



Serbia Competitiveness and Jobs (P152104)

EUROPE AND CENTRAL ASIA | Serbia | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 10 | ARCHIVED on 25-Jun-2020 | ISR42091 |

Implementing Agencies: Public Policy Secretariat, Republic of Serbia, 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: 11-Dec-2017

Actual Mid-Term Review Date: 11-Dec-2017

Original Closing Date: 30-Jun-2019

Revised Closing Date: 30-Jun-2021

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?

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

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 and labor intermediation.

Components Table

Name

Policy planning, monitoring, and coordination:(Cost \$3.00 M)
Investment and export promotion:(Cost \$22.00 M)
Innovation:(Cost \$39.55 M)
Labor:(Cost \$30.00 M)
Project management and technical assistance:(Cost \$5.20 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The project implementation over the reporting period has to a large extent been impacted by the COVID-19 outbreak and the related Government measures to contain the pandemic spread in the country. The state of emergency was introduced in March and was in force until May, and



lockdowns were imposed during this period. As a result, overall implementation slowed down (both due to dealing with pandemic becoming a priority and due to the general difficulties of working with lockdowns in place). At the same time, the authorities asked for a set of adjustments to the Bank portfolio to help deal with the pandemic, and in response to this request, a targeted restructuring of the project was done in April. The purpose of the restructuring was to introduce a possibility of disbursing part of the loan proceeds even before the related DLIs have been met. In order to allow disbursements before compliance of DLIs, it was necessary to process a contractual waiver, which was done through the restructuring. Based on the achievement of several DLIs that were completed during the second half of 2019 and based on the contractual waiver introduced with the restructuring, a disbursement of EUR 15,969,000 was made in May 2020. This brought the total disbursement rate for the project to 77 percent.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Improve the effectiveness of selected public programs on investment and export promotion				
► New investor leads generated by the reformed investment promotion agency (annual) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	49.00	103.00	33.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			



► Participants in export promotion programs that engage in new export activities (annual) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	85.00	260.00	200.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			

Improve the effectiveness of selected public programs on Innovation				
► New collaborations facilitated between research organizations and the private sector (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	14.00	13.00	25.00
Date	31-Dec-2014	31-Dec-2018	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			

Improve the effectiveness of selected public programs on ALMPs and labor intermediation				
► NES registered unemployment cases transitioning into formal job (annual) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	232,280.00	228,747.00	69,832.00	280,000.00
Date	31-Dec-2014	29-Nov-2019	29-May-2020	31-Dec-2020
Comments:	<p>NOTE 1: Value for end-2019: 245,538</p> <p>NOTE 2: The number of registered unemployed transitioning into a formal job in 2019 is decreasing, but this reflects positive developments. Namely, there was a decrease in the total number of registered unemployed as a result of the improving labor market conditions. Number of unemployed decreased both in 2018 and 2019, and the pool of unemployed is now lower by about 200,000 compared to baseline 2014. As a result, due to this exogenous factor and smaller pool of unemployed, absolute number of those transitioning to formal work is lower. However, as a percentage of unemployed, transition to formal employment is consistently increasing - from about 33 percent of unemployed in 2015 to over 50 percent in the most recent data.</p> <p>NOTE 3: For 2020 the number of unemployed transitioning into a formal job has significantly decreased due to the COVID-19 pandemic crisis.</p>			

Intermediate Results Indicators by Components



Policy planning, monitoring, and coordination				
▶ 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	3.00	3.00
Date	01-Jan-2015	31-Dec-2018	31-Dec-2018	31-Dec-2018

Investment and export promotion				
▶ MoE investment and export promotion programs restructured [DLI 2] (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	DLI Table	partial DLI achieved	partial DLI achieved	DLI Table
Date	31-Dec-2014	29-Nov-2019	29-May-2020	31-Dec-2020
▶ Number of documented interests by investors (annual) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	61.00	49.00	103.00	90.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
▶ Number of firms participating in the new Supplier Development Program (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	19.00	20.00
Date	29-Dec-2017	29-Nov-2019	29-May-2020	31-Dec-2020

Innovation				
▶ Private financing catalyzed through IF support programs (Amount USD) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.3m	3.32 m	3.67 m	3.6m
Date	31-Dec-2014	31-Dec-2018	31-Dec-2019	31-Dec-2020



Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
►Enterprises and startups financed through Innovation Fund programs (including MMG) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	11.00	56.00	56.00	75.00
Date	31-Dec-2014	31-Dec-2018	29-May-2020	31-Dec-2020
□Enterprises and startups financed with female owner (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	9.00	9.00	10.00
Date	31-Dec-2014	31-Dec-2018	29-May-2020	31-Dec-2020
►Innovative products or services developed by MG beneficiary firms (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	18.00	40.00	25.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
►Innovative products or services launched by MG beneficiary firms (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	8.00	18.00	10.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
►Technology transfer: IF TTF service lines deployed [see DLI 4] (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	11.00	8.00
Date	31-Dec-2014	28-Jun-2019	29-May-2020	31-Dec-2020



► Technology transfer: transactions initiated [see DLI 4] (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	38.00	43.00	15.00
Date	31-Dec-2014	28-Jun-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
► R&I strategy, action plan, RI Roadmap and public research sector reforms including establishment of Science Fund designed and adopted (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	See DLI Table	achieved	achieved	achieved
Date	31-Dec-2014	29-Nov-2019	29-May-2020	31-Dec-2020
► Science Fund programs initiated (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	3.00	1.00
Date	29-Dec-2017	29-Nov-2019	29-May-2020	31-Dec-2020
► Science Fund programs competitive grants awarded (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	29-Dec-2017	29-Nov-2019	29-Nov-2019	31-Dec-2020
► Citizen Engagement: Innovation matching grant beneficiary annual survey (number of surveys) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	2.00	3.00
Date	31-Dec-2014	29-Nov-2019	29-May-2020	31-Dec-2020
Comments:	<p>The Innovation Fund has completed another survey of program beneficiaries, this time those applying for the Collaborative Grant Scheme program. The survey was run in mid-2019 (after the CGS call has been completed). The survey has been sent to 67 applicants, of which 48 replied. Two types of questionnaires were used: (1) Application process questionnaire - assessing the level of satisfaction with the application process. This questionnaire was given to all applicants from the sample; and (2) Selection process questionnaire - focused on the evaluation of the project applications. This questionnaire was given to all eligible applicants.</p> <p>The survey results have been shared with the Bank and will be used to inform the design of the program going forward. The IF will continue performing applicant surveys for their programs on an ongoing basis. In addition to this, the IF has been conducting other Citizen Engagement activities, which are now fully integrated in their work program. This includes regular Open Door Days events running for several weeks</p>			



after the announcement of call for proposals, where all interested parties can come and get advice and guidance from the IF about the programs. It also includes having email and phone lines to respond to any queries potential applicants might have. Also, the IF occasionally organizes workshops, both for potential applicants and for awardees.

Labor				
► NES registered female unemployment cases transitioning into formal job (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	122,491.00	123,412.00	37,149.00	145,000.00
Date	31-Dec-2014	29-Nov-2019	29-May-2020	31-Dec-2020
Comments:	NOTE 1: See comment for PDO indicator on number of unemployed transitioning to formal employment. NOTE 2: Value for end-2019 is 132,708 NOTE 2: For 2020 the number of unemployed transitioning into a formal job has significantly decreased due to the COVID-19 pandemic crisis.			
► Number of field visits to employers per year by the NES (Number) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15,927 (field visits)	23,604	18,406	18,000
Date	31-Dec-2014	29-Nov-2019	31-Dec-2019	31-Dec-2020
Comments:	Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
► % 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	88.07	89.39	85.00
Date	31-Dec-2014	30-Sep-2019	30-Apr-2020	31-Dec-2020
► 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	271.00	269.00	260.00
Date	01-Jan-2015	30-Sep-2019	30-Apr-2020	31-Dec-2020
► Gross 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	95.00	94.01	97.03	98.00
Date	31-Dec-2013	29-Nov-2019	31-Dec-2019	31-Dec-2020
Comments:	Reported rate is for gross placement, while baseline and target values were originally for net placement. Baseline and target values have been updated to also refer to gross placement rate. Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
► Gross placement rate of NES hiring subsidy program for new employment 6 months from completion (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	84.00	84.55	85.54	85.00
Date	31-Dec-2013	29-Nov-2019	31-Dec-2019	31-Dec-2020
Comments:	Reported rate is for gross placement, while baseline and target values were originally for net placement. Baseline and target values have been updated to also refer to gross placement rate. Note: This indicator is tracked semi-annually. The latest available data for this indicator is for end-2019; this indicator will be updated in the next Project Progress Report by the PIU (expected in July 2020) and reflected in the next ISR.			
► Number of new or re-designed ALMPs in the NES [DLI 8] (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	31-Jan-2014	29-Nov-2019	29-May-2020	31-Dec-2020
► Citizen engagement: Number of employers reached by client satisfaction and needs survey (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,100.00	1,484.00	3,000.00
Date	31-Dec-2014	31-Dec-2018	29-May-2020	31-Dec-2020
Comments:	NOTE: Survey for 2019 has been completed, with 2,800 responses. In addition to this survey, NES is performing other citizen engagement activities. For example in 2019 about 70 job fairs have been organized across the country, with over 50,000 unemployed and about 1,000 employers attending. Also, NES is conducting regular field visits to employers (see indicator above). It also performs regular surveys of unemployed to assess the satisfaction with services provided. However, due to the COVID-19 pandemic these activities have so far been postponed for 2020.			

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

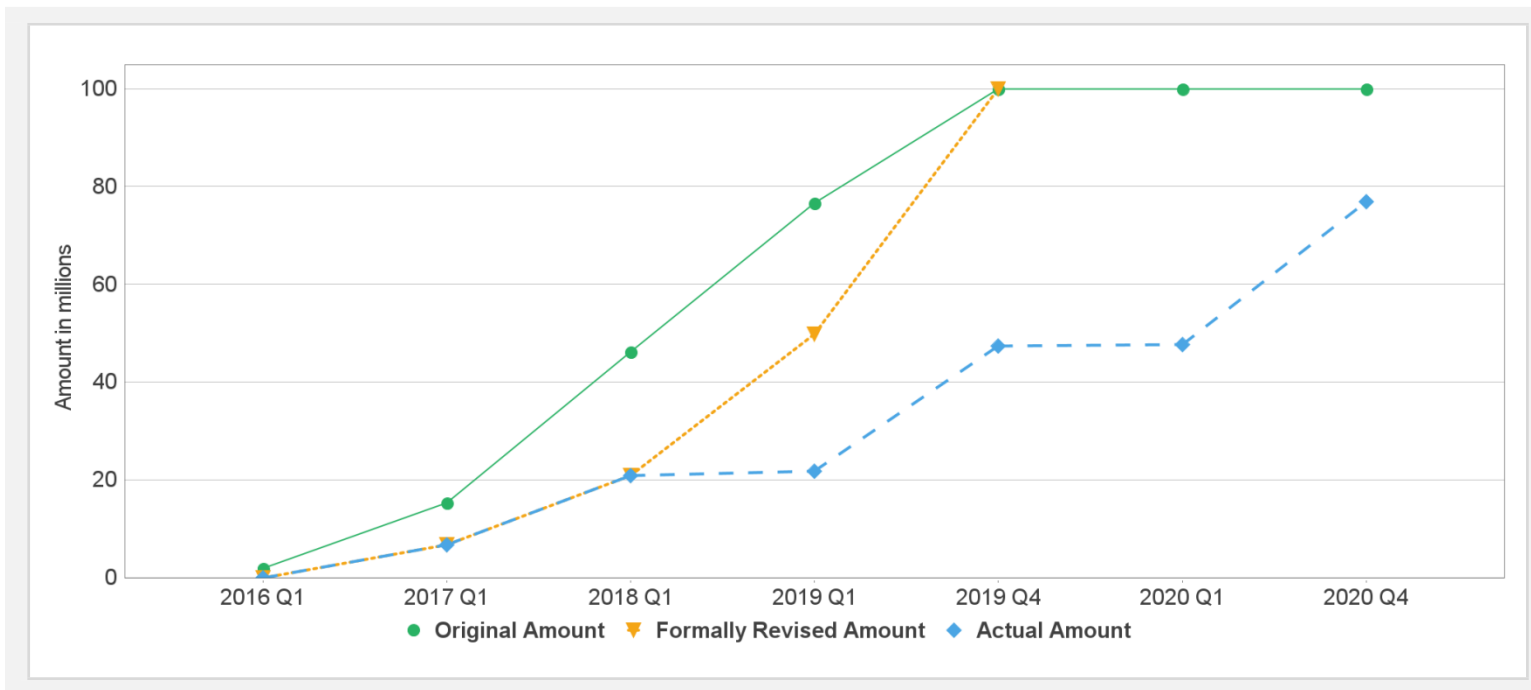


Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152104	IBRD-85280	Effective	USD	100.00	100.00	0.00	77.16	22.91	77%

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-2021

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

Level 2 Approved on 10-May-2018 ,Level 2 Approved on 14-Apr-2020

Related Project(s)



There are no related projects.
