development (Wk F)				
STEP ONE Conduct sustainability analysis	STEP TWO Revise and update strategic ER plan	STEP THREE Develop new project proposal(s)	STEP FOUR Obtain skill training needed to strengthen ER efforts	FINAL RES Phase III (2)
Carefully review Phases I-III; (1). 1. Conduct assessment of community team vision, goals, organizational capacity, structure, financial support and sustainability 2. Respond to questions: "where are we now, where do we want to go, and how do we get there?" 3. Consider organization changes and financial support needed to continue CER on a long term basis 4. Consider what is needed to attract donors/investors to support economic development 5. Prepare summary report of changes needed to achieve future success	1. Review existing strategic plan developed in Phases II and III (1) 2. Consider changes, modifications and additions needed in the plan to strengthen and sustain community's future CER efforts 3. Prepare new, updated strategic plan to guide the community economic renewal efforts during next five years 4. Prepare an action plan to implement next steps set out in the strategic and sustainability plans 5. Identify any skill training needed to implement the new strategic and action plans (from list of options)	1. Assess stakeholder or donor reactions to new project ideas 2. Use project proposal outline, and guidelines to write new project proposal(s) 3. Determine project management requirements 4. Screen possible implementing organizations 5. market project proposals to potential donors	Obtain skills training to help achieve strategic plan objectives, e.g., 1. Business planning (a) at the project level, and (b) at the economic development organization level 2. Attracting donors/investors 3. Evaluating development plans 4. Using specialized tools in the CER Resource Handbook 5. Integrating the three components of the Integrated Community Adjustment Program, i.e., RRDWA, CER and ERAC components	Updated community vision, goals and strategic plan, new project proposals to market to potential donors, and the organizational capacity, and skilled human resources to continue economic development on a long term basis

7 8 9

Key monitoring steps for sustainability include (7) assessment of CER experiences to date, revision or revalidation of initial community analysis and profile, and preparation of a summary report of changes needed to strengthen future CER efforts; (8) revision of strategic plan and development of ongoing agenda and action plan for new projects; and (9) develop new project proposals and market them to prospective donors/stakeholders; and assess training and skill development needs and make arrangements to obtain these skills.

The CER monitoring checklist that follows is organized by key monitoring element and will help manage and monitor the implementation of the CER Component (See attached CER monitoring Checklist) In addition, Appendix I contains essential monitoring and implementation guidelines, tools and procedures that are used and in some cases required, in implementing the CER component. Appendix II contains key monitoring elements with M& E development objectives, indicators and outputs; and provides a worksheet helpful in constructing a performance management plan for CER.

CER Monitoring Checklist

Phase I

Key monitoring element

Activity	Responsibility	Dates	Comments
1. Community organization and Pre-Workshop planning			
Selection and training of IA TA staff	___________	_________	
Letter of interest	___________	_________	
Initial organization meeting	___________	_________	
Community team selection	___________	_________	
Community profile	___________	_________	
Orientation and training sessions	___________	_________	
I. Planning	___________	_________	
II. Orientation	___________	_________	
III.Facilitator			
Orientation Workshop Zero	___________	_________	

Phase II

2. CER Workshops Workshop A Workshop B Workshop C Workshop D Community team Attendance Workshop evaluations Homework Preferred future	___________ ___________ ___________ ___________ ___________ ___________ ___________ ___________	_________ _________ _________ _________ _________ _________ _________ _________	
3. Identify community project Project ideas – Workshop C Project selected -- Workshop D	___________ ___________	________ ________	

CER Monitoring Checklist

Phase III

Key monitoring element

Activity	Responsibility	Dates	Comments
4. Evaluate project idea and prepare strategic plan and project proposal Implementation team, names addresses, telephone Workshop E Workshop attendance , participation Strategic plan prepared Project proposal prepared Plan and proposal submitted Plan and proposal approved Project funding requested Project funding received	__________ __________ __________ _____________ ______ __________ __________ __________ __________	________ ________ ________ ________ ________ ________ ________ ________ ________	

5. Project implementation			
Monthly contact	____________	_________	
Project reports	____________	_________	
Quarterly training/meeting	____________	_________	
Other visits	____________	_________	
Organization & management structures established	____________	_________	
Action plan Preparation	____________	_________	
Action plan Implementation	____________	_________	
Action log			
Timeline & milestone charts			
Meeting schedule			

CER Monitoring Checklist

Phase III (continued)

Key monitoring element

Activity	Responsibility	Dates	Comments
6. Project completion and evaluation Final report Case study Evaluation of project (impact of project on goals, business environment, factors, etc.) Project sustainability plan	___________ ___________ ___________ ___________	________ ________ ________ ________	
7. Review CER Phases I—III (1) Workshop F Community team--attendance, data Assessment of vision, goals, org. capacity, structure, financial support, etc. Summary report of revitalization discussions and changes needed to achieve future success	___________ ___________ ___________ ___________	________ ________ ________ ________	
8. Revise and update strategic plan Revised and updated strategic plan Action plan to implement next steps set out in strategic plan Organizational changes Skill training needs	___________ ___________ ___________	________ ________ ________	

CER Monitoring Checklist

Phase III (continued)

Key monitoring element

Activities	**Responsibility**	**Dates**	**Comments**
9A. Develop new project proposals Stakeholder or donor reaction to new project ideas New project proposal(s) Project management requirements Implementing strategies and/or organizations Project proposal marketing	__________ __________ __________ __________ __________	_______ _______ _______ _______ _______	
9B. Obtain CER Skills training Prioritized List Needs Providers Training and development Schedule	____________ ____________	_______ _______	

Appendix I: CER Phase II Project Implementation Guidelines

Protocol for monitoring and supervising community project implementation

The success of Phase II of the CER process depends in part on the level and quality of support and technical assistance provided to communities by the WSI country CER Project staff. To ensure that this support is provided in an effective and timely manner it is important to assign someone the responsibility for this activity. This guide outlines some of the activities that should be carried out by this individual.

Who on the country Project staff is responsible for monitoring and supervising the communities as they carry out their post-workshop E activities—the proposal approval and project implementation processes? What are the actions that this individual(s?) must take to facilitate and monitor these processes and ensure the project's success? What kind of reporting procedure is needed by the Project Director and WSI to assure that the monitoring and supervising of CER projects are carried out in an effective, timely and fiscally responsible manner?

The following actions should be taken by the country Project Director or a person(s) who is assigned this responsibility by the Project Director:

1. **Frequent communication is maintained**. After Workshop E, frequent communication is maintained with the Community Project Implementation Teams to assist them in completing Phase II—and successfully implement their project.

2. **Project proposals are finalized and submitted**. Project proposals are (a) finalized using the approved format, and (b) submitted to the Project Office in a timely manner.

3. **Project proposals are reviewed and approved**. Once project proposals are received they are (a) carefully reviewed (b) either approved or returned to the community for changes or additional work and resubmitted for approval. Upon further review the communities are notified of the final outcome.

4. **Community is organized to handle funds and manage the project**. Before any Project funds are released to start a project, the community has been properly and legally organized for this purpose, and the necessary management and financial procedures, controls and staff are in place to carry out the approved project.

5. **Community obtains and uses funds.** Project funds for community projects are applied for, received, banked, and disbursed by the communities in a timely manner.

6. **Progress reports are submitted regularly**. Monthly progress and financial reports are completed by each community and submitted to the Project Office. Any problems or concerns identified are immediately followed up by the Project Office. Copies of the reports and information about actions taken to correct problems are promptly forwarded to WSI.

7. **Quarterly meetings are held**. Quarterly meetings are scheduled by the Country Director and conducted with representatives from all Community Project Implementation Teams. Their purpose is to allow teams to share information, provide training to the teams, and assess the status of project implementation.

8. **Problems are resolved promptly**. Any questions raised or problems identified by communities during the implementation process are promptly answered or resolved.

9. **Technical assistance is available**. The type of assistance (technical assistance, training, other) needed by each Community to successfully complete their project implementation is readily available or will be obtained. Efforts are made to determine what is needed, how and when it can best be provided, and by whom.
   - ⇒ Telephone call
   - ⇒ Personal visit
   - ⇒ Written answer or material provided
   - ⇒ Formally meet with Project Implementation Team (or Community Team)
   - ⇒ Scheduling meetings with Project IA staff or others

10. **Final report is prepared and submitted when a project is completed**. When the community project is completed, the Project Implementation Team should prepare and submit a final report (financial and written) to the Project Office.

11. **Sustainability is accomplished**. Community Project Implementation Teams are encouraged and helped to take whatever actions that are needed to accomplish the sustainability of the CER process in their communities, and to continue the CER work after the USDOL/WSI Project ends. Inviting communities to participate in Phase III is an important part of this process.

CER pilot project funds disbursement procedures

Terminology: To avoid procedural issues with the USDOL Procurement Office, these funds must be termed “LED Pilot Funds” rather than “grants”.

Funding Source: Worldwide Strategies, Inc. is the funding source. WSI will advance pilot funds and invoice USDOL for reimbursement based on documentation provided by the Project Office.

Documentation Requirements: All pilot projects require USDOL approval before the issuance of any funds. Project Offices must provide the following information to WSI:

1. Names, titles, and institutions represented by the community team responsible for implementing the project.
2. Original signatures of community team members indicating agreement with the project’s selection.
3. The project budget itemizing expenses to be paid by pilot funds and any local contribution, with separate totals for Direct Costs and any Administrative Costs.
4. Expected results of the project.
5. A minimum of two names of people who will withdraw and sign for the funds--only one of whom can be local government official.
6. For projects involving public/private partnerships, a Cooperation Agreement with original signatures outlining the rights and obligations of the parties.

Article IV. Timelines:

Initial Funding: Project documentation must be submitted to WSI for USDOL approval at least one month before funds are requested.
Subsequent Funding: Once the project is approved, WSI requires two days notice to wire funds.

Restrictions:

- Each wire request should not exceed 40% of the LED pilot funding.
- Administrative costs paid from pilot funds may not exceed 21%, without written support and justification from the USAID Mission.
- Each pilot project must establish a separate bank account to be used solely for LED pilot project expenses and to establish a tracking mechanism for financial reviews.
- Dual signatures are required for fund disbursal at all levels (i.e., at least two community team members-only one may be a government official, WSI project manager and WSI Director.)

Wire Request Instructions: (Note: LED Pilot Fund wire requests must be requested separately from routine wire requests for Project Office expenses.)

7. Project Office faxes to WSI a Fund Request Form signed by the community team (sample form attached for adaptation) and the Project Office manager.
8. WSI wires the requested amount into the Project Office bank account.
9. Project Office wires amount into a local bank account established by the community team.

Invoice Documentation/Process:

10. Project Office creates a spreadsheet to track the cash flow for each project, including all bank charges and exchange fees. (See attached sample).
11. To maintain WSI's credit line, Project Office immediately sends the Fund Request Form with original signatures and the spreadsheet to WSI by DHL or FedEx, etc. The signed request form and spreadsheet serve as WSI's receipt for USDOL reimbursement.

Financial Record keeping/Reviews

12. Project Office staff must routinely track pilot project cash flow to verify that expenditures match the funding amounts requested by the pilot projects.
13. Project Offices must require pilot projects to keep original receipts of all expenses which will be review during periodic reviews.
14. Expense receipts and other accounting records are not submitted to WSI until the pilot project is completed and the project office conducts a final financial review.
15. Project offices will submit a final report of the financial review to WSI, which will be forwarded to USDOL.

Frequently Asked Questions:

Q. Are pilot funds tax exempt?
A. Yes. These funds should be tax exempt by USAID bilateral agreement with each country. If USAID has no bilateral agreement, there should be an MOU on tax exemption that would be followed.

Q1. Can pilot funds be used to compensate the community implementation team?
Q2. Can a percentage of pilot funds be used to support an NGO or other sustaining partner?
A. Because pilot funds are limited, it is critical that all resources be directed toward project activities to demonstrate success. In addition, communities need to be establishing a framework for this activity and should bear some of the costs. In-kind contributions by the communities is an indication of their level of commitment to the process.

FUND REQUEST FORM for CER Pilot Projects

USDOL/WSI CER Project

This is a request for $_____________
as part of the _________________________

(Amount in USD)
(Project Name)

budget of _______________________.

(Community)

We are requesting the funds for the purpose of _______________________

Please wire by ____________.
(Date)

Signatures of Action Team:
1.

2.

3.

4.

Signature of WSI Project Director:________________________________Date:______________

Signature of WSI Executive Director:______________________________Date:______________

CER Data Collection and Project Documentation

Data and information should be collected by the Community Team about Phase II activities. This data will be used by the Community Team to prepare a final report on their project(s) that will be submitted to the Project Office. Some information will be submitted to the project office on an ongoing basis as part of the team's monthly progress reports, and some will also be collected as part of the project evaluation efforts.

1. Community organizational efforts made to carry out CER projects implemented in Phase II
2. Proposal development
3. Project implementation strategy
4. Partners participating and matching funds obtained
5. Intended and unintended outcomes (for example)

   Changes (improvements?) in five factors
   - access to capital
   - business environment
   - infrastructure
   - human resources
   - quality of life)

   Changes in community attitude toward LED
   - Success (or problems encountered) in using four LED principles
     - Leaks plugged
     - Enterprises strengthened
     - New enterprises started
     - Outside enterprises attracted to the community
   - Jobs created
   - Matching funds obtained
   - Worker training accomplished
   - Community organizational structures created or modified
   - Other changes made (list and describe)

6. Current status and future plans for continuing CER activities in the community
   - CER Projects undertaken after Phase II completed
   - Additional activities or projects being planned
   - Sustainability: organizations and partnerships created
   - Changes made to continue or expand CER activity
   - Future directions planned

7. Comments and feedback from participants and community leaders
   - The CER workshop E and Phase II project implementation processes
   - The outcomes achieved
   - Problems encountered
   - Other

8. Lessons learned from implementing CER component in this community

9. Institutionalization and sustainability issues remaining at the local level

Community CER Monthly Progress Reports

INSTRUCTIONS

Each community shall complete a typed progress report each month and submit it to the Project Office no later than the 10th of the following month.

Each report shall include three sections: heading, administrative and financial management sections with the following information:

HEADING

1. Name of Project and Location
2. Date of Report
3. Reporting Period

report shall include the first through the last day of the previous calendar month.

ADMINISTRATIVE SECTION:

1. **Accomplishments to Date:** Provide a summary of the project achievements since inception.
2. **Accomplishments during the Reporting Period:** Provide a concise description of the project achievements for the month based on the project's implementation plan.
3. **Accomplishments to be Performed during the Next Reporting Period:** Provide a concise description of the work that will be performed in the next calendar month.
4. **Technical or Administrative Problems:** Provide a brief summary of any technical or administrative problems that arose during implementation that delayed work and what was done or to resolve the problem; Provide a concise description of any problem that occurred during the reporting period that will delay work and what is being done or help that is needed to resolve it.

FINANCIAL MANAGEMENT SECTION:

1. **Funds Received to Date:** List the date and amount of individual wire transfers received.
2. **Expenses to Date:** List the dates, amounts, and purposes of all expenditures.
3. **Balance of Funds and Date:** Amount remaining in project bank account at the end of the reporting period.

Sample CER monthly report

1. **Name and Location of Project**

    Cultivating of Waste Lands with Ethereal Oil Producing Plants

    Rakitovo, Bulgaria

2. **Date of Report**

    April 9, 2000

3. **Reporting Period**

    March 1 - 31, 2000

ADMINISTRATIVE SECTION:

Accomplishments to Date

- *October 1999, soil samples were taken and it was determined that the soil should be treated with lime to obtain a neutral or alkaline pH. Fields were plowed and harrowed and plant beds were marked.*
- *November 1999, team formed with Labor Office to select unemployed persons suitable for the planting jobs. Hired and trained from 24 up to 70 persons, based on work to be accomplished and time period available. Retained two persons to guard plants.*

Accomplishments during the Reporting Period

- *(From December 1999 – February 2000, the project was dormant until Spring.)*
- *On March 6, the community team met to review the project implementation and decided to conduct a site visit.*
- *The planting of the lavender field was inspected and verified that 120 decarres had been planted, 20 more than planned.*

Accomplishments to be Performed during the Next Reporting Period

Fields will be inspected to remove weeds, diseased plants, and treat for insects.

Technical or Administrative Problems

- *Summary: Due to the late season for planting and the difficulty in obtaining lime, soil treatment with lime was postponed until next Fall. The laboratory recommended an alternative treatment, which was carried out mechanically and in compliance with the norm per decarre.*
- *For the Period: None*

FINANCIAL MANAGEMENT SECTION:

Funds Received to Date

10/29/996380.25 Lv
11/9/99 20562.00 Lv
12/20/99 7664.00 Lv
34606.25 Lv

Expenses to Date

11/1/99	6000 Lv	Lavender Plants
11/12/99	20,800 Lv	664 man-days wages
12/23/99	7,800 Lv	Guard wages
	34,600 Lv	

Balance of Funds and Date

Lv as of March 31, 2000.

Sample (monthly, quarterly) meeting agenda

I. Welcome, Introductions

II. Progress Reports
   A. Accomplishments to date, this quarter
   B. Plans for next quarter
   C. Issues or concerns
   D. Adjustments in plan

III. Teambuilding or training activities

IV. Administrative Issues
   A. Reporting, monitoring and evaluation
   B. Legal issues
   C.

V. Financial Management
   A. Review of funding process from WSI/USDOL
   B. Other funds

VI. Adjourn
   A. Next meeting
   B. Assignments

Sample contents of final CER project report

Refer to the Data Collection and Project Documentation list for details of what should be included in the final project report.

1. Name of project

2. Dates of project (starting and ending)

3. Project implementation team

4. Goal(s) of project

5. Expected project outcomes

6. Summary of how, when and by whom Action Plan was implemented

7. Actual project outcomes

8. Other unanticipated benefits

9. Problems encountered

10. Lessons learned

11. Project sustainability issues and steps taken to address them

12. Future plans (next steps)

IA Specialist Checklist: Phase I – Planning and Organizing for CER

Community______________________________________
Local Contacts: (Community team, Local team)______________________________________

Actions	**Date**	**Comments, potential problem indicators***
1. Organization ⇒ Letter of Intent ⇒ Organizing meeting		
2. Community team selected		
3. CER planning, organizing and training ⇒ Local IAS and core team orientation and training ⇒ Small group facilitator training ⇒ Workshop Zero scheduled ⇒ Workshop Zero held		

*Identify specifically: What problems? What response? What actions? What solutions?

IA Specialist Checklist: Phase II – Discovering Business Opportunities

Community____
Local Contacts: (Community team, Local team)____

1. CER Workshops Workshop A ⇒ Preparation ⇒ Homework Workshop B ⇒ Preparation ⇒ Homework Workshop C ⇒ Preparation ⇒ Homework Workshop D ⇒ Preparation ⇒ Homework		
2. Project idea selected		
3. Implementation team selected		
4. Workshop E scheduled		

*Identify specifically: What problems? What response? What actions? What solutions?

IA Specialist Checklist: Phase III (1): Designing and Implementing CER Projects

Community________________________________
Project_______________________________________
Implementation Team Contact______________________________ Telephone No.________________
Other Local Contacts (Community Team, Local Team)____

Actions	Date	Problem indicators* Other comments
1. Contact ⇒ (At least weekly) 2. Workshop E ⇒ preparation ⇒ homework 3. Strategic Plan & Proposal ⇒ Finished ⇒ Delivered 4. Funding ⇒ Applied for ⇒ Used 5. Implementation Team ⇒ Organized ⇒ Working 6. Progress Reports ⇒ Completed ⇒ Submitted 7. Regular meetings held ⇒ Implementation Team ⇒ Community Team 8. Technical Assistance ⇒ Needed ⇒ Provided 9. Sustainability ⇒ Actions needed Actions taken		

*Identify specifically: What problems? What response? What actions? What solutions?

IA Specialist Checklist: Phase III (2) – Sustaining CER and Development

Community___________________________________
Community CER Contact_____________________________ Telephone No.________________
Other Local Contacts (Community Team, Local Team)____

Actions	Date	Comments, Potential problem indicators*
1. Contact ⇒ At least weekly Schedule Workshop F		
2. Workshop F ⇒ Preparation Homework		
3. Review CER Phases I – III (1) ⇒ Conduct assessment of goals, needs, achievements organizational capacity ⇒ Respond to questions: Where are we now? Where do we want to go? How can we get there? Prepare a summary report of changes needed		
4. Revise and update strategic plan ⇒ Completed ⇒ Submitted		
5. Prepare an action plan ⇒ Completed ⇒ Implemented		
5. Identify skill training and technical assistance needs ⇒ Monitoring and evaluation ⇒ Business planning (project level) ⇒ Facilitator ⇒ Organizational changes ⇒ Using CER tools ⇒ Using and/or integrating other ICAP Model components (RRDWA and EC) Other		
6. Sustainability ⇒ New project development ⇒ Phasing-out and Handing over ⇒ Other		

*Identify specifically: What problems? What response? What actions? What solutions?

Appendix II: CER Evaluation Plan: Indicators and Outputs

CER M&E Plan Element	**Development Objective**	**Indicator or output**
M&E Step 1		IA specialist/community team members trained
M&E Step 2		Citizens trained in CER component
M&E Step 3	Sub IO6	CER Partners per type of partner
M&E Step 4		
M&E Step 5		
M&E Step 6	DO IO1 IO1 SUB IO6	Jobs created New Business starts Expanded business over past year Ave. hours committed per community Firms assisted
M&E Step 7	SUB IO0 SUB IO1 SUB IO3 SUB IO6	Communities with new CER initiatives Communities with CER Plans operational Local business climate improvements Communities whos partners contribute
M&E Step 8		
M&E Step 9	SUB IO1	Communities w/continuing CER For a

CER Implementation, Monitoring and Evaluation Plan—Phase I

Implementation activity, indicator or output	Data Source or Responsibility			
	Project	Local Team	Community Team	Action

CER Implementation, Monitoring and Evaluation Plan—Phase II

Implementation activity, indicator or output	Data Source or Responsibility			
	Project	Local Team	Community Team	Action

CER Implementation, Monitoring and Evaluation Plan—Phase III (1)

Implementation activity, indicator or output	Data Source or Responsibility			
	Project	Local Team	Community Team	Action

CER Sustainability, Monitoring and Evaluation Plan—Phase III (2)

Sustainability activity, indicator or output	Data Source or Responsibility			
	Project	Local Team	Community Team	Action

Elements of Monitoring Plan for CER Component—(Phases I, II, III (1& 2))

Phase I

1. Community organization and pre-workshop planning
   ⇒ Letter of interest
   ⇒ Initial organization meeting minutes
   ⇒ Community team selection—names, addresses, telephone
   ⇒ Orientation and training sessions
      Local core team or strategic committee
      Local CER IA Specialists and core team representatives
      Small group facilitators
   ⇒ Community profile
   ⇒ Checklist (see sample checklists)
   ⇒ Workshop Zero

2. CER workshops
   ⇒ Workshops A-D
   ⇒ Community team—attendance data
   ⇒ Community team—workshop evaluations
   ⇒ Community team—homework
   ⇒ Community team—preferred future

3. Identify community project
   ⇒ Project ideas—Workshop C
   ⇒ Project idea screening and selection—Workshop D

Phase II

4. Evaluate proposed project and prepare formal strategic plan and project proposal
   ⇒ Implementation team—names, addresses, telephone
   ⇒ Workshop E
   ⇒ Workshop attendance, participation
   ⇒ Strategic plan and project proposal
      Strategic plan and project proposal (see strategic plan and project proposal guidelines)
      Executive summary
      Action/business plan
      Budget
      Timeline
   ⇒ Strategic plan and project proposal submitted/approved
   ⇒ Funds requested

Elements of Monitoring Plan for CER Component (Phases I, II, III continued)

Phase III (1)

5. Monitor project implementation
   - ⇒ Monthly contact—telephone visit (see project implementation guidelines)
   - ⇒ Project reports—monthly or quarterly
   - ⇒ Quarterly in-service training meeting
   - ⇒ Other visits—WSI, evaluation
6. Complete project implementation
   - ⇒ Final report (see final report guidelines)
   - ⇒ Case study (see case study guidelines)
   - ⇒ Evaluation of project
   - ⇒ Project sustainability plan

Phase III (2)

7. Review Phases I, II and III (1)
   - ⇒ Workshop F
   - ⇒ Community team—attendance data
   - ⇒ Summary of Review findings
8. Revitalize community team
   - ⇒ Summary report of revitalization discussions, changes needed and proposed, and future directions
   - ⇒ Agree to changes and actions to continue CER work
     - Revised and updated strategic plan (see outline of strategic plan)
     - Community CER sustainability plan (see outline of sustainability plan)
     - Steps and actions to develop new CER projects
9. Implement revised strategic and sustainability plans and CER projects
   - ⇒ Community team training report (attendance, courses taken, skills learned, etc.)
   - ⇒ Community organizational and sustainability actions
   - ⇒ CER project final report(s) (see final report guidelines)
   - ⇒ Case study (see case study guidelines)
   - ⇒ Monitoring and evaluation of project(s)
   - ⇒ Other visits
10. Obtain skills training needed to strengthen future ER efforts
    - ⇒ Business planning skills (a) community level, (b) project level
    - ⇒ Attracting donors/investors
    - ⇒ Evaluating development plans
    - ⇒ Specialized tools in the CER Resource Handbook

Section IV

Enterprise Restructuring and Competitiveness

(ERAC)

Section IV

Enterprise Restructuring and Competitiveness

Chart 1
Enterprise Restructuring and Competitiveness Component 2002

Phase I **Startup: Develop early warning network, MIS and ERAC strengthening capacity**	**Phase II** **Market and implement the ERAC assessment process**	**Phase III** **Select restructuring strategy and implement strengthening tools**	**Phase IV** **Sustain ERAC capacity in community and nation**	**Outputs**
1. Pre-startup assessment, planning, pilot site selection and orientation meetings held to assess ERAC needs and receptivity 2. ERAC training workshop conducted for partner ERAC staff and project IA Specialists 3. Establishment of early warning networks and MIS 4. Assessment of ERAC strengthening resources, nationally and locally	1. Identify "at risk" enterprises 2. Conduct preliminary assessment of ERAC problems and needs 3. Sign an agreement with enterprise to authorize EC project 4. Organize and conduct an ERAC restructuring **Workshop R** for participating enterprise managers and worker representatives 5. Begin planning for Phase III	1. Help participating enterprises: (1) develop ERAC strategy, (2) select restructuring tools, and (3) access and implement ERAC strengthening tools within enterprises 2. IA Specialist Coordinates enterprise-level ERAC process and activities with other ICAP components 3. IA Specialist Monitors the implementation of ERAC tool(s) 4. After ERAC project(s) have been completed a final report is prepared	1. Organize and conduct Workshop S 2. Review of Phases I-III 3. Assessment of ERAC goals, achievements, and organizational capacity 4. Answer question: *Where* are *we* now *and where do we want to go from here*? 5. Develop action plan to continue ERAC work 6. Training and TA are provided to help national and local partners maintain ERAC capacity	1. Competent, committed and well-trained ERAC IA Specialists in communities and nations 2. An effective early warning system to identify "at risk" enterprises 3. ERAC strengthening capacity and effective tools to help enterprise managers and worker representatives of "at risk" employers identify their needs 4. Timely access and delivery of ERAC training and TA to "at-risk" enterprises 5. A significant reduction in business failures

				business failures and job loss

Introduction to Enterprise Restructuring and Competitiveness

The concepts and materials introduced in the enterprise restructuring and competitiveness (ERAC) component of the ICAP are designed to help businesses—state-owned enterprises undergoing privatization, restructuring and downsizing, as well as other privately-owned business enterprises in target communities or regions—to become more productive and competitive in the national and global economies. It is a labor and human resource approach to competitiveness that encourages and assists enterprise managers and worker representatives to utilize and manage human resources in a more effective, cooperative, problem-solving manner.

The ERAC component is organized around four phases or stages that are implemented sequentially. Each phase builds on the preceding phase, and utilizes materials, worksheets and tools from the ERAC Handbook, ***A Guide to Enterprise Restructuring and Competitiveness: A Labor and Human Resource Approach***, to guide participants in determining the enterprise strengthening and restructuring needs and opportunities in their businesses and communities.

The implementation of the ERAC component to assist restructuring enterprises is carried out by national ICAP Project staff and regional or local IA Specialists and partners selected and trained for this purpose. The ERAC component is implemented in a sequential four Phase process as outlined above in Chart 1

Phase I: In Phase I, IA Specialists will help local partners establish an early warning network at the community or regional levels and assess the potential risk to enterprises and industries that are subject to or undergoing economic restructuring. As part of this initial assessment, pre-startup planning and pilot site selection will be accomplished, and orientation meetings held. Training will be conducted for partner ERAC participants and IA Specialists, and ERAC strengthening resources, nationally and locally, are inventoried.

Phase II: In Phase II, IA Specialists and local partners will identify "at risk" enterprises and conduct a preliminary assessment of ERAC problems, concerns and needs. An agreement with the at risk enterprises is signed to authorize and commit to an ERAC project, followed by ERAC Workshop R for participating enterprise managers and worker representatives.

Phase III: During Phase III IA Specialists will help the ERAC participants complete an assessment, select a restructuring strategy and tools from the menu of ERAC strategies and techniques introduced and evaluated earlier in Workshop R. IA Specialists will coordinate enterprise level ERAC activities with other adjustment project components (CER and RRDWA), critical ERAC steps and tasks are inventoried, and post-ERAC project final reports are prepared.

Phase IV: The objective of Phase IV is to sustain and improve or expand the ERAC capacity in the community, region and nation. Workshops will be held so the IA Specialists and partners can review ERAC Phases I-III and assess ERAC program goals, achievements and organizational capacity. An Action Plan providing structure, direction and action steps will be developed and implemented along with training and technical assistance for national and local partners.

The key approaches and tools used as part of the ERAC program to help managers and worker representatives successfully restructure and strengthen the competitiveness of their enterprises are outlined below in Chart 2

Chart 2
Key enterprise restructuring and competitiveness tools and approaches

Enterprise managers and worker representatives, with the assistance of Project IA Specialists and using some basic analytical tools, conduct an assessment of their firm's competitiveness problems and needs, evaluate the various restructuring strategies available to them, select a suitable strategy, develop some restructuring guidelines, and implement one or more enterprise strengthening elements, including:

- **Understanding the hierarchy of enterprise restructuring**, and the strategies and practical tools available to help managers and workers strengthen their enterprise's competitiveness
- **Using socially sensitive restructuring techniques to strengthen enterprises and preserve jobs**. This is done by helping restructuring enterprises establish plant-level productivity improvement and cost saving (PI/CS) projects to reduce costs and increase productivity, and by helping restructuring enterprises to develop and implement strategies that improve human resource utilization to preserve jobs
- **Using socially sensitive measures to diminish workforce reductions and facilitate the transition of displaced workers to new jobs**
- **Improving labor-management relations** by providing "Training for Partnership," "Interest-based Negotiations," and "Group Problem-Solving" workshops that teach managers, workers, and union officials in affected enterprises and communities the techniques that can be used to solve problems, build cooperative partnerships, and generate high-performance workplaces
- **Upgrading workers' skills** by helping restructuring SOEs and other private enterprises increase their competitiveness or expand their operations by using Quick Start Training to upgrade their existing workers' skills or to train new workers
- **Maximizing joint competitive advantage of small enterprises** by assessing the need and opportunity for inter-firm cooperation and collaborative networks of small companies in communities or regions to help them maximize their joint competitive advantage in the global marketplace
- **Making ownership changes and using innovative group entrepreneurship approaches** to strengthen enterprises and preserve or create jobs in the community.
- **Providing managers and workers with economic education**. In order for an enterprise to be more competitive, its managers and workers must understand the basic fundamentals of the market economic system and private enterprise. They must also learn basic concepts such as "open book management" to better understand a financial statement and how their enterprise can become a "least cost producer."

Steps to Start and Implement the ESAC Component in CEE Countries

I. Start up Activities

A. The WSI Country Project Director should meet with Senior WSI Project IA Consultant/trainer to discuss the steps and timetable for implementing the ERAC Component. The discussion should include determining the implementation strategy to be used, the partnership arrangements being considered or agreed to in the MOU, the ERAC component staffing requirements, training needed, and other matters.

B. One of the first issues is to identify and recruit suitable partners) to implement the ERAC component. It is important for the Project Director to discuss the objectives of the project with the partners and to obtain a written commitment from them agreeing to actively participate in the operation of the ERAC component and spelling out what they are prepared to do to make it a success. Preferably, the MOL, NLO or National Employment Service, the national Technical or Vocational Training agency, the National Productivity Center (if one exists), and the Chamber of Industry or Commerce, or other Employer groups, and Trade Unions, will become ERAC partners and a formal commitment will be obtained as part of the initial negotiations. The commitment obtained should include the willingness to provide counterpart staff at the national and regional level to become directly involved in the ERAC implementation process, and to provide local agency staff needed to function as full or part-time IA ERAC specialists. The partner agency/agencies should also be asked to provide office space, logistical support and released time for the IA Specialists to function in this capacity.

C. If the logical government partners (e.g., NLO or MOL, Vocational Training Agency, National Productivity Center) are not interested in or capable of functioning as effective partners, other partnership alternatives (e.g., using a foundation, local governments, NGOs, BPSCs, etc.) that could provide a home for the ERAC unit and IA specialists should be considered. Another alternative is to hire and use full-time project employed staff for this purpose, with the hope and/or expectation that a suitable governmental or business association-related partner can be found or will emerge once the ERAC component is operational and demonstrates its value.

D. Follow up actions should be taken by the Project Director to ensure that the designated partners) identifies and selects (a) the key staff members at the national level who will function as ERAC counterparts, and (b) those individuals at the regional and local level who will function as IA specialists in implementing the ERAC component at the local level. It is very important that competent individuals are selected, and that they are fully supported by their superiors in carrying out this important assignment.

E. Arrange to have the international ERAC manuals and other training materials, worksheets and handouts translated into the local language, and print sufficient copies for distribution as part of any subsequent national agency and business and labor partner training sessions, and IA specialist training workshops.

F. Begin planning for start up of ERAC services. Arrange for a WSI international ERAC trainers to help prepare and conduct a one or two day training session for the partner's key staff at the national and regional level to explain the USDOL/WSI Adjustment Model and the essential features of the ERAC component that will be implemented.

G. Project ERAC staff in consultation with the counterpart ERAC staff designated by the host government and other partners should establish selection criteria (e.g., pilot regions where major plant restructuring has occurred or will be occurring, sites having higher than average unemployment rates and expectations of further restructuring or mass layoffs, etc.) and identify appropriate communities and enterprises to participate in pilot ERAC activities in the selected regions.

H. The Project Director, in consultation with the WSI Director and Senior ERAC Consultant/trainer, should set a date for the training of IA Specialists from the partners' regional and local offices in the pilot regions. WSI will arrange for qualified international trainers to conduct the initial ESAC training.

I. Project ERAC IA staff, counterparts' ERAC Team and local IA specialists will participate in a one-week workshop to learn the EC philosophy, methodology, tools and techniques.

II. Establish early warning network

A. The foundation of a enterprise competitiveness and strengthening program that will be successful over time rests on having an effective early warning system and good information about what is happening to businesses and employers in a community or region.

B. Consequently, another start up activity undertaken by the Project Director and Project IA staff should be to help the counterpart national Team and regional and local IA Specialists establish an early warning network and instruct them to continually assess enterprises and industries subject to economic restructuring and downsizing.

C. Project ERAC IA specialists work with counterpart ERAC staff, local labor offices, local and regional MOL offices, restructuring ministries and other government agencies involved with privatization, local elected officials employer associations and trade unions, to establish and activate an early warning system or network to obtain accurate and timely information about pending and future enterprise restructuring which may occur in a community or region. (Note: An early warning network may have been established when implementing a RRDWA Component. If this is the case, the same network can be used to provide information for ERAC Component purposes as well.)

D. Project and counterpart ERAC staff use the network to collect, organize and circulate to local IA specialists any information from contacts that will help them to keep tabs on enterprises or industries in their region or locality that are uncompetitive, are in danger of losing jobs, or scheduled to be restructured. A computerized information system should be established by the Project ERAC and counterpart staff to help IA specialists track these developments.

E. Local IA specialists closely monitor the situation in these enterprises and industries to determine:

1. when it is appropriate to make direct contact with them to discuss their situation, and
2. if the enterprise competitiveness and strengthening process should be activated on their behalf.

III. Develop a management information system (MIS)

A. The WSI Adjustment Project staff and counterpart staff should develop and implement a basic MIS system to keep track of the essential information generated by the early warning system and the implementation of ERAC activities at the enterprise level.

B. If possible, a computerized reporting system will be made available, by DOL/WSI to the project for translation, modification and use in each country. (Computerized systems for the RRDWA Component have been developed in Hungary and Romania, with the latter now available for use in new countries. These may be modified for use with the ERAC Component)

IV. Implement the Enterprise Restructuring and Competitiveness Process

A. Once the pilot communities or regions have been identified by the Project Staff (usually after consultations with the host government and partner) and restructuring enterprises selected, Project ERAC staff (and/or international trainers) should assist local IA specialists to initiate direct contact with the threatened or restructuring enterprises in the pilot communities.

B. Project and local ERAC IA specialists meet with restructuring employers, enterprise managers and unions representing their workers to discuss their situation and introduce them to the technical assistance and other services that can be made available through the ERAC Component.

C. Project and local IA specialists identify resources (financial and technical assistance) needed and available to support ERAC strengthening programs at the enterprise level

V. Make a preliminary assessment of the enterprise's competitiveness problems and adjustment issues

Regional or local IA Specialists, assisted by Project staff and/or experienced ERAC consultants are responsible for making an assessment of the enterprise's restructuring problems and related issues, including:

A. the size, complexity and urgency of the existing or potential enterprise competitiveness problems and issues.

B. the appropriateness of enterprise restructuring strategies the employer is using or intends to use to address the problems

C. the employers interest and willingness to participate in the ERAC program

D. whether the situation presented comes within the purview and expertise of the CE program, and

E. the potential costs and benefits of establishing an enterprise competitiveness and strengthening program in the enterprise

VI. Sign an agreement with the employer to authorize the ERAC project

If the preliminary assessment indicates that the enterprise fits the criteria for receiving assistance through the ERAC component, the IA specialist should prepare and have the enterprise management officials sign an agreement that spells out the roles, responsibilities, resources and commitments that the enterprise management must agree to in order to participate in an ERAC project under the USDOL/WSI Adjustment Project.

The agreement should spell out:

- the specific objectives and parameters of the project
- the time frame for the project
- what financial resources will be made available through the USDOL/WSI Adjustment Project and what matching resources will be provided by the participating enterprise - - who will provide the needed facilities, services, staff, etc.
- what training, and TA will be provided by the Project and IA specialist to the enterprise and its staff

VII. Conduct an Enterprise Restructuring and Competitiveness workshop

Once the agreement has been signed, the IA Specialist should schedule and organize an ERAC workshop for the participating enterprise managers and worker representatives. Initially, the workshops at the pilot sites will be conducted by Project staff and International ERAC consultant/trainers, assisted by local IA specialists. (After the Pilot rounds, as the Project staff and local IA specialists gain experience and expertise, they will assume the full responsibility for conducting these workshops.) The workshop has several specific objectives, including teaching the participants:

- the fundamentals of socially responsible restructuring and how it can be used to strengthen their competitiveness and minimize job loss
- the range of restructuring strategies that are available to them and the hierarchy of enterprise restructuring
- some approaches to diagnose an enterprise's health
- questions that should be asked before they undertake restructuring
- practical tools that can be used to reduce the non-human and human costs of restructuring

VIII. Help participating enterprises identify their specific ERAC problems or needs, and determine the restructuring strategy and ERAC tools that would be most appropriate to use.

After the ERAC Workshop has been completed, the IA specialist, aided by Project staff and International EC consultant/trainer, should work with the enterprise managers and worker representatives to select the most suitable analytical tools to:

- identify their specific ERAC problems and needs and prioritize them,
- determine which restructuring strategy would be most suitable to use to address the most important problem, and
- what ERAC tools) would be most appropriate to use.

IA specialists, assisted by Project staff and/or an international ERAC consultant, help the enterprise managers accomplish these three objectives by:

- providing TA that will enable them to use some basic analytical tools to assess their situation and identify the ERAC problems that most need attention
- helping them evaluate the restructuring strategies available to them, and
- helping them select and access the ERAC tools available through the EC project to help address their specific competitiveness problem or situation

IX. Help participating enterprises implement selected ERAC tools

If, after completing an analysis of their ERAC problems and needs, participating enterprise managers decides that they want to implement one of the five tools available through the ERAC Component (e.g., PI/CS study team, learning interest-based problem solving and partnership building activities, Quick start training, small business networking, changing ownership, and economic education for enterprise managers and workers), the IA specialist will work with the ERAC partners, Project staff and International ERAC trainers to arrange for, provide, or coordinate the delivers of the needed training and TA to help the enterprise implement these tools.

X. Coordinate with local RRDWA and CER teams and their partner agencies

In addition to coordinating with the ERAC partners, IA specialists should also coordinate the ERAC strengthening efforts being carried out in individual enterprises as part of the ERAC Component with other USDOL/WSI Project activities (i.e., that are being carried out under the RRDWA and CER Components) that may also be underway in the same community or region. By coordinating the ERAC activities with these other Project components there is less likelihood of confusion and more opportunity to achieve synergy among the various activities and components.

XI. Monitor the progress

Using the Management and Monitoring plan, IA Specialists and Project Office, monitor the progress and success of the ERAC projects) The IA specialist, with training and TA from the Project Director and Staff, also provides leadership to:

- establish performance measures to monitor the impact on the enterprise, workers and communities to ensure that the project produces the anticipated results
- measure the impact of the project on the enterprise's competitiveness
- assess the relevance of the adopted strategy to strengthen competitiveness and avert layoffs and cushion the impact of restructuring on the community
- continually assess the need for additional restructuring and ERAC projects by other enterprises and takes appropriate action to consider them for approval

XII. Evaluate the ESAC project results and prepare a final report

When the work of an ERAC project in an enterprise is finished, IA specialists should follow up to ensure that the necessary evaluations and reports on the project are completed and submitted in a timely manner. These reports include:

- final reports on training and TA provided to implement ERAC tools
- PI/CS study team describing the work and results achieved by the group.
- IB problem-solving and partnership building training conducted
- Quick start training conducted networking developed ownership changes initiated economic education efforts
- a formal Project Office assessment of each enterprise-level ERAC project carried out as part of the pilot rounds
- strategy adopted, objectives of the project, summary of project activities and changes made in enterprise operations as a result of the project, expected outcomes, actual outcomes, recommendations for changes in future projects, etc.

XIII. Next Steps-Facilitate national and local efforts to achieve sustainability

The Project Director and Staff, assisted by counterpart agency staff, partners and IA specialists, should:

- take whatever actions that are necessary and appropriate, according to the sustainability plan, to facilitate the sustainability and institutionalization of the ERAC Component within the nation and/or regions where this process has been implemented.
- arrange to provide training and TA to the counterpart national or regional counterpart agency staffs as they develop and introduce a national version of the EC manuals and materials that are suitable for the local needs after the project ends.
- plan and organize a ERAC dissemination conference (national, regional?) at the end of the project so that national counterpart staff and partners, local ERAC IA specialists and participating enterprises can share their experiences and results with key government, business and labor leaders and publicize the successes achieved in their enterprises, communities and country.

XIV. Prepare a Final Report on the ERAC Component

The Project Director and staff should:

- use the "*Outline of data and information needed to document and evaluate USDOL ERAC projects*" (and whatever evaluation guidelines that may be developed by USDOL and WSI to collect and organize all of the information needed for inclusion in the final report of the project.
- prepare and submit the final report on the implementation of the ERAC component to WSI and USOL upon the completion and handover of the ERAC Component .

Financial guidelines for USDOL/WSI Integrated Adjustment Project Enterprise Restructuring and Competitiveness Component

Subject: Use of USDOL/USAID integrated worker, community and enterprise adjustment project grant funds in support of the Enterprise Strengthening and Competitiveness (ERAC) Component

Objective of guidelines: To clarify fiscal procedures and allowable expenditure of USDOL/USAID funds for the ERAC component in accordance with US Congressional Law governing SEED and other USAID-funded programs.

A. Definitions

1. **Enterprise restructuring and competitiveness activity**. The term "enterprise strengthening and competitiveness activity" means training or technical assistance provided directly or by an entity designated by a the USDOL/WSI adjustment project with an ERAC component, with funds provided by the United States Department of Labor and/or USAID under the SEED or other U.S. government funded programs, to a public or private business undergoing or in need of restructuring to improve its competitiveness and reduce or prevent job loss. The objective of the ERAC activity is to assist enterprise managers and workers assess their enterprise's competitiveness problems and develop and execute action projects that can address the problems identified and strengthen the enterprise's competitiveness-and preserve or create jobs in the community.

2. **Labor-management enterprise strengthening and competitiveness committee**. The term "enterprise restructuring and competitiveness committee" (ERACC) means a committee voluntarily established by an employer and unions (or workers if no union exists) to assess and respond to enterprise competitiveness problems. The ERAC committees ordinarily include (but are not limited to) the following:
   a. shared and equal participation by workers and management;
   b. shared financial participation between the company, USDOL/WSI Adjustment Project,
   c. a chairperson, to oversee and guide the activities of the committee,
      - who shall be jointly selected by the labor and management members of the committee;
      - who is not employed by or under contract with labor or management at the site, and
      - who shall provide advice and leadership to the committee and prepare a report on its activities; or co-chairs selected from the worker representatives and management who will perform the same functions
   d. the ability to respond flexibly to the competitiveness needs of the enterprise and its affected workers by conducting a competitiveness assessment and devising and implementing an enterprise strengthening strategy. The committee will, on its own or with the assistance of technical experts, assess the competitiveness needs of the enterprise and develop a plan for obtaining the services and assistance necessary to meet those needs;

e. a formal agreement, between the employer and the Industrial Adjustment Specialist or other representative of the USDOL/WSI Adjustment Project that spells out the roles, responsibilities, resources and commitments that the enterprise management must agree to in order to participate in an ERAC project. The agreement should spell out:
   - the specific objectives and parameters of the project,
   - the time frame of the project,
   - what financial resources will be made available through the USDOL/WSI Adjustment Project and what matching resources will be provided by the participating employer,
   - who will provide needed services, facilities, staff, etc.,
   - what training or TA will be provided by the Project and IA specialists to the enterprise and its staff.

3. **Technical assistance or service provider.** The term *"TA or service provider"* means a public agency, private nonprofit organization, or private-for-profit entity that delivers educational, training, or technical assistance services to the enterprise as part of an ERAC project.

B. Purposes

The purpose of enterprise strengthening and competitiveness projects are to assist workers and managers in restructuring enterprises use some basic analytical tools to conduct an assessment of their firms competitiveness problems and needs, evaluate the various restructuring strategies available to them, select a suitable strategy, develop some restructuring guidelines, and implement one or more enterprise strengthening elements.

C. Expected Employer Contribution:

Within the budget guidelines, the USDOL/WSI Adjustment Project will pay for:

1. normal operating expenses of the committee up to a maximum of $3,000 (unless otherwise determined in the project design),
2. certain other approved ERAC project costs up to $20,000, that may be used for
   a. obtaining consulting assistance to help the committee assess the competitiveness problems and needs, and
   b. costs of implementing one or more of the six elements included in the ERAC Component.

The company will provide in-kind contributions in the form of:

1. committee member salaries,
2. meeting and seminar premises expenses, and
3. other value-added company contributions.

The company will provide resources to pay for any additional cost incurred to implement ERAC elements-beyond those funds provided by the USDOL/WSI Adjustment Project.

D. Eligible Expenditures of USDOL/WSI Adjustment Project funds

In addition to the costs for establishing and operating the ERAC Committee, the following six activities can be funded (within the overall ERAC project spending limits established in the agreement between the employer and USDOL/WSI Adjustment Project):

1. Establishing plant level PI/CS projects to reduce costs and increase productivity
2. Helping restructuring enterprises to develop and implement strategies to improve human resource utilization to preserve jobs
3. Improving labor-management relations by providing “Training for Partnership” and “Interest-based problem solving” and “Interest-based Negotiations” workshops to teach managers, workers and union officials in affected enterprises and communities the techniques that can be used to solve problems, build cooperative partnerships, and generate high performance workplaces.
4. Upgrading workers’ skills by helping restructuring enterprises increase their competitiveness or expand their operations by using Quick Start training,
5. Making ownership changes and using innovative group entrepreneurship approaches to strengthen enterprises and preserve jobs in the community,
6. Providing managers and workers with economic education to help them better understand the fundamentals of the market economic system

E. Ineligible ERAC Component expenditures provided by other Ministries and NGOs

Whenever existing Government Ministries are providing ERAC services, or NGOs may be operating in the country and providing ERAC services, these services should be accessed before Project funds are authorized or expended for the same purposes as those available through existing public agencies or NGOs.

F. Ineligible ERAC Component funding expenditures

No ERAC component funds may be expended for project elements other than those identified in IV (1-6), unless otherwise authorized by the Adjustment Project Office and WSL. Furthermore, no Project funds can be expended for:

1. Direct payments to workers or managers of any kind
   a. Direct payments to ERAC committee members for wages, wage replacement, retirement, severance,
   b. Individual payment of commuting assistance for job search, seminar/training attendance, or retraining.
   c. Relocation assistance for family and/or personal belongings for any reason.
   d. Capital investment for enterprise restructuring that includes direct legal fees, equipment purchase, premises set-up, product design, marketing, distribution and all other associated costs of business restructuring
   e. Direct payments or services of any kind to family members of workers or managers
   f. Retraining services

g. Funds allotted to ERAC projects may not be used to provide individual or group vocational training or retraining services except for authorized pilot projects carried out as part of a Quick Start Project, and-where funding is provided by USDOL/WSI specifically for this pilot demonstration purpose.

G. Competitive Bid requirements

The use of USDOL/WSI Project Funds to purchase goods or services requires a competitive quote/bid process. All ERAC committee expenditures for goods or services of $100 US or more requires the acquisition of 3 written competitive quotes of equal service or goods. Competitive bidding may be waived in the purchase of consulting services.

In the case of payments for an ERAC Chair expenses, a competitive solicitation of applicant resumes/curriculum itas must be distributed to the full committee for criteria screening. A structured interview process and consensus decision by the all committee members completes the requirements for competitive processes for this expenditure. (When co-chairs from within the management and worker groups are used for the ERAC committee, no project funds can be used to pay for their services, so no competitive bids are required for their selection.)

Committee members have a direct, clear responsibility and liability to deliver all written documentation to the USDOL/WSI Country Project Chief Financial Officer. Payments will not be made without the required documentation.

Managing and monitoring an ERAC program

A. Key monitoring steps to implement the ERAC Component

Phase I: Develop early warning network, MIS, and ERAC capacity			
Pre-startup: assessment, planning, pilot site selection and orientation meetings	ERAC training workshop for partner staffs and designated IA Specialists	Establish early warning networks and MIS	Assess ERAC strengthening resources nationally and locally

ERAC Monitoring Plan Elements

1 → 2 → 3 → 4

Phase II: Implement ERAC analytical assessment process			
Identify “at-risk” enterprises	Conduct preliminary visit to assess ERAC problems, needs and interest	Sign an agreement with enterprise to authorize ERAC project	Conduct ERAC restructuring Workshop R

5 → 6 → 7

Phase III: Select restructuring strategy and implement ERAC tools			
Select ERAC restructuring strategy and tools	Access and implement ERAC tools within enterprise	Monitor the implementation of ERAC project(s)	Prepare final report on completed ERAC project(s)

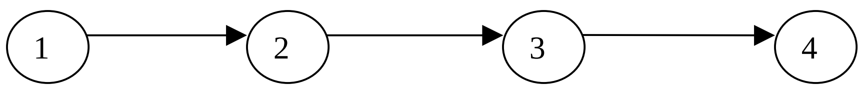
8 → 9 → 10

Phase IV: Institutionalize ERAC capacity in community and country			
Workshop S	Review ERAC project(s) and organizational status	Develop action plan to continue ERAC work	Training and TA provided to maintain ERAC capacity

11 → 12 → 13

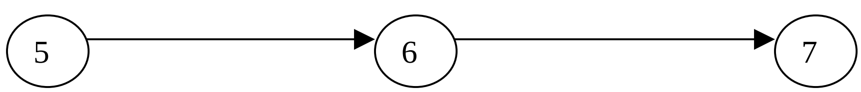
There are several important steps in implementing the ERAC component that should be closely monitored for quality and timely implementation by the project IA staff and partners. Key monitoring plan elements are those that must be performed at high levels of competence—thorough, comprehensive, and timely—in order for this adjustment component to be successful.

Phase I: Develop early warning network, MIS, and ERAC capacity			
Pre-startup: assessment, planning, pilot site selection and orientation meetings	ERAC training workshop for partner staffs and designated IA Specialists	Establish early warning networks and MIS	Assess ERAC strengthening resources nationally and locally



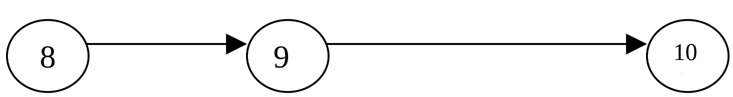
In **Phase I** there are four key monitoring plan elements: Key element 1 is the selection and orientation of partners, participants and pilot sites for ERAC. They must be the right selection or choice, thoroughly committed to adjustment goals and strategies. Next, partner staffs and IA specialists must be systematically trained in ERAC strategies, processes and tools, key element 2, early warning networks and information systems are developed, key element 3, and ERAC strengthening resources are assessed, nationally and locally, key element 4..

Phase II: Implement ERAC analytical assessment process			
Identify "at-risk" enterprises	Conduct preliminary visit to assess ERAC problems, needs and interest	Sign an agreement with enterprise to authorize ERAC project	Conduct ERAC restructuring Workshop R



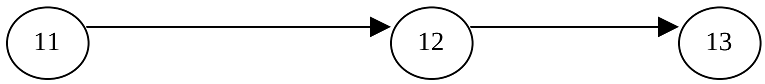
Key monitoring elements in **Phase II** are: key element 5, identification of "at risk" enterprises; key element 6, conducting a preliminary visit to assess ERAC problems, needs and interests; signing an agreement with the enterprise to authorize and legitimize proposed ERAC project; and key element 7, conducting ERAC restructuring workshop R at the participating enterprise.

Phase III: Select restructuring strategy and implement ERAC tools			
Select ERAC restructuring strategy and tools	Access and implement ERAC tools within enterprise	Monitor the implementation of ERAC project(s)	Prepare final report on completed ERAC project(s)



Phase III key monitoring elements include key element 8, selecting the appropriate ERAC strategy and tools based on the enterprise assessment previously conducted; key element 9, creating, implementing and monitoring an ERAC implementation action plan; and key element 10, preparing and submitting a final report on the completed ERAC project or projects.

Phase IV: Institutionalize ERAC capacity in community and country			
Workshop S	Review ERAC project(s) and organizational status	Develop action plan to continue ERAC work	Training and TA provided to maintain ERAC capacity



Phase IV of the ERAC process institutionalizes and sustains ERAC capacity in the local target community and the country generally. Key element 11 is the development and implementation of Workshop S to review projects and determine objectives and scopefor ERAC strategic plan; key monitoring element 12 is the creation of an action plan to implement the ERAC ongoing strategic plan; and key element 13 provides ongoing training and technical assistance to local and national partners to maintain and extend ERAC capacity.

B. **Elements of Monitoring Plan for ERAC Component *Phases (l-IV)***

Phase I: Develop early warning network, MIS, and ERAC capacity

1. Pre-startup assessment, planning and pilot site selection
    a. Need and demand for ERAC program assessed
    b. Expressions of interest obtained
    c. Pilot sites selected
    d. Orientation meeting: ERAC project options presented and expected outcomes discussed
    e. Decision to participate made
2. Conducting of ERAC staff training workshop
    a. IA specialists trained
    b. Partners staff trained
3. Establishment of early warning network and MIS
    a. Early warning network established
    b. MIS established
4. Identify and catalogue ERAC strengthening resources available
    a. National and local ERAC resources identified, evaluated and catalogued

Phase II: Implement ERAC analytical process

1. Identify "at risk" enterprises
    a. Published and unpublished information on enterprises in community collected

    b. Information and data analyzed
    c. “At risk” enterprises identified
    d. “At risk” enterprises contacted

2. Conduct preliminary assessment of ERAC problems and needs
    a. Agreements signed with participating enterprises
    b. Preliminary assessment made of ERAC problems and needs

3. Conduct ERAC restructuring Workshop R
    a. Workshop R completed
    b. Attendance and participation in ERAC restructuring Workshop

Phase III: Select restructuring strategy and implement ERAC tools

4. Select restructuring strategy and tools
    a. Restructuring strategies selected
    b. ERAC tools selected

5. Access and implement ERAC tools within enterprise
    a. Tools accessed and implemented

6. Monitor the implementation of ERAC projects
    a. ERAC projects monitored
    b. Final report on ERAC project completed and submitted

Phase IV: Institutionalize ERAC capacity in community and country

7. Conduct Workshop S
    a. Attendance and participation
    b. Phases I-III reviewed

8. Develop action plan
    a. Future action plan developed
    b. Action plan submitted to Project Office

9. Provide EC training and TA to partners
    a. Training and TA provided to ERAC partners

C. **ERAC Monitoring Checklist**

Phase I

Activity	Responsibility	Dates	Comments
1. Startup: Assessment of need, planning and pilot site selection ▪ Need and demand for ERAC program assessed ▪ Expressions of interest obtained ▪ Pilot sites selected ▪ Orientation meeting: ERAC project options presented and expected outcomes discussed ▪ Decision to participate made **2. Conducting of ERAC staff training workshop** ▪ IA specialists trained ▪ Partners staff trained **3. Establishment of early warning network and MIS** ▪ Early warning network established ▪ MIS established **4. Identify and catalogue ERAC strengthening resources available** ▪ National and local ERAC resources identified, evaluated and catalogued			

Phase II

Activities	Responsibility	Dates	Comments
5. Identify "at risk" enterprises ▪ Published and unpublished information on enterprises in community collected ▪ Information and data analyzed ▪ "At risk" enterprises identified ▪ At risk enterprises contacted **6. Conduct preliminary assessment of ERAC problems and needs** ▪ Agreements signed with participating enterprises ▪ Preliminary assessment made of ERAC problems and needs **7. Conduct ERAC restructuring Workshop R** ▪ Workshop R complete ▪ Attendance and participation in ERAC restructuring ▪ Workshop B			

Phase III

Activities	Responsibilities	Dates	Comments
8. Select restructuring strategy and tools ▪ Restructuring strategies selected ▪ EC tools selected **9. Access and implement ERAC tools within enterprise** ▪ Tools accessed and implemented **10. Monitor the implementation of ERAC projects** ▪ ERAC projects monitored ▪ Final report on ERAC project completed and submitted			

Phase IV

Activities	Responsibilities	Dates	Comments
11. Conduct Workshop S ▪ Attendance and participation ▪ ***Phases I-III*** reviewed **12. Develop action plan** ▪ Future action plan developed ▪ Action plan submitted to Project Office **13. Provide ERAC training and TA to partners** ▪ Training and TA provided to ERAC partners			

SECTION V

Sustainability

SECTION V

WSI Sustainability Plan Outline

Importance of sustainability

The success of the USDOL/WSI Integrated Community Adjustment Program (ICAP) in CEE countries depends on the planning and implementation of a sustainability plan. The sustainability plan for this type of project flows naturally out of the Development Objective and Immediate Objectives built into the project design. If the design for this type of project includes suitable objectives, and provides the right configuration of sustainability indicators and activities to achieve these objectives during the life of the project, then sustainability will be accomplished.

Unfortunately, in many early CEE projects carried out during the 1990s sustainability was not explicitly identified by funding agencies as a development objective, nor was it considered a critical dimension of the project design or work plan. Consequently, although early project work plans may have included activities designed to achieve sustainability, the country project directors who implemented the projects and the funding agency program managers who supervised their work were overwhelmed with implementation issues and problems, and may not have taken the necessary steps to ensure that sustainability was achieved prior to the project phase out. Subsequently, beginning in 2001, USDOL and USAID have recognized the problem of sustainability (along with the problem of evaluation), and have begun developing procedures to address these gaps.

For these reasons, it is important to focus on sustainability and consider what constitutes a sustainability plan. This Chapter provides such a framework.

What is sustainability? Sustainability is the component of a project design and work plan that provides activities to help the national and local partners more effectively institutionalize-in their own country and communities-the tools and techniques made available through the project. It is hoped that by the time the project ends the national and local partners will have taken full ownership of the process and tools, and have already taken, or are in the process of taking, the necessary steps to make it an integral, permanent part of their national and local political and economic systems, including providing the resources to keep it going on a permanent basis.

WSI Sustainability Plan Outline

PLAN SUMMARY Introductory paragraph

- **Overview of the Plan**

PROJECT SUSTAINABILITY GOALS Institutionalization

  - **Capacity Building**
  - **Policy Development**
- **Local/Community Sustainability**
  - **Ongoing CER, RR, EC Strategy Employed**
- **Stakeholders Analysis**

STRATEGY TO ACHIEVE PROJECT GOALS Institutionalization

  - **Build on and Apply Strengths**
  - **Counter Effects of Weaknesses**
  - **Capitalize on Opportunities**
  - **Determine Impact of Threats**
- **Local/Community Sustainability**
  - **Build on and Apply Strengths**
  - **Counter Effects of Weaknesses**
  - **Capitalize on Opportunities**
  - **Determine Impact of Threats**

WORK PLAN/ACTION PLAN

- **Sustainability Strategy**
  - **Institutionalization**
    - **Activities**
    - **Time Frame**
    - **Responsibilities**
  - **Local/Community Sustainability**
    - **Activities**
    - **Time Frame**
    - **Responsibilities**

NARRATIVE DESCRIPTION OF PROCESS

Sustainability is the institutionalization of program goals, components and capacity at the national level with host and sponsoring ministries, agencies and other key partners and stakeholders. But it is also the potential continuation of program/model components (CER, RR, EC) at the local/community level utilizing strategies, processes, tools, training and techniques introduced to and practiced by local partners and stakeholders. A sustainability strategy requires an analysis and plan embracing both of these sustainable elements.

The Project design, goals, stakeholders and work plan should be briefly summarized in order to put some perspective and dimension to issues relating to sustainability. Among other important project goals, those relating to institutionalization and local/community sustainability should be identified and highlighted. The project and its goals should then be scrutinized using SWOT analysis, preferably with the input of staff and key partners.

The strategic plan for sustainability begins to more fully take shape as the two components of sustainability -- institutionalization and local/community sustainability -- are exposed to key SWOT applications: Where can we build upon and apply strengths? How can we counter the effects of weaknesses? Where and how can we capitalize on opportunities? How can we determine and deal with identified threats?

The emerging strategic plan for sustainability will contain an action or work plan for both institutionalization and local/community sustainability including a description of activities, time frame, and responsibilities. These activities should also be reflected in WSI monitoring and evaluation procedures.

SECTION VI

Project Communications

SECTION VI

Project Communications

I. Project Communications

Each project should design and/or manage communications to partners, clients, stakeholders, counterparts and the general public. This may take a variety of forms and may occur as internal and/or external communications. It is critical in such fixed short-term activities with in-country presence, that the project addresses its communications activities from the outset. By doing so, it will demonstrate transparency, avoid misunderstandings and missed opportunities to gain an ally, a client, an advocacy partner or general positive media from the press. And perhaps it will even gain further support that could lead to expansion or new funding!

II. External communications

The Project Communications of any WSI/DOL program may include any or all of the following:

1. Media and Public Relations for the project
2. Promotion of services and components to clients, end users or beneficiaries
3. Advocacy

III. Media and Public Relations for the Project

Since the project will be a newly created entity, it is important to '*introduce*' itself to the general public and in-country media and press corps. This may be launched with a media campaign, and will require some time and resources at the beginning. If resources are not available for full time staff, then it must be understood that all staff and Project Director have a responsibility to contribute collectively to this effort.

Any media or promotional campaign should be based on some amount of research (time and resource dependent) and should have three components in its design: Target Audience, Strategies and Messages. And, as in all activities, there should always be a component of Monitoring and Evaluation – even for communications. A thorough analysis of the audience – feelings, beliefs and attitudes towards the sector or programs or institution with which the WSI project is linked – will provide the content for the message. Some samples of these three follow:

Target: General public, press, media, TV, radio etc (both national, English language newspapers and international when appropriate)

Strategies: News releases, press kits, promotional brochures with simple, non technical, brief and concise information, talking points, fact sheets, events such as regular press conferences, etc. Staff must create early on a press list and continue to create and develop relationship with key press partners.

Messages: Must be targeted to the sector or field in which the project is working (labor, economic development etc), and for this campaign, should be very clear about partner relationships, funding, representation, activities, duration and intended outcomes.

IV. Promotion of services or components to clients, end users or beneficiaries

Another type of communication may not be ongoing but advanced planning will be critical. The project will have to *"sell"* or promote its activities, services or components to potential clients. This may occur at a launch of an activity, during a pilot or mass implementation stage, or whenever clients are needed (depending on the project design – some promotion for clients occurs before the project even hits the ground!). Again, sample elements of a promotional campaign may include:

Target: clients and/or beneficiaries of services or components (workers, enterprises, labor agencies, communities, public administration)

Strategies: brochures, leaflets, public announcements in newspapers, posters, flyers, internal announcements through government agencies etc. If money allows, newspaper ads, radio ads, TV spots may be used. However, do the research in advance to determine how and where your client goes specifically to get their news! In small communities, it may be the City Hall message board.

Messages: Depends on the service but whatever the component, all materials must be brief concise clear and non technical. The information provided should respond to the following questions: Who is eligible? What are the services? Where do I go to get them or how do I apply? When is the deadline? What is the benefit of my participation? How much does it cost? What will I have to do – i.e. what is my commitment?

V. Advocacy

Advocacy too is a type of communication geared towards certain partners for a specific reason. A campaign may be necessary depending on the purpose of advocacy or the project structure. There are two reasons for advocacy in these international development projects – enhancement and sustainability.

This first reason is to enhance and improve the project implementation. The methods, process and/or philosophies that the WSI/DOL brings to the country are most likely new and/or improved versions of what may already exist. There is the chance that the concepts and methods are brand new to some partners. Undoubtedly, the market, environment and systems within which the project will work, collectively or individually do not possess the necessary systems or framework to support the activities or goals of the project. Legislation, policies, partners, budgetary allocations, skills, knowledge and experience may not be conducive to the new project being introduced and piloted by WSI/DOL. Efforts or campaigns to target some of these elements and to advocate for favorable change within them will greatly enhance project implementation and outcomes. If a new law is needed, having allies, supporters, witnesses, or partners will help to bring to fruition this change.

The second may be related to sustainability. During the project design, the WSI/DOL team and the local counterpart institution probably addressed issues such as the sustainability of the project, the process or the components used and implemented with international funding. The question will have come up "what happens when you leave?". If not, as the project gets underway, the staff should identify some potential scenarios or goals to sustain the work. These may change over time but should always be kept active as an intended outcome of the project. If the goal is to train institutions and help them develop supportive policies to continue or adopt the methods introduced by the project – then this should be part of the action plan.

Many times, as one type of sustainability, the project aims to institutionalize the methods in public or private local organizations, agencies, NGOs, or government ministries. Advocacy can help this goal if the action is taken early on, is well designed, structured and monitored. Flexibility is the key to advocacy. The environments in which these projects work are in states of transition – and the advocacy plans of the project must address this as its number one challenge.

The same type of campaign can be designed as seen in the example below:

Targets: key partners, stakeholders, NGOs, government agencies, members of Parliament or high ranking officials, local leaders, business associations, etc.

Strategies: using, working groups, steering committees, coalitions, networks and other alliances, the project may use policy papers, research data, promotional materials, statements from clients, comparative budget analysis, project results, etc to convince the targets of the necessity and intended outcome of change.

Messages: The audience determines the message – even in advocacy. Research the attitudes, beliefs and motivations of the targets and develop messages and supporting research data that will be persuasive, true, brief, concise and compelling as arguments to provoke and justify change.

VI. Internal Communications

In order to operate in a fully transparent environment, the project must also address its internal communications. The internal audiences may differ country to country, but generally will and should include:

- Field staff
- Project staff
- Consultants – local and foreign
- Funding sources – local representatives (i.e.: USAID and/or World Bank local missions)
- Local counterparts (in-country, usually national level) – depending on agreements, if cost sharing and joint activities are part of the project design to achieve the intended outcomes, then these local partners must be included as targets for internal communications.
- Local level partners (vs. national level) – employment agencies, enterprises, LED projects, communities and grant recipients. Giving these partners a sense that they are on the "inside" and working with the project will benefit the relationship and the support towards each other. In addition, sharing promotion and media presence will benefit both parties – all partners should have training on promotion of their work and individual projects.
- WSI, DOL and USAID and other funding sources
- Other regional neighboring project partners

There does not need to be a fancy campaign or graphics used for internal partners and communications – it is necessary mainly to inform and promote project activities, progress and happenings in timely manner. Each of the above will not require the same information, so carefully tailored reports are necessary and critical, although sometimes arduous and burdensome. Some of the above list will require their own standard and structured reports with concrete deadlines. This will be the job of the Project Director and time and resources should be allocated into any project management tool – don't underestimate the importance of this responsibility! This will contribute to critical and transparent information flow and positive relationships being built.

For more information, samples and detailed training guidelines, the Media and PR Manuals should be used as reference materials.

SECTION VII

Industrial Adjustment Specialist Certification Program

SECTION VII

Industrial Adjustment Specialist Certification Program

I. Certification Program for Industrial Adjustment Specialists in Central and Eastern Europe

The Central and Eastern European (CEE) Industrial Adjustment (IA) Specialist certification program is sponsored and administered by Worldwide Strategies, Inc., on behalf of the USDOL and USAID. It is designed to recognize knowledge, experience and competency in the application of worker, community and enterprise adjustment services implemented in six CEE countries under the auspices of the USDOL/WSI integrated adjustment model. The objectives of this model are to facilitate the economic and enterprise restructuring of command economies and mitigate the impacts of restructuring on displaced workers and their communities, and the surviving enterprises.

The components of the USDOL/WSI adjustment model were pilot tested in Hungary beginning in 1995-96, and subsequently introduced into Romania, Bulgaria, Poland, Macedonia, and Ukraine during the latter part of the 1990s. This certification program recognizes the dedicated application of worker, community and enterprise adjustment strategies by experienced and capable industrial adjustment specialists who have worked in these countries.

II. Certification Process

The WSI Industrial Adjustment (IA) Specialist Certification Board awards certificates to experienced IAS professionals who pass a rigorous process that tests knowledge, proficiency and judgment in at least one area of the USDOL/WSI adjustment process (rapid response displaced worker assistance (RRDWA), community economic renewal (CER) or enterprise strengthening and competitiveness (ESAC). Certification components consist of two parts: (1) completion of a written application that includes essay questions on topics critical to the community economic renewal, worker adjustment and enterprise competitiveness components, and (2) a written case study that carefully documents and analyzes an adjustment project that the applicant has participated in.

A. **Examination:** Applicants will answer a set of essay questions. The contents of the essay questions included in the written application are based on (1) applicants experience and knowledge gained from working as an IA Specialist in USDOL/WSI adjustment projects in Central and Eastern Europe, (2) relevant adjustment literature, (3) WSI/USDOL's integrated adjustment model, (4) best practice methodologies, and (5) sustainability strategies.

   The relevant adjustment literature includes USDOL/WSI adjustment model manuals and other materials used by IA Specialists in CEE countries, including Parts I and II of A

Guide to Community Economic Renewal, the RRWA Handbook for IA Specialists, and the EC Handbook, for IA Specialists, plus a selection of other relevant professional adjustment literature included in the application package.

The WSI IAS Certification Board will read and score examinations. Results will be announced one month after the examination and certificates awarded to those who pass at a subsequent annual/semi-annual regional meeting.

B. **Case Study:** Candidates will complete a written case study of 7-10 (single-spaced) pages in length. The case study will describe a recent application of the USDOL/WSI Adjustment Model or one of the components thereof (RRDWA, CER, or ESAC) that the candidate has direct and primary responsibility for implementing.

Then, from best practice methodology, the applicant will provide a critical analysis of the project (its implementation, problems encountered, solutions applied and outcomes, etc.), and specific changes that were or could be recommended to improve the implementation and outcomes achieved in subsequent projects...

III. Eligibility

Certification is voluntary for IA Specialists and is primarily for the professional development and recognition of country IA staff. IAS professionals who are now working or have previously worked for USDOLIWSI adjustment projects as Industrial Adjustment Specialists at the country level for a period of at least 18 months, and have participated in at least one Project-run IA Specialist training program in each of the components (worker, community or enterprise adjustment) they are seeking certification, may submit an application. Those who meet education, IA training and experience qualifications can complete and submit the written examination and case study.

IV. Application Process

Applicants should request an application package from their WSI Country Director, fully complete the application and return it to their director who will submit it in English to the WSI Certification Board for review and scoring. Notification of results will be given to the applicant within one month and certificates will be awarded to successful applicants at the next scheduled regional partners conference.

For answers to any questions concerning the Certification Program, please contact the WSI Certification Board: ***Marion T. Bentley*** MTBLogan@AOL.com ***, Gary B. Hansen*** GBhans@AOL.com ***or Maria Kopits*** Mariakopits@AOL.com**.**

V. Industrial Adjustment Specialist Certification: Application Form

Name:
Address
Email address:
Fax Number:
Telephone:
Country:
Current Position:
Education:
College or University: BS/BA Degree:
Masters Degree:
Other Formal Academic or Technical training: (Where/when/specialization/qualification)
Industrial Adjustment Specialist Training:
USDOL/WSI Rapid Response Worker Adjustment: (Where/when)
USDOL/WSI EC training e.g., Quick Start, IBN, etc.: (Where/when)
USDOL/WSI CER training: (Where/when)
Other related training: (Describe)
Professional Work Experience:
USDOL/WSI Adjustment Project (Describe)

VI. Industrial Adjustment Specialist Certification: Examination Essay Questions

(Please answer each question in three pages or less. Attach them to the completed application form)

VII. Industrial Adjustment Specialist Certification: Case Study

Written Case Study
(Please complete a case study of 7-10 pages in length as follows, and attach it to the completed application form)

Describe a recent application of the USDOL/WSI Adjustment Model or one of its components (RRDWA, CER, or ESAC) that you have had direct and primary responsibility for implementing. Then, from best practice methodology, provide a critical analysis of the project (its implementation, problems encountered, solutions applied and outcomes, etc.), and specific changes that were or could be recommended to improve the implementation and outcomes achieved in subsequent projects.

SECTION VIII

Reporting

SECTION VIII

Reporting

As with any internationally funded project, the donor or financing entity will require specific reports, formats and deadlines from the contracting company and the Project Director. These formats will be determined by the type of project, the contract agreements or other negotiations between financiers and project implementation units.

In the case of US Department of Labor funded projects managed through the ILAB offices for the Integrated Community Development Program, there are specific formats for reporting. With the support and assistance from MSI on managing, monitoring and evaluating projects funded by ILAB, there are specific data collection needs, analysis and development, immediate and sub immediate objectives that must be reported on. The details of this process may be found in the manual and materials developed by MSI for ILAB (see WSI headquarters for copies).

The OFR templates are attached and details on these reports and deadlines must be attained from the WSI headquarter representative and the US Department of Labor Program Manager. The OFR Status Report is required twice annually after the close of Q1 and Q3. The more in-depth OFR Technical Progress Report is due at the close of the Q2 and Q4.

OFR STATUS REPORT

<table>
<tr><td rowspan="2">PROJECT NAME/COUNTRY:</td><td rowspan="2">PROJECT NUMBER:</td><td>REPORT #</td><td>PERIOD</td><td>DATE</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>FUNDING:</td><td>Article V. START/END DATE</td><td colspan="3">EVALUATION DATES:</td></tr>
<tr><td colspan="5">CONTACT PERSON:</td></tr>
<tr><td colspan="5">OBJECTIVES:

Development Objective:
Immediate Objectives
Sub Immediate Objectives</td></tr>
</table>

WORK PLAN STATUS

PROBLEMS, PROPOSED SOLUTIONS, ACTIONS REQUIRED

Problem	Proposed Solution	Action Required

MAJOR ACHIEVEMENTS/MODFICATIONS

OFR TECHNICAL PROGRESS REPORT

PROJECT NAME/COUNTRY	PROJECT NUMBER	REPORT # 2	PERIOD 1/1/03 – 3/31/03	DATE 3/21/03
FUNDING	**Article VI. STAR T/END DATE**	**EVALUATION DATES**		
CONTACT PERSON:				
OBJECTIVES: Development Objective: Immediate Objectives: Sub Immediate Objectives:				

I. OVERALL PROGRESS

II. MAJOR TRENDS

III. PROBLEMS, PROPOSED SOLUTIONS, ACTIONS TAKEN OR REQUIRED

Article VII. Problems	Proposed Solutions	Actions Taken/Required

IV. NEW PROPOSALS (activities, staffing, funding, etc.)

V. LESSONS LEARNED

VI. EXPENDITURES VS. BUDGET

Activity/Component	Planned	Expended as of ----------	Committed as of ----------	Balance Remaining
		$ %	$ %	$ %
		$ %	$ %	$ %
(a) Total		$ %	$ %	$ %

VII. ATTACHMENT: PMP Data Table