



## Serbia Competitiveness and Jobs (P152104)

EUROPE AND CENTRAL ASIA | Serbia | Trade & Competitiveness Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 2 | ARCHIVED on 29-Jun-2016 | ISR24399 |

Implementing Agencies: Public Policy Secretariat, Ministry of Economy, Ministry of Education Science and Technological Development, Ministry of Labor, Employment, Veteran and Social Affairs

### Key Dates

#### Key Project Dates

Bank Approval Date:16-Sep-2015

Effectiveness Date:31-Mar-2016

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2019

Revised Closing Date:30-Jun-2019

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The PDO is to improve the effectiveness and coordination of selected public programs to alleviate constraints to competitiveness and job creation, including investment and export promotion, innovation, active labor market programs, labor intermediation, and activation of social assistance beneficiaries.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Policy planning, monitoring, and coordination:(Cost \$4.00 M)

Investment and export promotion:(Cost \$22.00 M)

Innovation:(Cost \$35.00 M)

Labor:(Cost \$34.00 M)

Project management and technical assistance:(Cost \$4.75 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Satisfactory



Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

## Implementation Status and Key Decisions

The project became effective on March 31, 2016. All four retroactive disbursement-linked indicators (DLIs) have been met. This includes DLI 1 on establishing Inter-ministerial Competitiveness and Jobs Policy Planning, Monitoring and Coordination Working Group; DLI 5 on adopting 2015-2020 research and innovation strategy including commitment to reforming public RDI sector; and two DLIs related to streamlining operating and administrative procedures in the National Employment Service (NES): DLI 7 on the NES establishing a special registry of unemployed persons who are temporarily prevented from working and DLI 8 on the NES adopting revisions of its Rule book to redefine the “low-risk group” of its current risk profiling. EUR 5.37 million corresponding to the retroactive DLIs was disbursed in June 2016.

Progress towards achievement of the PDO is moderately satisfactory. The main concern remains linked to the implementation of the Innovation component. In particular, funding for the matching grants in the Innovation Fund has not been included in the Government's 2016 budget, putting at risk the achievement of DLI 3 for 2016 (disbursement of EUR 3.58 million is linked with achieving this DLI in 2016). Once the new Government is in place (elections were held on April 24, 2016), discussions on this issue are planned between the Ministry of Finance (MOF) and Ministry of Education, Science and Technological Development (MOESTD). It is possible that following the elections a Supplementary Budget for 2016 will be adopted in the second half of the year, and this would be a good opportunity to include the funding for the matching grants program. The other issue with the Innovation component is linked with the DLI 5 on the reform of public research sector. Although the new research and innovation strategy has been adopted, there are delays in adopting key follow up documents (time bound Action Plan to implement the Strategy, and the innovation infrastructure Roadmap and Action Plan), as well as on initiating the self-assessment of public research and development institutes, both of which are required to meet this DLI for 2016.

Progress towards other DLIs is overall satisfactory. Following the elections on April 24, 2016, the new Government is expected to be announced in early July. Although no substantial changes in the reforms supported by the project are anticipated, delays in implementation are potentially possible as the new teams get in place. Further, some of the reforms supported might be impacted by the ongoing efforts related to public administration reform. In particular, one of the indicators related to DLI 7, the variation of caseloads per case worker, seems to have significantly deteriorated last year in comparison to the baseline (from 381 to 489). This seems to be a consequence of voluntary separations of case workers from the NES as part of the rightsizing exercise of the government. The World Bank team will work closely with MoLEVSA and NES to mitigate these adverse effects through staffing reform and other measures to improve efficiency of the NES that will be proposed under the ongoing functional review.



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Substantial	● Substantial	● Substantial
Other	● Moderate	● Moderate	● Moderate
Overall	● Substantial	● Substantial	● Substantial

## Results

### Project Development Objective Indicators

#### ► New investor leads generated by the reformed investment promotion agency (annual) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	--	--	30.00
Date	31-Dec-2014	--	--	31-Dec-2018

#### ► Participants in export promotion programs that engage in new export activities (annual) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	--	--	100.00
Date	31-Dec-2014	--	--	31-Dec-2018



► New collaborations facilitated between research organizations and the private sector (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	--	--	34.00
Date	31-Dec-2014	--	--	31-Dec-2018

► NES registered unemployment cases transitioning into formal job (annual) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	232280.00	--	--	280000.00
Date	31-Dec-2014	--	--	31-Dec-2018

Overall Comments

**Intermediate Results Indicators**

► Annual performance reviews of pilot policy planning, monitoring, and coordination system (to support competitiveness and jobs reforms) (see DL1) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	3.00
Date	01-Jan-2015	--	--	31-Dec-2018

► MoE investment and export promotion programs restructured [DLI 2] (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	DLI Table	--	--	DLI Table
Date	31-Dec-2014	--	--	31-Dec-2018



▶ Number of documented interests by investors (annual) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	61.00	--	--	82.00
Date	31-Dec-2014	--	--	31-Dec-2018

▶ Private financing catalyzed through IF support programs (Amount USD) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.3m	--	--	2.1m
Date	31-Dec-2014	--	--	31-Dec-2018

▶ Enterprises and startups financed through matching grants (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	11.00	--	--	45.00
Date	31-Dec-2014	--	--	31-Dec-2018

▲ Enterprises and startups financed with female owner (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	--	6.00
Date	31-Dec-2014	--	--	31-Dec-2018



► Innovative products or services developed by MG beneficiary firms (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	--	--	27.00
Date	31-Dec-2014	--	--	31-Dec-2018

► Innovative products or services launched by MG beneficiary firms (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	--	--	6.00
Date	31-Dec-2014	--	--	31-Dec-2018

► Technology transfer: IF TTF service lines deployed [see DLI 4] (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	5.00
Date	31-Dec-2014	--	--	31-Dec-2018

► Technology transfer: transactions initiated [see DLI 4] (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	10.00
Date	31-Dec-2014	--	--	31-Dec-2018



► R&I strategy and action plan and public research sector reforms designed and adopted (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	See DLI Table	--	--	See DLI Table
Date	31-Dec-2014	--	--	31-Dec-2018

► Citizen Engagement: Innovation matching grant beneficiary annual survey (number of surveys) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	3.00
Date	31-Dec-2014	--	--	31-Dec-2018

► NES registered female unemployment cases transitioning into formal job (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	122,491	--	--	145,000
Date	31-Dec-2014	--	--	31-Dec-2018

► Number of employees contacted per year by the NES (Number) [see DLI 6] (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15,927 (field visits)	--	--	23,000
Date	31-Dec-2014	--	--	31-Dec-2018



► % of total NES staff that is operating as certified case worker [DLI 6] (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	85.00
Date	31-Dec-2014	--	--	31-Dec-2018

► Standard Deviation of mean case load per branch office over all branch offices [DLI 7] (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	381.00	--	--	250.00
Date	01-Jan-2015	--	--	31-Dec-2018

► Net placement rate of NES start-up support program for self-employment 6 months from completion (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	37.00	--	--	42.00
Date	31-Dec-2013	--	--	31-Dec-2018

► Net placement rate of NES hiring subsidy program for new employment 6 months from completion (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	41.00	--	--	46.00
Date	31-Dec-2013	--	--	31-Dec-2018





► Number of new or re-designed ALMPs in the NES [DLI 8] (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	1.00
Date	31-Jan-2014	--	--	31-Dec-2018

► Average effective tax rate for social assistance beneficiary with two children and nonworking spouse transitioning to a half-time minimum wage job [DLI 9] (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	100.00	--	--	70.00
Date	31-Dec-2014	--	--	31-Dec-2018

► Citizen engagement: Number of employers reached by client satisfaction and needs survey (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	3000.00
Date	31-Dec-2014	--	--	31-Dec-2018

Overall Comments

## Data on Financial Performance

### Disbursements (by loan)

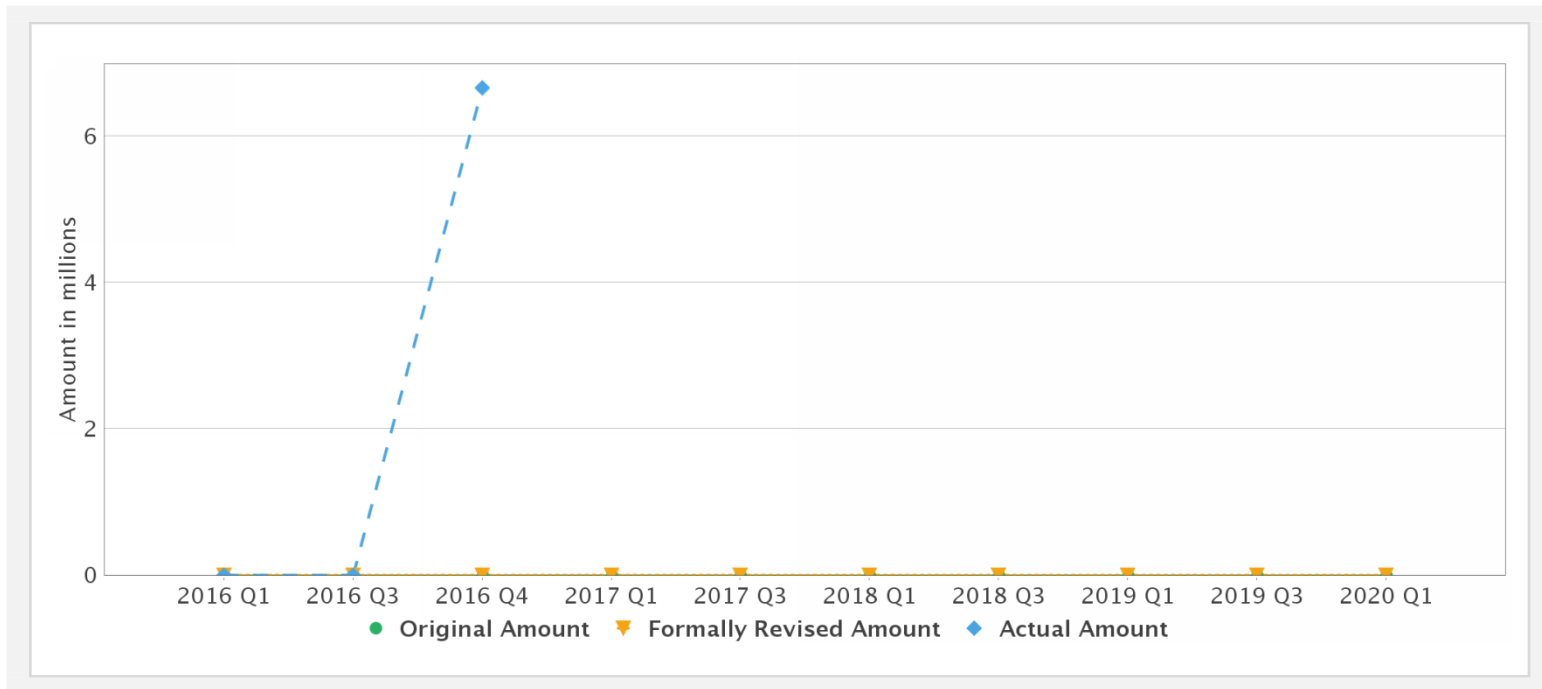
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P152104	IBRD-85280	Effective	USD	100.00	100.00	0.00	6.91	93.19	7%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152104	IBRD-85280	Effective	16-Sep-2015	07-Oct-2015	31-Mar-2016	30-Jun-2019	30-Jun-2019



### Cumulative Disbursements



### Restructuring History

There has been no restructuring to date.

### Related Project(s)

There are no related projects.