**Annex**

**Capacity Building of PES Services:**

**Use of Indicators and Evidence of Placement Rates in the Region**

Labor intermediation services (LISs) aim to bring jobseekers and vacancies together through employment offices, job search assistance, vacancy advice and placements, and by helping companies select candidates. LISs, specifically through institutional strengthening and capacity building of Public Employment Services (PES) have been one of the components of labor-related programmes in the region financed by the Bank. Typically, capacity building has consisted of activities such as geographical expansion of national employment services, improvements in performance management and processes, training of employees, and development of services targeted at certain segments of the population. Some of the indicators used to measure the effectiveness of PES have been increases in the number of registered vacancies, number of registered persons, and placement rates of those registered. The following programmes have shown positive results of institutional strengthening of PES in increasing both outputs (number of registered vacancies and number of registered job seekers) and outcomes (placement rates of job seekers).

1. *Honduras: Secondary Education and Labor Program/Programa de Educación Media y Laboral [[1]](#footnote-1)*

**Program’s Labor Market Overall Objective:** Improve youth and adult employability.

**Program’s Specific Labor Market Objective:** Improve the relationship between supply and demand in the labor market and support the consolidation of a modernization and transformation re-engineering process of the Labor and Social Security Secretariat (STSS).

**Labor Component:** PROEMPLEO (US$6.7 million) aimed to increase the labor market insertion of the unemployed and under employed and to generate active labor market policies that encourage the collaboration of the private sector to reproduce best practices of association between labour market supply and demand. Out of these US$6.7 million, US$1.2 million were specifically allocated to improving labor intermediation services to facilitate linkages between job seekers and employment opportunities.

**Outputs:**

* The number of vacancies identified increased by 25% annually with the introduction of the Public-Private Labor Intermediation Services (SPPIL). The target number of vacancies was 16,694 and the actual number of registered vacancies was 81,630.
* The target number of companies that sought intermediation services was 301 companies and the actual number of companies was 22,349. Overall, there was an increase of 15% in the number of companies seeking labor intermediation services.

1. *Labor Markets and Social Transfers/ Mercados Laborales y Transferencias Sociales[[2]](#footnote-2)*

**Program’s Labor Market Objective:** Improve participation conditions of the population in the labor market.

**Program’s Specific Labor Market Objective:** reduce job search times for the unemployed and for hiring for companies and improve the labor market performance (employment rates and salaries) of vulnerable groups with limited work experience**.**

**Labor Component:** (US$2.74 million) with the objective of improving intermediation services provided by the National Employment Service (SENAE) by i) strengthening the analytical and policy formulation capacity of the Active Labor Market Policies of the Ministry of Work, and ii) improving its institutional capacity to link labor supply and demand and labor training services offered by the National Institute of Technical Professional Training (INFOTEP) and the Ministry of Labor, with the creation of the National Employment Service (SENAE). This component also included the operationalization of the Electronic Labor Exchange (BEE).

**Outputs:**

* The number of registered job seekers in the BEE surpassed expectations from a target goal of 60,000 to 75,489 job seekers.
* The number of registered vacancies in the BEE surpassed expectations from a target goal of 15,000 to 22,310 vacancies.
* The number of registered vacancies by employer of the National Employment Service (SENAE) surpassed expectations from a target goal of 140 to 590 vacancies.

**Outcome:**

* Percentage of vacancies registered that were covered by the SENAE: there was an increase of 8%.

1. *Technical and Operational Foundations of the National Employment Services (SENEP)[[3]](#footnote-3)*

**Program’s Labor Market Objective:** To contribute to improving linkages between job seekers and employers in Peru.

**Program’s Specific Labor Market Objective:** Design and implement Peru’s National Employment Services (SENEP).

**Labor Component:** (US$539,000) with the objective of designing the operational and normative framework for SENEP, developing its information system, promoting SENEP’s services, and establishing a monitoring and evaluation system.

**Outputs:** *[[4]](#footnote-4)*

* The number of registered workers in 2014 were 92,853, which is a 25% increase with respect to 2011.
* The number of registered vacancies in 2014 were 48,071, an increase of 3% with respect to 2011.

**Outcome:**

* Capacity building of the PES and ensuing labor market intermediation services led to an increase in the share of individuals who were registered as "placed" through the public one-stop shop services or VUPE- from 19% in 2012 to 53% in 2013- compared to other providers of intermediation services.
* From the total number of registered individuals in 2014, 25% were registered as “placed” in the six months after having been intermediated.

1. Inter-American Development Bank (2013). Project Completion Report. Programa de Educación Media y Laboral. Honduras. Project Number HO0202, Loan Number 1552/SF-HO. Approval Date August 15, 2013. [↑](#footnote-ref-1)
2. Inter-American Development Bank (2014). Project Completion Report. Mercados Laborales y Transferencias Sociales. Dominican Republic. Project Number DR-L1006, Loan Number 1693/OC-DR. Approval Date June 13, 2014. [↑](#footnote-ref-2)
3. Inter-American Development Bank (2011). Technical Cooperation Document. Fundamentos técnicos y operativos del Servicio Nacional de Empleo de Perú. Technical Cooperation Project PE-T1196. March 2009 approval. [↑](#footnote-ref-3)
4. González-Velosa, C., D. Rosas Shady and R. Novella. Presentation of results “Labor Intermediation: The case of the Employment Center in Peru”. Supervision Workshop, April 2015. [↑](#footnote-ref-4)