

## ANNEX A: RECOMMENDATIONS AT A GLANCE

*The following table brings together a set of recommendations that were presented in a draft summary report at a regional workshop on 28-29 May 2007 in Opatjia, Croatia. This aims to facilitate discussion around recommendations given to strengthen local partnerships in Croatia and to develop local action plans that could be followed by local partnerships and national and local governments.*

### General recommendations for building and maintaining effective local partnerships relevant to both counties

*From a project-based to a sustainable strategic partnership*

In Vukovar-Srmiium and Varazdin Counties the various partnership structures may need to be reviewed. There exist ROP-driven county partnerships, focusing on investments and economic development, and employment and social inclusion-oriented partnerships on the other. Moreover, partnerships are largely project-oriented and tend to dissolve after project completion. Although project-based partnerships are necessary for project sake the legacies require lasting governance through strategic partnerships. These latter types of partnerships include county and city level stakeholders across the many fields (economic development, employment, etc.). This partnership should assuage any organisational or policy tensions between the different levels of government and the different areas of activity. Regular bi-monthly (once every two months) meetings are recommended. An effective organisational structure through a formal agreement between the partners is highly recommended. The partnership may be founded as a legal entity (association or limited liability company) with a board, an executive secretariat, a decision-making steering committee, and broad participation of stakeholders.

*Use a performing public administration or an external intermediary body/agency as a leading force*

For a well-functioning partnership a professional support structure must provide assistance with project application procedures, organisation and facilitation of partner meetings, and with financial management. In short, such a body would assume administrative tasks allowing partners to hone in on strategic matters. In OECD countries an intermediary agency is usually founded as a separate entity from the public administration primarily for the reasons of flexibility and speed. The intermediary should have the authority to act within publicly defined parameters and may be tasked to mediate, and facilitate. It is of paramount importance that it has the requisite professional and technical skills and the service focus. In most OECD countries international cooperation and networking (through professional, NGO, university and business exchanges) is widely seen as the prerequisite to successful partnership management.

*Organise SME and start-up support to foster job creation*

Increased involvement of businesses (especially SMEs) in the partnerships and support services for business start-ups appears to be of increasing importance. Both Vukovar and Varazdin may benefit from additional incentives for job creation and SME support has been one of the leading job-creation routes in OECD countries. OECD experiences point to the potential lead role of large businesses as sponsors of local employment organisations and business linkages between the SMEs and large firms. In addition, transparency and communication of business support services may be improved by the establishment of a single institutional identities, brands or gateways, perhaps applying the 'One-Stop-Shop' model. The issues for discussion may include whether this service should be outsourced or established in-house as a public agency, separated or integrated into existing structures.

### Implications for Local Government – Partnership Capacity Building

<i>What</i>	<i>How</i>
<i>Building local government capacity</i>	Counties and towns/municipalities are already leading local partnerships, but effective partnerships assume active participation and contribution by all its members. Perhaps the government authorities would benefit from identifying competencies to manage functioning partnership. Capacity building programs may benefit from work done by various international and bilateral donors like USAID, GTZ, UNDP and others.
<i>Support for leadership within partnerships</i>	Leadership in partnerships may come from local politicians, senior officials or civil society organisations. But leadership in a partnership context poses specific challenges compared to traditional autocratic type leadership. Former emphasises consensus building over exercise of authority. OECD experiences demonstrate that support programs for local leaders may be important in the dynamic environment of the partnership
<i>Technical support for partnerships</i>	Local councils and governments (along with other partners) will need to ensure that partnerships have access to a range of skills and knowledge.
<i>Assist in the improvement of performance management, monitoring and evaluation</i>	Enhanced capability and capacity for performance management, monitoring and evaluation is a need usually met by the counties and towns/municipalities. Local partnerships should have appropriate local structure and capacity, and performance management, evaluation and learning are key priorities recognised by all partners. Local performance management arrangements should provide management information on both the progress of the local development strategy, and on the effectiveness of partnership arrangements, and ensure action plans are fully implemented. Performance management will depend on robust monitoring and information systems, backed by objective evaluation. The capacity to perform these functions may be located within a partner support team or contracted out.
<i>Organisational and cultural change</i>	Partnership work challenges leaders, officials and businesses, but perhaps especially those accustomed to the traditional government hierarchies. Partnership requires both leaders/managers and front-line staff to collaborate with both partner agencies and citizens. Specialised training on organisational change and management may be warranted to fulfil this requirement.

### Implications for National Government

<i>Coordination between different policy areas</i>	Local partnership assumes joint work between local actors, and therefore in turn requires a coordinated, flexible approach in the implementation of policies and programs. Local actors need to contribute to and shape local priorities and partake in meeting national targets.
<i>Provision of clear guidance and support from central government for local partnership work</i>	Local partnerships will look to central government for clear guidance and support. This may include, establishment of skills training and development programs, and institutional capacity building.
<i>Facilitation of good practice exchange and inter-partnership learning</i>	Central government also has an important role to play in facilitating the exchange and dissemination of good practice by local partnerships. An example may be through peer review exercises.
<i>The role of an intermediary agency</i>	In some OECD countries, the role of coordination and support is provided by an intermediary agency with specific responsibility for managing and supporting local partnerships. It should be noted that the agency needs to have sufficient status within Government hierarchy to be able to negotiate with relevant ministries.

<i>Establish guidelines for performance management, monitoring and evaluation</i>	Central government should establish guidelines for local partnerships on performance management, monitoring and evaluation; provide support and training for local actors; monitor and manage local performance; and, identify and disseminate good practices.
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### Recommendations for building local partnerships in Varazdin

<i>Establish a framework that allows for integration and coordination of local partnerships</i>	The creation of a common framework, incorporating both the conceptual understanding of a region and a supportive structure that facilitates the joining of different partnerships, should be addressed. Such a framework does not imply having the same development priorities for the city and the county, but it sets the ground for a common platform intended to align locally tailored strategies within a wider regional context. It further creates opportunities for synergies and mutual benefits. This can be achieved through intensified cooperation between the two regional development agencies, perhaps initially through visible public events with the express aim of forging common identity and values.
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<i>Consider the establishment of thematic working groups at county level</i>	The County Partnership should devote more effort in the development of permanent thematic working groups. One such issue-area may be labour skills development. Here participation of various actors, including the Croatian Employment Service, educational/training organisations, business community and NGOs, would further secure locally suitable approaches.
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<i>Expand on the existing good practice projects</i>	In terms of economic development and employment, the Free Zone Varazdin is a success case with 1,800 employees. The Varazdin County also provides an entrepreneurial zone for craft businesses with infrastructure and facilities under the condition that the businesses employ a specific number of new employees. In terms of social inclusion, the Foundation for Solidarity of the City of Varazdin and City Department for Social Affairs projects can be viewed as good practice projects. A partnership could assume the role in evaluation of results achieved through these initiatives, actively disseminate relevant information and contribute to partnership learning.
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<i>Make better use of the regional (county) employment service</i>	In Varazdin, the Regional Employment Service offers a wide range of active labour market measures. It offers problem solving strategies, employment generation know-how, and training needs assessments that could significantly contribute to the local Economic Council and the ROP driven County Partnership.
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<i>Provide investor incentives through attractive recruitment strategies and educated workforce at county level</i>	Varazdin needs lifelong learning programmes and preventive active labour market measures based on successful county practice of active transfer and adaptation measures. Investors are attracted on the one hand by the free zones and tax exemptions, but also by the abundance of skilled workforce. The role of the partnership would be to integrate initiatives through the training institutions and the local businesses in a broader local development strategy that addresses employment and skills development issues.
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<i>Towards an umbrella partnership for the entire county and an appointed impartial body as driving force</i>	The two partnerships: City's Economic Council and the County Partnership are lead by strong governments. The impartial body World act as mediator through the umbrella partnership. Potential members may be from training institutions, NGOs, Chambers. It is important to keep the partnership open to new members, to be responsive to local needs and revise strategic directions as the circumstances arise.
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### Recommendations for building local partnerships in Vukovar

<i>Further integration of the two local partnerships and strengthening of the umbrella partnership</i>	Several interviewees highlighted the need to integrate the Local Partnership for Employment and the County Partnership into a single entity functioning at county level. Thematic working groups and detailed action plans would evolve in due course.
<i>Establishing organisational structure of the partnership</i>	The structure should consider a management/co-ordination unit that maintains communication and enables partners to easily interact. The co-ordination unit should be able to provide professional support to facilitate partner contributions.
<i>Make use of international technical experience</i>	Experienced technical assistance is encouraged to facilitate the development of fully functional partnerships. This would serve to further partner networking and anchor various initiatives with the local development plans and to facilitate capacity building and technical exchange of good practices and models.
<i>Enhance and expand knowledge- and market-based training programs</i>	The Croatian Employment Service and the regional employment partnership provide good practice in terms of customised training. There is: (i) professional orientation for the young (e.g. Project My Choice), (ii) integration of formerly unemployed in Spacva company (wood-processing), (iii) tourism-related project providing language skills, catering training, and (iv) the ECDL – European Computer Driving License - project. Such projects, intended for specific labour market placements may be intensified and broadened, i.e., the training program measures should be targeted for current and anticipated jobs. In order to better assess the future labour demands additional business surveys and questionnaires may be warranted. Knowledge-based training measures, like IT, language should be expanded and improved to bolster workforce qualifications and attract new businesses and investments. Here, the local partnership may provide the local baseline knowledge and information for the development of locally tailored strategies and approaches.
<i>Improve the cooperation between training institutions and businesses</i>	Moreover, cooperation between these sectors can help guide the education system towards meeting the market demands for professional and technical cadres. It appears that a local college could play a significant role in terms of increasing employment opportunities through skills development and upgrading. The potential of the craft industries is not fully recognised, in particular the hospitality and tourism, in wood processing and in the agricultural sector, where new labour demands are anticipated. The application of the German apprenticeship model (dual system with internships and lectures) has demonstrated encouraging results in Vukovar-Srmiium. Here, the role of the partnership would be to integrate initiatives between training institutions and the local businesses into a wider local development strategy that comprises of employment and skills development issues.
<i>Devise a regional (county) action plan for job creation</i>	The application of the European guidelines and the National Action Plan for Employment should be linked to the regional (county) bottom-up employment strategy with adaptations in various environments (urban, rural, underdeveloped). The cornerstones of such an action plan can be (i) preventive measures like adaptation for businesses and employees to prevent dismissals or mass redundancies, (ii) measures intended for special target groups (older workers, youth and women) including subsidised job creation schemes for the hard to employ groups, and (iv) schemes which provide support for start-ups and which promote entrepreneurial engagement and spirit in the region (for example “start-up-your-own-business award”, micro-grants and/or micro-credit schemes). A partnership framework could facilitate: (i) introduction and implementation of a strong bottom-up strategy; (ii) alignment of economic, social and environmental factors of local development; (iii) action planning with robust targets, clearly assigned tasks and responsibilities and associated performance indicators; and, (iv) linkages with national and European strategic priorities and programs to ensure continuity and sustainability.