



Activities undertaken or promoted by the ILO to alleviate the special economic problems of Eastern European States affected by the developments in the Balkans United Nations General Assembly resolution 56/110

1. The International Labour Organization (ILO) has contributed to the efforts towards economic recovery in the region by providing services in three main areas: employment creation and employment analysis, social security and social protection, and tripartite social dialogue. It continued to provide direct assistance to the Eastern European States affected by the developments in the Balkans through its advisory services, research activities, institution and capacity building, information dissemination and, increasingly, through technical cooperation projects. These have been carried out at the subregional and country levels, often stimulating horizontal cooperation between accession and Stability Pact countries.
2. In the area of *employment creation*, the ILO continued to develop projects on business development, often linked to existing or newly created local economic development schemes. This is the case in Bosnia and Herzegovina, Bulgaria, Croatia and Serbia. For this purpose, a specific ILO training methodology was adapted to the local conditions ("Start and Improve Your Business").

Active labour market policies will be further promoted through a broader approach combining different aspects of employment and social policies: A new project titled "Flexicurity" has been launched in Croatia, Hungary, Lithuania and Poland. It will enhance the governments' and social partners' expertise on the interrelations between employment and social protection systems to develop policy proposals based on a balanced combination of flexibilization and social security measures in the process of further institutional reforms.

Taking into account that policy and programme formulation has to be based on sound labour statistics, another project ("Labour Market Indicators Library Network") is providing assistance to strengthen the capacity of ILO constituents to process and manage these and to facilitate access to up-to-date labour market indicators.

Finally, persons with disabilities constitute a vulnerable group that is being attended increasingly by the ILO in the subregion. A project focusing on war disabled persons in Bosnia and Herzegovina, financed by the Government of Germany, has helped to place a number of them in the labour market through re-training programmes. At the same time, the vocational rehabilitation capacities of a national Medical Rehabilitation Centre were reinforced. A new subregional project has started that will help Bulgaria and Serbia to develop laws and modern vocational rehabilitation structures in order to qualify, train and place persons with disabilities in the open labour market.

3. In the area of *social security*, the ILO has started a subregional project covering eight countries of South Eastern Europe that is financed by the French government in the framework of the Social Cohesion Initiative of the Stability Pact. It aims to contribute to economic recovery efforts in the region, which implies strengthening the governance of social protection schemes so that they function more efficiently and effectively. In the first phase, studies are being undertaken with a view to improving contribution collections, strengthening the delivery of community-based social services, and developing risk-related premiums for employment injury benefits. The first of these components is designed to promote the conclusions of the Ljubljana pension conference for Stability Pact countries

held in November 2002 by the ILO, the Government of France, and the Council of Europe under the auspices of the Social Cohesion Initiative of the Stability Pact.

4. Concerning social dialogue, another project supported by the Social Cohesion Initiative has been launched for the eight Stability Pact countries, financed by the Governments of France and Italy. This consists of several components addressing the capacities of workers' and employers' organizations to deliver services to their members and to engage in social dialogue, as well as the institutional capacity of the ministries of labour to deal with labour law and develop mechanisms for tripartite social dialogue. In this context, a network of government officials dealing with labour law and labour relations has been established. Capacity building activities will be developed to improve the functioning of national tripartite social dialogue institutions, and research will be conducted on the role of social dialogue in developing employment and equal opportunity policies.
5. Finally, the ILO continued to provide support to develop a sound framework for social dialogue and tripartism in Serbia and Montenegro and to set up a legal and institutional framework for good governance of the labour market. This project is being financed by the Government of Italy.