

Competitiveness and Jobs Project Terms of Reference

Design and development of methodology for labour market analysis, profiling, ALMP design and piloting (Ref. No. 4A.4.1)

1. Background

Serbia has received a loan from the World Bank, through the Competitiveness and Jobs Project (Project), to improve the competitiveness and employment in the Serbian economy. The main goal of the Project is to improve the efficiency and coordination of selected public programs to mitigate the constraints for competitiveness and job creation, including investment and export promotion, innovation, active labour market programs, and employment mediation.

The Project involves three ministries— the Ministry of Economy (MoE) (plus its development agencies), Ministry of Education, Science and Technological Development (MoESTD), and Ministry of Labour, Employment, Veteran and Social Affairs (MoLEVSA) and the Public Policy Secretariat (PPS) in the implementation and coordination role. Under Project framework, the three Ministries and participating agencies, with leadership and support from the PPS, are responsible to set performance targets on competitiveness and jobs, monitor and evaluate progress, conduct analysis, and contribute to policy development in the Republic of Serbia. The Project is expected to lead to better designed and coordinated policies, since it is anticipated that, through the Project implementation, they will become part of a clear, strategic framework with a robust monitoring and evaluation (M&E) system.

The Public Policy Secretariat is responsible, in close cooperation with the institutions participating in the Project, for coordinating the Project implementation including gathering and processing of results of the monitoring, reporting, fiduciary functions and safeguard procedures. The Project Implementation Unit (PIU) is established in the Public Policy Secretariat as a technical coordination unit of the Project.

The Competitiveness and Jobs Project is structured in two interconnected parts:

- 1) Part A - includes a results-based financing modality for the results achieved in three thematic components:
 - A.1. Investment and Export Promotion
 - A.2. Innovation
 - A.3. Labour
- 2) Part B - includes technical support in Project management and implementation, including the procurement of goods, consulting/non-consultant services, training and operating costs.

This Terms of Reference (hereinafter: TOR) is related to the activities performed under the Component A.3: Labour, which is implemented by the Ministry of Labour, Employment, Social and Veteran Affairs (MoLEVSA). This Component supports the implementation of the reform program in the field of labour, through enhancing the effectiveness of the National Employment

Service (hereinafter: the NES), labour intermediation services for employers and the unemployed; improving the effectiveness of the active labour market programs (hereinafter: the ALMPs).

2. Objectives of the Assignment

The World Bank's report „Serbia's New Growth Agenda“¹ highlights that Serbia managed to reduce unemployment from almost 20 percent in 2014 to just above 13 percent in 2018 (among the two lowest in the Western Balkans). The formal private sector drove most of the job creation, while the share of informal employment declined. Companies would create more jobs, if there were enough skilled and easily accessible workers. Recent labour market improvements have also benefited vulnerable groups like women, older workers, and youth, but labour inactivity remains high.

Currently, the focus is on developing capacity of relevant bodies and institutions in terms of long-term forecasting of the labour market, as well as monitoring and evaluation of the employment policy. Namely, in order to tackle successfully challenges in the labour market and fulfill its European commitments, MoLEVSA, NES and PPS with other stakeholders need to progressively improve their capacities for planning, implementing, monitoring, evaluating and reporting of employment policy. Furthermore, development of capacity and skills for long-term forecasting of the labour market is necessary for provision of data and analysis that will underpin better informed policy-making in the field of employment and education. Successful implementation of these processes requires very good coordination of the efforts of all stakeholder institutions and social partners. In this regard, the Project will also support the country in its endeavors to meet the general requirements and common criteria of the European Union in the area of employment.

The Programme for monitoring, evaluating and redesign of the ALMPs and profiling of unemployed according to the degree of risk of long-term unemployment was adopted in 2018, with the Action Plan for 2020-2021 designed by NES and adopted by MoLEVSA in December 2019. The general objective of the Action Plan is to improve effectiveness of the ALMPs, through two specific goals:

- 1.1 Improving the capacity of the institution for development and implementation of the programs for monitoring, evaluating and redesigning ALMP measures
- 1.2 Improving the capacity of the institution to develop and implement programs for profiling the unemployed according to the degree of risk of long-term unemployment

An initial reform will consist of refinement of the methodology to profile active job seekers, in order to better segment them according to their effective risk of becoming long-term unemployed. Secondly, a more systematic use of evaluations of ALMPs will inform progressively the selection of training providers and the design of ALMPs. In order to improve the design and targeting of programs, this information should be better translated into concrete analysis of the effects of programs, disaggregated by characteristics of beneficiaries. The feedback loop, from data collection to policy design, is central to evidence-based policy making and will likely require organizational adjustments in the NES, such as establishing a new unit focusing on M&E.

The aim of the assignment at hand is to identify and evaluate the relative importance of certain determinants of the labour market situation in Serbia, in order to define recommendations for specific employment policy measures that can contribute to improved performance and greater

¹ The World Bank Group, *Serbia's New Growth Agenda – Forging a New Future*, 2019
(<https://www.worldbank.org/en/country/serbia/publication/serbia-new-growth-agenda>)

labour market efficiency. The concept of jobseeker profiling, currently in use, is adapted to the conditions and specificities of the labour market in the Republic of Serbia. This concept of work is defined in the internal NES documents. Employability assessment is an activity during which an analysis of the compliance of job seeker characteristics with labour market requirements is made. The result of this activity is to evaluate the possibility of mediation in a particular occupation. For the job seeker, assessing job opportunities also plays a role in determining the level of employability.

The Design and development of methodology for labour market analysis, profiling, ALMP design and piloting is a fundamental assignment required for assisting MoLEVSA and NES in building the capacity necessary to implement the Action Plan and to achieve the indicators defined through the Project, with the aim of improving the effectiveness of ALMPs, increase employment, investment and exports with created impact of increased asses the way ALMPs are piloted, monitored, and evaluated.

The aim of the **Design and development of methodology for labour market analysis, profiling, ALMP design and piloting** is to increase employment, investment and exports with created impact of increased placements for jobseekers through improved labour intermediation services, ALMPs and labour market participation incentives.

As such, the assignment has the following objectives:

- 1) Designing and implementing a new methodology for labour market analysis;
- 2) Developing the new evidence based methodology for design of ALMPs, relying on the labour market analysis;
- 3) Piloting of the new/redesigned ALMPs and
- 4) Designing of the new profiling methodology, with statistical models and suggestions for a more effective software support.

In implementing the assignment, the Consultancy firm is expected to rely on the Project indicators and reporting tools, as well as other evaluation tools identified as relevant.

During the Project restructuring, it has been recognized that the lack of in-house capacities of the beneficiaries for policy management and timely implementation of different reform processes needs to be addressed. This Terms of Reference is designed to enable adequate technical assistance in support to NES and MoLEVSA to bridge the gaps in policy areas relevant to the Project, but also as a mechanism enabling the knowledge spill-over from the technical assistance to the institutions.

3. Scope of Work and Deliverables

The scope of work for the for this assignment includes the following tasks and deliverables:

1. Development of the detailed work plan and methodology to meet the desired objectives of the assignment
2. Development of the methodology for analysis of the labour market
3. Definition of predictions (forecasts) of the needs, analysis of trends in demand, supply, transitions or needs gap analysis
4. Development of the methodology for design of ALMPs

5. Identification of appropriate inputs from the labour market analysis
6. Monitoring and evaluation of past and existing measures conducted by NES
7. Design of a new ALMP for piloting, using new analytical framework, labour market analysis framework and new methodology for ALMPs
8. Design of a proposal of the new organizational unit within NES (skill-set, resources needed, interface with other units) that would be necessary to sustainably apply introduced methodological framework for M&E
9. Pilot the new ALMP measure
10. Impact assessment and collection of data/qualitative information of achievement/performance of ALMPs currently implemented by NES
11. Reviewing and analyzing the existing framework of the profiling system
12. Revision of existing profiling methodology
13. Addition and alignment of the existing methodology with the statistical profiling model
14. Suggestions for providing more efficient software support
15. Develop proposal for more comprehensive evaluation tools (e.g. randomized impact evaluation), taking into account possible data constraints.

The Consultancy firm is expected to provide the following deliverables:

Deliverable 1: Work Plan and Methodology - to be delivered 2 weeks upon contract signing

Deliverable 2: Methodology draft for the labour market analysis - to be delivered 4 weeks upon contract signing

Deliverable 3: Workshop on methodology for the labour market analysis, finalized methodology - to be delivered 8 weeks upon contract signing

Deliverable 4: Methodology draft for new evidence based ALMPs - to be delivered 12 weeks upon contract signing

Deliverable 5: Workshop with NES and PPS - training for implementation of methodology that should equip NES to be able to prepare a proposal for introduction of new ALMPs and withdrawal of ineffective or not-needed ALMPs to the MoLEVSA; finalized methodology - to be delivered 16 weeks upon contract signing

Deliverable 6: Progress Report on the pilot ALMP - to be delivered 20 weeks upon contract signing

Deliverable 7: Profiling methodology draft - to be delivered 24 weeks upon contract signing

Deliverable 8: Workshop on profiling, with finalizing the methodology - to be delivered 26 weeks upon contract signing

Deliverable 9: Final report with recommendations - to be delivered 30 weeks upon contract signing.

The Consulting firm may propose alternative options related to the above-mentioned deliverables within the agreed total budget and as long as they are fully consistent with the objectives of the assignment. Any change must be previously approved by the PPS and MoLEVSA. All deliverables produced within the contract with the Consulting firm will be in Serbian and in English - electronic and printed form.

4. Experience and Qualifications of the Consulting firm and the staff of the Consulting firm

Consulting firm:

- Be a legal entity
- At least ten (10) years of general experience in project management and implementation
- At least ten (10) years of specific experience in providing similar services in Western Balkan countries
- Proven record on successful completion of at least 3 (three) assignments in conducting monitoring and evaluation / design / assessment / implementation of active labour market policy measures, including piloting and/or profiling methodology, is required.
- The Consulting firm should have capacity to assign a qualified and experienced team that will work on this assignment including at least one Lead Expert, two Senior Experts and one Specialist.

Required qualifications for the Lead Expert in Labour Market Policy:

- At least Masters Degree in social, human, economy or related sciences
- At least 10 years' experience in M&E, design, organisation and evaluation of active labour market policy measures
- Experience in cooperation with government officials, academia, businesses and civil sector is required
- Experienced in leadership, in particular in project management and M&E
- Proven record in managing teams
- Previous experience with the World Bank/other international organizations is preferable
- Computer skills
- Excellent spoken and written English
- Excellent communication, organisation, and teamwork skills

Required qualifications for the Senior Expert in Labour Market Policy:

- At least Bachelor Degree in social, human, economy or related sciences
- 10 years' experience in design, organisation and evaluation of active labour market policy measures
- At least 8 years' experience in M&E, design and evaluation of active labour market measures
- Experience in cooperation with government officials, academia, businesses and civil sector is required
- Experienced in managing international projects

- Previous experience with the World Bank/other international organizations is desirable;
- Computer skills
- Excellent spoken and written English
- Excellent communication, organisation, and teamwork skills

Required qualifications for the Specialist in Labour Market Policy:

- At least Bachelor Degree in social, human, economy or related sciences
- At least 5 years' experience in project management and implementation, labour market needs analysis, design and delivery of employment measures
- Experience in cooperation with government officials, academia, businesses and civil sector is required
- Computer skills
- Excellent spoken and written English, (knowledge of Serbian language mandatory)
- Excellent communication, organisation, and teamwork skills

5. Reporting, Timeframe and Duration

The Consulting firm is expected to be engaged a period of 30 weeks with approximate time effort of 250 man days in total.

The Consulting firm will be accountable and report to the PPS Director as the President of the IMWB representing the Client and to governmental officer in-charge in MoLEVSA, who is designated MoLEVSA representative in IMWB as the final beneficiary of the service to be provided for this assignment and all deliverables (as stated in the Section 3 above of this Terms of Reference).

All deliverables produced within the contract with the Consulting firm will be in Serbian and in English - electronic form.

The Consulting firm experts are expected to come to Belgrade for Deliverables 3, 4, 5, 6 and 8, for around 5 times duration of up to 5 days per each expert. In light of the recent crisis related to Corona virus pandemic, this requirement will be re-assessed closer to the dates that these Deliverables are expected to be completed. If needed, alternative arrangements will be discussed and mutually agreed upon between the Consulting firm and the PIU.

6. Input by the PPS and MoLEVSA

The PPS will provide the requisite office infrastructure, and telecommunications systems for the purpose of the assignment execution.

The Consulting firm is expected to perform desk research, produce expected deliverables in its own premises.

Overall coordination of the work of the Consulting firm is carried out by the PPS. The PPS will announce the start of the work of the Consulting firm to all participating institutions and facilitate direct contact of the Consulting firm with designated representatives of participating institutions.

7. Terms of Payment

The Contract will be the Standard World Bank Lump Sum Contract for Small Assignments. The payments for services will be based on the deliverables approved by the designated MoLEVSA representative in IMWB and the PPS Director as the President of the IMWB representing the Client. The Contract costs will include remuneration and reimbursable costs (travel, accommodation) relevant to the assignment.

The following schedule of payments is envisaged:

- 5% upon submission and acceptance of the Deliverable 1
- 15% upon submission and acceptance of the Deliverables 2 and 3
- 20% upon submission and acceptance of the Deliverable 4 and 5
- 20% upon submission and acceptance of the Deliverable 6
- 30% upon submission and acceptance of the Deliverable 7 and 8
- 10% upon submission and acceptance of Deliverable 9

The PIU of the PPS will administer the Contract and make payments.