

## **Standard Summary Project Fiche – IPA centralised programmes**

### **Project number 19: National Employment Service's (NES) forecasting and data management**

#### **1. Basic information**

- 1.1 CRIS Number:** [2008/020-406](#)
- 1.2 Title:** **National Employment Service's (NES) forecasting and data management**
- 1.3 ELARG statistical code:** 02.19
- 1.4 Location:** Serbia

#### **Implementing arrangements:**

- 1.5 Contracting Authority:** EC Delegation to the Republic of Serbia
- 1.6 Implementing Agency:** EC Delegation to the Republic of Serbia
- 1.7 Beneficiary (including details of project manager):**

Ministry of Economy and Regional Development.

The Project Manager is Ms Radmila Bukumiric Katic, Assistant to the Minister; address: Bulevar Kralja Aleksandra 15, Belgrade. The Project Manager will be responsible for the overall delivery of the project in line with its objectives.

The senior management of the NES will establish a Project Management Group (PMG) which will be incorporated into the organization of the NES. The PMG shall be established at the operational level to ensure that all programme activities are carried out according to the agreed work plans and to promptly identify and resolve any outstanding issues. Regular meetings of the Team Leader and other relevant beneficiary (ies) will be held.

For the organization of the project, Working Groups (WG) for the following topics will be established: Labour market analysis (WG1), Monitoring and evaluation of active labour market measures (WG2), Software systems (WG3) and Analysis of current IT situation within the NES (WG4). WG's will provide a forum for discussion and decision-making on project activities relevant to each of the selected work areas and to support preparation, implementation and monitoring of project activities. The composition of WG's will bring together the responsible core staff of the NES and other stakeholders, thus guaranteeing that all players are involved in the project. The WGs will support the experts in the implementation of the activities. WG's will be chaired by NES experts and meetings will be held on regular basis (at least every two months, or more often if the project requires so).

The Project Steering Committee (PSC) will be established for the control and supervision of the project activities/outputs. The PSC will provide strategic guidance to the project and provide opinions and recommendations upon request of the PMG. The PSC will ensure overall coordination of the project, discuss and approve the main outputs of the project, ensure access to the necessary information and provide support to the Working Groups. The PSC will contain representatives of key stakeholders, including NES, MERD, MoE, MoLSP, Republic Statistics Office, Republic Development Bureau, Serbian Trade Unions, Serbian Employer Associations and EC Delegation. The

PSC will meet every six months, and ad hoc as required, and will be chaired by the Assistant to the Minister.

### **Financing:**

- |                                                    |                                                        |
|----------------------------------------------------|--------------------------------------------------------|
| <b>1.8 Overall cost:</b>                           | <b>1,500,000 EUR</b>                                   |
| <b>1.9 EU contribution:</b>                        | <b>1,500,000 EUR</b>                                   |
| <b>1.10 Final date for contracting:</b>            | 3 years after the signature of the Financing Agreement |
| <b>1.11 Final date for execution of contracts:</b> | 5 years after the signature of the Financing Agreement |
| <b>1.12 Final date for disbursements:</b>          | 6 years after the signature of the Financing Agreement |

## **2. Overall objective and Project purpose**

### **2.1 Overall objective**

The overall objective of the Project is to decrease the level of unemployment in the Republic of Serbia

### **2.2 Project purpose**

2.2.1. To upgrade NES performance in the following areas: (i) monitoring and forecasting of labor market trends and (ii) monitoring and evaluation of active labor market programmes.

2.2.2. To increase the efficiency and effectiveness of the NES through quicker access to the active data base, storage of archives and easier access to the Integrated Information System (IIS).

### **2.3. Link with EP/ SAA**

This Project will directly contribute to the realization of short-term and medium-term priorities set by the Document on European Partnership as follows: short-term priorities – economic requirements: «to continue with employment promotion and fight unemployment, particularly through vocational training and labour market reform, including all relevant actors; to improve the operation of Public Employment Services»; medium-term priorities - economic requirements: «to begin to create and implement the integrated research policy»; medium-term priorities – statistics: «to develop reliable economic statistics, to build institutional capacities for production and publishing of basic statistical data in accordance with the European standards relevant for business statistics, labour market ...».

The National Strategy of Serbia for EU Accession (in the part referring to the labour market and employment) points out that «the important precondition for successful implementation of Employment Strategy is the reform of the National Employment Service. In order to carry out this reform, it is necessary to employ sufficient number of qualified staff, allocate sufficient resources and carry out decentralization process; orientation towards clients should become one of the basic instruments for efficient implementation of active employment policy. Beside that, it is necessary to provide an integrated information system for monitoring labour market situation and trends» (3.2.2.1.B). In the part referring to education, it is pointed out that «conceptual mistakes in education policy result in postponed but more severe consequences; at first, these consequences are manifested in the labour market as a mismatch of supply and demand for certain professions; eventually, they are manifested as overall economic lagging». This project will directly tackle these problems through the identification of changes, developments and demands for labour force in the labour market, and tackling unemployment in order to increase employment, effectiveness of labour market policy and effectiveness of the NES as public service; the results of conducted labour market research and

forecasts will contribute to the modernization and transformation of education system and creation of more effective programmes of active labour market measures. The archiving activities will develop a dataset for establishing future trends.

## **2.4 Link with MIPD**

The Multi-Annual Indicative Planning Document for Serbia (2007-2009) requires: «Enhanced access to employment and participation in the formal labour market by developing and managing Active Labour Market Policies (ALMPs), as well as efficient labour market institutions, notably employment services, in order to identify labour market changes, new labour and skills needs, fight unemployment» and «Fostering a better match between education and labour market needs (school-to-work and university-to-work principle) by adapting education and training systems to new competencies' requirement and by enhancing the involvement of relevant stakeholders» ((2.2.2.1). The project also addresses:

- Labour markets reforms and the modernization and further development of public employment services supported. Social partnership dialogue for employment improved (2.2.2.2)
- Development of Serbia's capacity to manage its macro-economic and strategic national economic planning and forecasting (2.2.2.1)
- To continue strengthening the Serbian statistical system in general and the Serbian Statistical Institute in particular to enable the production of official statistic of good quality (2.2.1.1)».

This Project will directly tackle the tasks and issues stated in the MIPD, such as: efficient labour market institutions that would be able to identify changes in the labour market, new knowledge and skills which are required and labour force demand; the project will influence the transformation of education system and development of educational programmes that would better match labour market needs.

## **2.5 Link with national/sectoral investment plans**

**National Employment Strategy 2005-2010** envisages, as the essential part of the NES reform, the development of monitoring and evaluation and development of adequate labour market information system. «The development of monitoring and evaluation, including the establishing and application of performance measurement system, require reliable, comparable and permanently available data. In the period covered by this Strategy, the National Employment Service should considerably improve the methodology of collection and analysis of data from its own sources and the methodology of their adequate and timely dissemination to the relevant institutions that will combine them with the data from other sources, in order to get an overall picture of labour market trends and functioning. The role of the NES is particularly important for the collection of data on labour market trends at local and county level, since standard surveys of the Republic Statistics Bureau do not have sufficient coverage for these levels. The strategic objective in this field is to cover all ILO indicators and 90% of EUROSTAT indicators by 2010». This Project will directly tackle these issues by establishing of trend management mechanisms in employment policy and monitoring and management of labour market development (especially in regional and local labour markets); it will measure the effects and cost-efficiency of the existing active labour market programmes and make impact on the development of new and advanced active labour market programmes.

**National Employment Action Plan 2006-2008**, defines operative measures for the implementation of the National Employment Strategy. The integrated guideline no. 20 of the EU Employment Policy refers to the pursuit of better ways in which labour market needs could be met:

- «labour market modernization and institutional building, especially in Employment Services, in order to provide greater employment transparency and training at national and European level;
- to remove barriers to labour mobility throughout the EU, according to the framework envisaged in the agreements;

- more adequate forecasting of necessary qualifications, labour market deficits and slowdowns;
- adequate management of economic migrations».

The National Employment Action Plan is the Serbian answer to these requirements, by means of «measures aiming at the modernization of the NES through: 1. orientation towards clients' needs, 2. functional decentralization and development of process model, 3. performance measuring, and 4. adequate labour market information system. The accomplishment of objectives requires: «orientation towards the needs of employers and labour market, promotion of methodology and systems of statistical and analytical labour market research (these data should be comparable to the data of the Republic Statistics Bureau, ILO and other organizations in accordance with the existing EU standards) and further development of the information system». This Project will directly contribute to the realization of defined objectives.

### **3. Project description**

#### **3.1 Background and justification**

Economic restructuring and transitional changes have resulted in certain pressures on the Serbian labour market and have exerted crucial influence on the labour market situation, structural mismatch of labour supply and demand, and regional discrepancies in employment and unemployment rates (which are deepened by migrations from less developed to more developed areas). In spite of the fact that it is very difficult to present current data on employment and unemployment developments in Serbia (due to the huge informal sector), the Labour Force Survey (LFS) shows that the activity rate of the working population (15-64) is rather stable – 68.4% in 2000-2003; 65.2% in 2005. On the other hand, the employment rate had gradually decreased to 51% by 2005, while the unemployment rate had increased to 21.8%. The increase of employment in private sector is obvious, while the number of employees in state and socially-owned enterprises/institutions has decreased. Employment in service sector has increased (similar to other countries in transition).

Limited progress has been achieved in the field of employment policy. The implementation of the National Employment Strategy 2005-2010 and Change Strategy of the National Employment Service (NES) 2005-2008 has continued. However, unemployment has remained high, and the National Employment Strategy has produced limited results. Additional significant efforts are necessary in the reform of the labour market and employment services. When the new Serbian Government was established in May 2007, the competence in the field of employment was shifted from the Ministry of Labour and Social Policy (MoLSP) to the Ministry of Economy and Regional Development (MERD), for the purpose of facilitating new job creation through various loans for start-ups or business development (especially for small and medium-size enterprises), financial support and counselling services for future employers. MERD has emphasized five priority goals, one of them being the reduction of the unemployment rate. The goal of the Ministry is to reduce by half the unemployment rate, which is currently at 21.6%. The plan is to reduce the unemployment rate to 12 percent over the next five years. The National Employment Strategy and the National Employment Action Plan (NEAP) envisage three groups of active measures aimed at decreasing unemployment in Serbia: measures of counselling and activation, vocational education and training and employment programmes. According to the NEAP, the NES is considered to be the key element of successful implementation of employment strategy, employment policy and the law. Hence, NES has a critical role in the transition process and it is therefore necessary to continue further modernisation towards creation of a modern public service with the capacity to implement, in a prompt and quality manner, the measures intended to directly decrease unemployment and all other necessary administrative tasks.

The NES has a Head Office in Belgrade, two Provincial Employment Services (in Vojvodina and Kosovo and Methohija), 30 branch offices at the regional level and 135 employment offices at municipal level. About 2,000 persons are employed in the NES. Approximately 88% of NES employees work in branch offices and 11% in the NES Head Office. The two Provincial Employment Services, branch offices and municipal employment offices provide: services for job seekers

(counselling, mediation, active job search training, career guidance, occupational rehabilitation and entrepreneurial training), additional training and education (vocational training, additional training and retraining), services for employers (recruitment on request, training services on request and advice in case of downsizing). NES counsellors also give advice on unemployment benefit rights and support access to employment in different ways.

The NES has started the process of reform and modernization of its structure and work processes. Its orientations have been formulated in several strategic documents. One of them is the NES Change Strategy 2006-2008. For the purpose of efficient and effective service provision and transformation into a modern public service, the NES strives to increase competitiveness and employability of the labour force in order to ensure the growth of employment and decrease of unemployment through the system of active labour market policy measures; on the other hand, NES puts efforts in capacity building through trainings for the staff, promotion of combined service system and further development of IIS into a highly sophisticated service that will facilitate the achievement of set objectives. Through its two components, this Project will meet the requirements and needs of the NES related to the efficient and effective labour market trend management and upgrade NES performance through the development of its IT System.

Structural unemployment (mismatch between labour force supply and demand) is one of the characteristics of the Serbian labour market, manifested through the simultaneous occurrence of high unemployment rate and vacant posts (due to inadequate qualification structure). The structural mismatch of supply and demand in the labour market is the starting point of different programmes implemented by the NES (training, retraining, additional training and vocational training). These programmes have significantly mitigated this mismatch but employers continue to need professional and qualified labour employees and it is difficult for training programmes to be adapted in line with rapid changes in the labour market. NES, as the institution responsible for employment mediation, has assumed a „corrective“ role in the labour market, in order to respond to the increasing demands of employers.

There is a dearth of research on labour force demand in Serbia for the next 10-25 years, which is necessary for the development of better enrollment policy of schools and universities and its harmonization with labour market needs. The link between the enrollment policy and employment should be strengthened through the counselling activity in the Mediation Departments of the NES and Centres for Information and Vocational Counselling. Incentives should be also given to encourage mobility within the labour force. In order to tackle the problem of structural unemployment more efficiently, it is necessary to evaluate the efficiency, effectiveness and cost-efficiency of the existing active labour market programmes, improve them (especially training and vocational training programmes) and create new programmes that would more efficiently tackle current problems of labour force.

The development of analysis and statistics within the NES has been characterized by the orientation towards standard statistical monitoring of labour market trends, publishing of Monthly Bulletin, analysis of labour market phenomena (relevant for employment policy making, NES programme orientation and proposing measures for better functioning), development of NES Work Programme and development of NES Annual Reports. In future, the activities of this Department should be oriented towards monitoring and evaluation of measures for unemployment reduction and forecasting of labour market trends.

A particularly important aspect for the development and implementation of employment policy is the development of indicators according to the standards of ILO and EUROSTAT. They are the key *labour market indicators*, necessary for implementation of EU guidelines in the field of employment. Labour market indicators are used for the description and analysis of the situation and changes that can be expected in the labour market. Forecasting of these indicators should enable NES to provide adequate mechanisms for trend management in the field of employment policy. The most important indicators for monitoring and management of labour market development by the NES are from the

filed of demography, macro economy, education system and social development. In order to obtain quality indicators, it is necessary that the NES considerably improves the methodology of collecting and analysis of data from its own sources. Then, it is necessary to express this data in an appropriate format, with a view to efficient integration with the data from other sources, in order to obtain the overall and complete view of the labour market trends. The role of the NES is particularly significant for the collection of data about the trends in regional and local labour markets, with respect to the problems and differences between the regional markets in Serbia, also taking into account the objectives set out in the adopted National Strategy of Economic Development of Serbia 2006-2012 and the Strategy of Regional Development of the Republic of Serbia 2007-2012.

Improved knowledge of the situation and tendencies in the regional and local labour markets increases the possibility of advanced operation of the employment service in contact with employers and job seekers. Periodical surveys of employers are the means of strengthening the contacts with them and building a “network of contacts”. Moreover, advanced knowledge of the labour market will improve human resources management and operational planning within the NES, especially when it comes to the active employment policy programmes.

The purpose of forecasting is also to create an image of the trends and demand for labour force in the labour market within a defined timeframe, with the purpose of creating active labour market measures at national and regional levels. In this way, the NES will be able to provide better services to job seekers and to inform employers about labour force supply in various sectors.

NES will use the data obtained on the basis of forecasts and projections for operational planning, i.e. to establish a clear connection between the set operational objectives and the results of forecasts and projections. The results of forecasting should also lead to the setting of priorities among different employment policy programmes and become the contact point in relations with the Government and the Ministries at the national level and with employers, local authorities, education institutions and non-governmental organizations at the local level. The results of forecasts should influence the Government in the course of articulation of employment policy goals, provide information for the development of employment policy programmes and inform the revision or cancellation of existing programmes.

The first step in the preparation of such programme is to make a diagnosis of current situation, i.e. to present labour market situation and trends. Labour market forecasting is a process that will be carried out through:

- implementation of a field survey - the survey would be conducted by employment mediation counsellors in branch offices. Since the survey is conducted in a defined timeframe, the engagement of officers in field interviews should be fitted into their regular activities;
- data entry - (the counsellors who conducted the interviews with employers will enter the completed questionnaires into the database);
- statistical data processing and preparation of reports (forecasting reports for every county and the national report, which is the aggregation of reports from county levels, will be developed by associates in branch offices and the Head Office who will be trained in the implementation of labour market forecasting model);

All tasks related to labour market forecasting will be performed by the staff of the NES. In that respect, the training in labour market forecasting will be organized for the employees who will be engaged in this activity. The Department of Statistics, Analysis and Research, within the Head Office of the NES, will be strengthened and similar units will be established in larger branch offices. Training will be provided for the staff in smaller branch offices.

Under previous support training in monitoring, collection and processing of labour market data for NES employees in 12 branch offices has been delivered and a methodology for periodical employer surveys was developed. Systems and mechanisms for measuring the efficiency, effectiveness and

impact of NEAP have also been established and a fund was utilized to support active employment measures. In relation to research, a model for the analysis of labour market developments has been proposed but it should be revised and adapted according to the regional and local labour market needs, in order to implement it uniformly at the level of global Serbian labour market and in all NES branch offices. The methodology should be complemented by improved forecasting and setting clearer roles and responsibilities according to the organizational structure of the NES. This will then form the basis for the articulation of internal NES Procedures and identification of links with other labour market institutions.

CARDS 2004 has provided a Handbook for monitoring and evaluation of active employment policy measures and this Handbook, along with the Regulations on monitoring and evaluation of active labour market measures (produced by the Sector for Entrepreneurial Development and Employment Programmes of the NES) will be a base for the development of methodology of monitoring and evaluation of active labour market measures. The preparation of new, enlarged systematization of the NES will additionally support this process (through additional staff in the Statistics and Analysis Department, dealing with monitoring and evaluation of active labour market measures).

In order to fulfill the above mentioned and other tasks, the NES will need to upgrade the performance of its Integrated Information System (IIS). The IIS should enable faster service rendering and higher sustainability of the system which operates with a large number of data on a daily base. NES is oriented towards reducing the usage of paper form documentation and intends to quicken everyday operational processes through automation, and at the same time to monitor access to documentation and information and improve its retrieval system.

The NES IIS is the system for gathering, processing, storage and retrieval of information, with a view to enhancing the quality and efficiency of operations within the sphere of NES's competence. The IIS currently comprises two systems. The old information system, developed during the 1990's in obsolete technology (NES IS), which is still operational in a number of NES branch offices, and the new information system (NES IIS), which was launched in 2001 in the Branch Office Belgrade and in Branch Offices Nis and Prokuplje in 2005. During 2006 and 2007, the IIS was implemented in branch offices Valjevo, Uzice, Cacak, Bor, Zajecar, Sabac, Smederevo and Kraljevo. As a first step, the NES will integrate all NES branch offices in NES IIS in order to ensure unhindered and optimal functioning of the system. This will create the preconditions for development and implementation of new application solutions, including a central database, and facilitate implementation of the NES Change Strategy.

Usage of the information system in everyday NES work has contributed to the improvement of the quality of work and enhanced its efficiency to a great extent. Since 2000 the register of unemployed persons, employers' reporting of their demand, exercise of material and legal protection and the register of active labour market measures are kept exclusively or predominantly in e-form, and the data are kept in the form of relation databases on electronic media.

Before 2000 the records were kept in paper form, and the documentation was archived or its archiving is in the final stage through microfilming. Currently, the average time needed for issuing certificates related to archived material ranges from 5 days (Branch Office Belgrade) to 15 days (in inland branch offices and local offices), because archive material is kept only in the Department for Microfilming in Belgrade. The procedure for issuing certificates related to archived material requires the client to submit a written request in branch offices and the NES Head Office to the Department for Microfilming, which issues the certificate and sends it to the client (branch offices) through fax or mail.

The data created since 2000 is stored in the electronic database, and the project for its archiving has not been designed so far. Taking into consideration the fact that the volume of data is increasing daily, the disk capacity needed for its storage is also increasing, which can only be solved by purchase of additional disks. A more serious problem is the fact that the performance of such a database is

degraded in terms of slower response time during updating or retrieving data. The database is designed for interactive work with clients, which means that it is unnecessary and non-cost-effective to keep the data on clients whose records are passive. However, this data cannot be erased, because the Law on Records in the Field of Employment, other laws and a set of by-laws stipulate which data must be kept and the period in which they must be kept in the archives.

This Project Component is founded on the existing IIS, which will be gradually upgraded through application of new technologies based on open platforms. The implementation of this Project will provide the following benefits:

- Decrease of operational costs – reduced usage of paper, saving of archiving material and space, photocopying and time, man-hours, delays and mistakes made by people, unnecessary conventional transportation of documentation.
- Time saving – fast and advanced searching of non-structured information, constant access to the archive – insight into the current status of the archives,
- Contribution to creation of a flexible organisation – automatic categorisation, personalisation and controlled flow of documents; simplified work with the documentation on all organisational levels
- Ensured high safety level – the users are provided high reliability and safety in their work. Access control protects the documents from unauthorised access and changes, and
- Centralised storage of documentation – the modern service requires storage of a great number of documents,
- Enabled storage of all documentation in one place and quick searching of documentation by means of key words.

The information system will support all NES operational requirements. NES UIS will create the conditions for better preparedness for EU accession by way of simplifying and accelerating procedures, creating customer services and establishing connections with employment services of developed countries. NES UIS will additionally facilitate work of the employment service and control of application of regulations through exchange of information between organisational units of the MERD, and/or with other public authorities. Introduction of data storage with adequate analytical system, as well as development of the MIS, will enable better monitoring and control of performance as well as optimization of the core functions of the organisation.

On the basis of obtained information, the NES has identified a need for establishing a systematic approach to research and forecasting of labour market trends. The realization of this Project would make this possible. The results of this Project will provide a specific insight into relations between the supply of qualifications and demand for qualifications in the labour market and will be an important source of data for future projections of active employment policy measures and programmes. These results will be important signal for the formal education system, too, in terms of matching it with labour market needs. The results are also interested from the aspect of formal/non-formal education and tackling structural unemployment and social exclusion. Beside that, the results of forecasting will be combined with the results of monitoring and evaluation of active labour market measures, in order to give a detailed picture of the effects of active programmes on employment, as well as inputs for the development of new programmes; on the other hand, the results will help in the identification of programmes that should be improved or abandoned.

This project will provide a long-term solution for archiving documents/files and a centralised access to all documents through implementation of a software system, which will make the process of electronic data archiving automatic and enable automatic registering of electronic documents throughout their “life cycle” and their subsequent easier accessibility and searching in the established database. The project will: free the established database of the unnecessary data on passive clients; improve the performance of the active database; ensure that requests can be made through the computer network from workstations in every branch office of local office to the server that hosts the database of archived material, and the retrieved information is instantaneously displayed on the workstation that sent the request; shorten the time needed for provision of services related to issuance of certificates



based on the archived data; create conditions for more efficient provision of services to active clients; ensure permanent storage of the archived data, regular and efficient storage of passive data on new media.

### **3.2 Assessment of project impact, catalytic effect, sustainability**

The Project will impact on the capacities of national and local stakeholders for further development and responding to demands for change, including equal employment opportunities. The impact of the Project on broader social processes will be exerted through:

- promotion of client-oriented approach;
- orientation of assistance and services towards needs;
- promotion of partnership and institutional development;
- more efficient use of existing resources (material, staff, etc.);
- promotion of planning and change management;
- promotion of principles of quality, responsibility, transparency and efficiency;
- raising public awareness.

The interpretation of the results of analysis will facilitate the development of programmes of active employment policy measures, as the basis of the implementation of NEAP and formulation of Performance Agreements. Forecasting could be used for: 1) development of action plans (forecasting should be the preliminary step in the planning process); 2) control of continual progress of a plan based on forecasts; 3) establishing of warning system for critical factors and definition of corrective activities. This Project will result in developed and advanced knowledge of labour market trends; obtained information will be used in practical problem solving in the area of employment and other areas. It will also have a catalytic effect on the overall economic growth.

The Project will develop a system for use in all NES branch offices throughout Serbia. After the completion of the Project, the maintenance of software and hardware will be financed from the NES budget. The IT Sector of the NES will be responsible for software maintenance and after the completion of the project, the staff of IT Sector will conduct future training in software implementation. NES staff from Sectors and branch offices that will be trained within the Project in research and forecasting of labour market trends and monitoring and evaluation of active labour market measures will have support from the Department of Statistics and Analysis of the NES (this Department will integrate collected information). Defined procedures and methodology will be used for introduction training for new employees that will be responsible for these activities.

Upgraded performance of the IIS of the NES will in many ways enable more efficient work of the system users, and the staff from NES IT Division will be responsible for maintenance of the system, as well as for provision of training for the staff for work in the system. IT trainers trained within the CARDS Programme can be engaged for these tasks. Sustainability is also ensured by adoption of the Operational Procedure, which will guarantee uniform and constant application of the system by the staff, as well as its improvement. Increased performance of the active database of NES UIS will enable the IT system to support all other work processes, as well as the future increase of the volume of services that NES provides to its clients.

### **3.3 Results and measurable indicators**

#### **Component 1**

##### **Result 1**

Developed improved methodology and procedures for research and forecasting of labour market trends and monitoring and evaluation of active labour market measures.

##### *Indicators*

- New elaborated methodologies are more suitable to the needs of the Serbian labour market, and are adjusted to the needs of the NES;
- Internal procedures (allocation of roles and responsibilities) are in use.

### **Result 2**

Strengthened capacities of NES staff for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures.

#### **Indicators**

- Minimum 120 employees of the NES are trained and apply the acquired knowledge in their work.

### **Result 3**

Software systems for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures are implemented.

#### **Indicators**

- Established modern database of labour market trends, which meets the standards of similar information systems in EU Member States;
- Detailed labour market analyses in all regions of Serbia obtained by the end of the Project.
- Evaluation reports on active labour market measures prepared.

### **Result 4**

Labour market analyses, forecast reports and reports on the evaluation of active labour market measures promoted in public and distributed to the MoERD, social partners and other stakeholders.

#### **Indicators**

- Evaluation results are available to all Ministries and other stakeholders;
- Results are publicly promoted through at least 2 press conferences, distribution of brochures and other printed material, presentations and regular update of information on the NES Web Site, etc.

## **Component 2**

### **Result 1**

Integrated Information System of the NES developed in accordance with the needs of users and NES clients.

#### **Indicators**

- NES IIS Development Plan adopted in the first quarter of the Project implementation;
- The IIS and application for data filing (complying with EU standards for service rendering) implemented in all basic organizational units of the NES in last quarter of the Project;
- System in operation – upgraded data security and centralized documentation filing, data base of archives established and quick access to data enabled in the last quarter of Project implementation.

### **Result 2**

NES capacities related to the Integrated Information System built.

#### **Indicators**

- Information System Working Procedure revised and implemented at NES level;
- 60 system administrators trained in all basic organizational units of the NES;
- Training for employees carried out in all basic organizational units of the NES.

## **3.4 Activities**

### **Component 1**

The key principle with regard to the design and delivery of the project will be the review and adaptation of work which has been initiated under previous projects. This includes a review of documentation and, more importantly, close collaboration with NES staff to discuss previous actions. Where appropriate, NES staff should be used in the delivery of training in regional and local offices and the actions under previous projects should be used as a key source of illustrative practice. Key activities will subsequently include:

- 1.1 Improvement of the existing methodology for research and forecasting of labour market trends;
  - 1.2 Improvement of the existing methodology for monitoring and evaluation of active labour market measures;
  - 1.3 Study visit for NES experts in order to learn more about different systems of monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures used in EU countries;
  - 1.4 Creation of internal Procedures for implementation of the methodology for research and forecasting of labour market trends;
  - 1.5 Creation of internal Procedures for implementation of the methodology for monitoring and evaluation of active labour market measures;
  - 1.6 Drafting of manuals, instructions, publications and forecasting reports;
  - 1.7 Drafting of manuals, instructions, publications and reports on monitoring and evaluation of active labour market measures.
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- 2.1 Training for 60 NES associates from the Head Office and branch offices in research and forecasting of labour market trends;
  - 2.2 Training for 60 NES associates in monitoring and evaluation of active labour market measures.
  - 2.3 Training and awareness raising for staff from other stakeholders, in particular MERD and MoE. Training should include activities designed to strengthen collaboration between organisations and, in particular, to develop systems to ensure that the data is utilized by appropriate bodies in the development of policy and procedures.
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- 3.1 Preparation of the technical specification, tender documentation for procurement of software for research and forecasting of labour market trends, procurement and installation of software, testing and error elimination;
  - 3.2 Preparation of technical specification, tender documentation for procurement of software for monitoring and evaluation of active labour market measures, procurement and installation of software, testing and error elimination.

## **Component 2**

1. Further development of the Integrated Information System of the NES
  - 1.1 Analysis of current situation (identification of data that have to be filed and the scope of these data);
  - 1.2 Selection of Contractor and development of Data Filing Preliminary Design;
  - 1.3 Development of the Implementation Project and application;
  - 1.4 Specification of necessary equipment and procurement of installation;
  - 1.5 Implementation of Data Filing System (Archiving System);
  - 1.6 Testing of the System (launching, error elimination).
2. Capacity building of the NES to use the new System
  - 2.1 Development of Working Procedures;
  - 2.2 Training for NES System administrators (on how to use the new System); training for NES employees (on how to use the new System and on Working Procedures).

<b>Contracting Arrangement:</b>
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This project will be implemented through one service contract and one supply contract.
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### **3.5 Conditionality and sequencing**

#### **Component 1**

- Readiness of MoERD to integrate the approach to planning and managing the key processes in the field of employment
- Continual support from MoERD
- Motivation of NES staff and continuous support from the NES management
- Recognition of the benefit and importance of the Project by MoERD and other ministries
- Recognition of the benefit by employers
- Presence in the media
- Effective cooperation with employers and other stakeholders
- Secured resources (time, staff and other operational costs)

#### **Component 2**

- Timely conducted tender procedure and provided resources
- Timely procured equipment
- Readiness and support on the part of the managing structures and the project implementation staff
- New software for archiving compatible with the existing IT system
- Provided adequate and available human and financial resources

Analysis of the current situation will be conducted by experts of the NES IT Division.

The necessary IT equipment (server and workstations) need to be obtained, delivered, installed and will be followed by the training for NES administrators.

### **3.6 Linked activities**

The following projects are complementary to this Project:

- “Support to the Unemployed and Human Resources Development in Serbia” (CARDS 2006). The Project is financed by EU and implemented by EAR in cooperation with NES, in two pilot areas – Belgrade and Banat region. The Project will: i) develop and implement active labour market measures focused on the needs of the long-term unemployed, unemployed youth and disabled persons; ii) build capacities of the NES and all relevant national and local actors to develop and provide adequate and cost-efficient active labour market programmes; iii) carry out thorough labour market analysis in the pilot areas of Belgrade and Banat; and iv) provide training based on employers’ needs and analysis of labour market needs and trends.
- Twinning Project “Modernization of the NES” is being implemented in the NES through the assistance of German Federal Employment Agency (BA). The Project is financed by EU and implemented by EAR in cooperation with NES. The project is focused on the modernization of the NES and institutional capacity building, modernization of NES services and modernization of information technology and information system within the NES.
- Twinning project “Support to the Development of National Employment Policy in Serbia” is being implemented in the Ministry of Economy and Regional Development (MERD) through the assistance of the German Federal Ministry of Labour and Social Affairs (BMAS). The Project is financed by EU and implemented by EAR. The Project consists of three components: strengthening of the MERD by further development of its organizational structures, employment policy development, implementation and monitoring, support to a gender-sensitive approach in the employment policy, regional and local employment policy development, and implementation of decentralization process with special attention to the Local Employment Councils.

Other projects implemented in the field of the labour market and regional socio-economic development:

- Employment Support Programme (CARDS 2004). This technical assistance programme (implemented from October 2004 to May 2007) supported, inter alia, the modernisation of the NES and its branch offices in order to provide quality services to unemployed persons and laid-off workers, including the development of active labour market measures and employment programmes, and strengthened the capacity of all relevant national and local actors designated to develop and implement sound and effective active labour market policy and programmes;
- “Labour Market Institutional Capacity Building in Serbia” (SIDA Project) – support to the National Employment Service.
- “Regional Socio-Economic Development Programme (RSEDP CARDS 2003)”. The Project was implemented in the Banat region, two districts in Central Serbia and two districts in Southern Serbia. The project was focused on local economic and social partnership building, capacity building of the local labour market actors and other service providers, in order to deliver active labour market measures to the vulnerable groups and the unemployed.

### **3.7 Lessons learned**

Employment Support Programme (CARDS 2004) should be treated as the most relevant project to learn from. Activities within CARDS 2004 project were focused on providing assistance to the NES in rendering effective and efficient services in the labour market. The topic of this Project Fiche is the continuation of the components “Monitoring and Evaluation”, “Modernisation of NES” and “Procurement of Equipment” within the CARDS 2004 Project, which enabled the development of methodology of analysis and monitoring of labour market trends and early identification of mismatches, elaboration of the Strategy for Development of NES IT System and Information System Development Action Plan, delivery of equipment worth of one million EUR.

CARDS 2004 provided training for 12 employees from branch offices in research and forecasting of labour market trends; afterwards, these employees conducted training courses in 12 regions throughout Serbia. The analysis of labour market was carried out in Belgrade, Bor and Pirot, and database on these activities was developed. Within CARDS 2004, particular emphasis has been put on the evaluation of effects of active employment policy measures and their cost-efficiency.

Within the Project of “Support to the Unemployed and Human Resources Development in Serbia”, the analysis will be carried out in Belgrade and the municipalities in Banat region. The National Employment Service will carry out labour market research in all regions of Serbia, taking into account relevant studies and analyses previously conducted by the NES or other institutions.

SIDA Project provided support to the development of methods for labour market forecasting and their implementation, i.e. analysis of the labour market situation (current and forecasted). The purpose of these project activities was to learn about processes in the analysis of employers’ needs and labour market forecasts carried out by AMS, in order to develop similar processes within NES, focused on the regional and local labour markets. Expectations have not been fulfilled in the area of labour market trend forecasting, predominantly due to the lack of human and financial resources and deficiencies of the information system; however, the recommendations of SIDA Project are the starting point in the implementation of this model in all NES branch offices throughout Serbia.

The Strategy for Development of the IT System adopted within the CARDS 2004 Project specified the line of development and the necessary improvement of the NES IIS; the Strategy will also serve as the basis for any required improvement in the future. The concrete actions leading to this, specified by the Action Plan, impose the obligation to pursue development and improvement of NES IIS due to the large volume of data processed by the system on everyday basis and the large volume of data entered

into the system, which increases the system performance requirements. Within CARDS 2004, training was provided for 26 IT trainers, who conducted IT training courses for the NES staff. Within this Project, these trainers will be involved in providing the IT training for the NES staff for work in the advanced NES IIS.

The Self-service system was established in Belgrade, Novi Sad and Sombor within the SIDA Project, as one of the aspects of improvement of the operation of IT system and the increase of the scope of services provided to the clients by NES. The recommendations of the SIDA Project are related to the establishment of the self-service system in all NES branch offices.

Following the results, conclusions and recommendations of these projects, the NES has recognized the importance of systemic organization of research and labour market forecasting, monitoring and evaluation of active labour market programmes, as well as of further improvement of the IT System as a means for achieving the set objectives. The conducted training has provided clear guidance of broader importance for all labour market actors, Ministries, NES, educational institutions and social partners.

#### 4. INDICATIVE BUDGET (amounts in €)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	%(2)
Activity 1												
contract 1.1	x		1.000.000	1.000.000	100							-
Activity 2												
contract 2.1		x	500.000	500.000	100							-
.....												
TOTAL IB			1.000.000	1.000.000	100							
TOTAL INV			500.000	500.000	100							
<b>TOTAL PROJECT</b>			<b>1.500.000</b>	<b>1.500.000</b>	<b>100</b>							

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure (column (a))

## 5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1 Service Contract	T+1Q	T+4Q	T+12Q
Contract 2.1. Supply Contract	T+4Q.	T+7Q	T+12Q

## 6. Cross-cutting issues

### 6.1. Equal Opportunities

Equal opportunities for men and women will be guaranteed as to participation in this Project. The project will also contribute to the improvement of monitoring of gender equality and vulnerable groups in all NES activities. This aspect will be integrated into each of the project tasks as a cross-cutting issue, especially when it comes to the Labour Market Information System and planning, monitoring and evaluation of Active Labour Market Measures. The aspect of equal opportunities will be integrated into the inclusion of the unemployed in Active Labour Market Measures.

### 6.2. Environment

This project is harmonized with the national environmental regulations and standards. It will not have any negative impact on the environment nor jeopardize environment, health and security in the future. The Project will be delivered in the most environmentally friendly way possible, including recycling of paper, etc. An overall objective of the project is to reduce the amount of paper based filing and the transport associated with the delivery of paper documentation.

### 6.3. Minorities and vulnerable groups

This project will influence the increase of social inclusion of minorities and vulnerable groups, especially through designing new active labour market measures and upgrading the existing ones, which will enable and guarantee equal position and participation of all unemployed persons and, in certain aspects, give priority to and stimulate minorities and vulnerable groups. Information on those participating in active employment measures will be collated to identify which measures are more, or less, successful with minority groups so that amendments can be made to NES support.



<b>ANNEX 1: LOGFRAME PLANNING MATRIX FOR Project Fiche</b>	<b>National Employment Service's (NES) forecasting and data management</b>	
	Contracting period expires 3 years after the signature of the Financing Agreement	Disbursement period expires 6 years after the signature of the Financing Agreement
	Total budget: <b>1,500,000Euro</b>	IPA budget: <b>1,500,000 Euro</b>

<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
<ul style="list-style-type: none"> <li>▪ To decrease the level of unemployment in the Republic of Serbia</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unemployment rate in Serbia decreased by 10% three years after Project completion</li> <li>▪ GDP per capita in Serbia increased by 5 % three years after Project completion</li> <li>▪ Increased level of labour force mobility in entire Serbia by 10% by 2014</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data from the Republic Statistical Office</li> <li>▪ Employment rate</li> <li>▪ Unemployment rate</li> <li>▪ GDP value</li> <li>▪ Studies on poverty</li> <li>▪ Official Gazette</li> <li>▪ Strategic documents in the field of employment</li> <li>▪ Project reports</li> <li>▪ Data from the Republic Statistical Office</li> </ul>	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>▪ Capacity of the NES improved in the areas of monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures</li> <li>▪ To promote the efficiency and effectiveness of NES operation through enabling quicker access to the active data base, storage of data and easier access to data in</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of unemployed persons registered at the NES decreased by 15 % by 2014</li> <li>▪ Number of persons employed through NES assistance increased by 10% by 2014</li> <li>▪ Number of employed participants in NES training increased by 15% after the completion of the Project</li> <li>▪ Number of newly employed persons in the identified sectors and branches increased by 15% by 2014</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data from the National Employment Service</li> <li>▪ MOERD reports</li> <li>▪ Project final report</li> <li>▪ Database of labour market trends</li> <li>▪ Database on monitoring and evaluation of active labour market measures, which will be run by the Department for Analysis and Statistics in the NES Head Office</li> <li>▪ Monthly reports</li> <li>▪ Reports on labour market trends, which</li> </ul>	<ul style="list-style-type: none"> <li>▪ Readiness of MoERD to integrate the approach to planning and managing the key processes in the field of employment</li> <li>▪ Motivation of NES staff and continual support from NES management</li> <li>▪ Recognition of the benefit by the</li> </ul>

<p>the Integrated Information System</p>	<ul style="list-style-type: none"> <li>▪ At least 5 new and elaborated programmes of active labour market measures after the completion of the Project</li> <li>▪ Upgraded quality of services rendered to clients; time necessary for the issuing of documents reduced to 1 day</li> <li>▪ Increased speed of access to the active database by 30% and upgraded quality of other services rendered within the Integrated Information System</li> </ul>	<p>will be written by officers in NES branch offices and the Head Office on four months basis</p> <ul style="list-style-type: none"> <li>▪ Reports on effectiveness of active labour market measures</li> <li>▪ Proposals of new and elaborated programmes of active labour market measures</li> <li>▪ Press clippings</li> <li>▪ Annual report of the NES</li> <li>▪ Survey for NES service users</li> <li>▪ Reports of the IT Sector on data base testing</li> </ul>	<p>employers</p> <ul style="list-style-type: none"> <li>▪ Effective cooperation with employers and other stakeholders</li> <li>▪ Provided resources (time, staff and other operational costs)</li> <li>▪ implementation</li> <li>▪ New data filing software is compatible to the existing IT system</li> </ul>
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p><b>Component 1</b></p> <ol style="list-style-type: none"> <li>1. Developed improved methodology and procedures for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures</li> <li>2. Strengthened capacities of NES staff for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures</li> <li>3. Implemented software systems for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures</li> </ol>	<ul style="list-style-type: none"> <li>▪ New methodologies more suitable to the needs of Serbian labour market, and are adjusted to NES needs</li> <li>▪ Experiences and examples of good practice in EU countries reviewed</li> <li>▪ Internal procedures defining the roles and responsibilities are implemented.</li> <li>▪ Minimum 120 employees of NES (including 30 trainers trained within the CARDS 2004) are trained and apply the acquired knowledge in their work.</li> <li>▪ Training of other stakeholders</li> <li>▪ Established modern database of labour market trends, which meets the standards of similar information systems in EU Member States.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents of new improved methodology for labour market trends research and forecasting and monitoring and evaluation</li> <li>▪ Report from the Study Visit</li> <li>▪ Training curricula for NES staff and feedback training reports</li> <li>▪ Database of labour market trends</li> <li>▪ Database for monitoring and evaluation of active labour market measures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Necessary staff appointed</li> <li>▪ Motivation of the staff to enter training</li> <li>▪ Procedures are in use, and the methodology is uniformly applied</li> <li>▪ Willingness and support of the management and staff for implementation of the system</li> <li>▪ New data filing software is compatible to the existing IT system</li> </ul>

<p>4. Labour market analyses, forecast reports and reports on active labour market measures evaluation have been publicly promoted and distributed to the MoERD, social partners and other stakeholders.</p>	<ul style="list-style-type: none"> <li>▪ Detailed labour market analyses in all regions of Serbia obtained by the end of the Project.</li> <li>▪ Evaluation results are available to all the ministries and other stakeholders</li> <li>▪ Results promoted publicly, through organisation of at least two press conferences, distribution of brochures, printed material, regular publishing and updating of information in the NES web site</li> </ul>	<ul style="list-style-type: none"> <li>▪ Filled-in survey questionnaires for employers</li> <li>▪ Labour market analyses in all regions of Serbia</li> <li>▪ Training need analyses</li> <li>▪ Forecasting reports (regional and national)</li> <li>▪ Printed material (brochures) and communication means (web page)</li> </ul>
<p><b>Component 2</b></p>		
<p>1. Integrated Information System of the NES developed in accordance with the needs of users and NES clients</p>	<ul style="list-style-type: none"> <li>▪ IIS development plan adopted in the first quarter of the Project implementation</li> <li>▪ IIS and application for data filing implemented in all basic organizational units of the NES in the last quarter of the Project</li> <li>▪ Upgraded security and centralized documentation filing, data base of archives established and quick access to data enabled in the last quarter of Project implementation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reports on evaluation of active measure programmes</li> <li>▪ Proposal of new and improved active labour market measures</li> <li>▪ Tender documentation</li> <li>▪ Progress reports</li> <li>▪ Press clippings</li> </ul>
<p>2. NES capacities related to the Integrated Information System built</p>	<ul style="list-style-type: none"> <li>▪ Information System Working Procedure revised and implemented at NES level</li> <li>• Staff provided and training for 60 system administrators carried out in all organizational units of the NES</li> <li>• Training for employees (on how to use the System) carried out in all organizational units of the NES</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document of conducted analysis of current situation</li> <li>▪ Document of Data Filing Preliminary Design</li> <li>▪ NES Annual Report</li> <li>▪ Working Procedures for the NES Information System</li> <li>▪ Training materials (trainings for administrators and employees)</li> </ul>

<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
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<p><b>Component 1</b></p> <p>1.1. Improvement of the existing methodology for research and forecasting of labour market trends</p> <p>1.2. Improvement of the existing methodology for monitoring and evaluation of active labour market measures</p> <p>1.3. 3 Study Visits for NES staff in order to get acquainted with different systems for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures in EU countries</p> <p>1.4. Creation of internal Procedures for implementation of the methodology for research and forecasting of labour market trends</p> <p>1.5. Creation of internal Procedures for implementation of the methodology for monitoring and evaluation of active labour market measures</p> <p>1.6. Drafting of the manual, instructions, publications and reports related to labour market forecasting</p> <p>1.7. Drafting of the manual, instructions, publications and reports on monitoring and evaluation of active labour market measures</p> <p>2.1 Training for 60 NES staff (Head Office and branch offices) in labour market trends monitoring and</p>	<p><u>Component 1</u></p> <p><u>1 service contract</u></p> <p><u>1 supply contract for software</u></p>	<p>1,000,000</p> <p>500,000</p> <p>Total budget :1,500,000 EUR</p>	<ul style="list-style-type: none"> <li>▪ Adequate and available human and financial resources</li> <li>▪ Sufficient IT capacities for software implementation</li> <li>▪ Tender procedure carried out in a timely manner</li> <li>▪ Funds for training provided</li> <li>▪ Willingness of the staff to unify and utilise analytical procedures</li> </ul>
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<p>forecasting</p> <p>2.2 Training for 60 NES staff (Head Office and branch offices) in monitoring and evaluation of active labour market measures</p> <p>2.3 Training and awareness raising for staff from other stakeholders, in particular MERD and MoE.</p> <p>3.1 Preparation of the technical specification, tender documentation for procurement of software for monitoring and forecasting of labour market trends, procurement and installation of software, testing and debugging</p> <p>3.2 Preparation of the technical specification, tender documentation for procurement of software for monitoring and evaluation of active labour market measures, procurement and installation of software, testing and debugging</p>			
<p><b>Component 2</b></p> <p>1. Further development of the Integrated Information System of the NES</p> <p>1.1. Analysis of current situation (identification of data that have to be filed and the scope of these data);</p> <p>1.2. Selection of the Contractor and development of Data Filing Preliminary Design;</p>			

<p>1.3. Development of the Implementation Project and application;</p> <p>1.4. Specification of necessary equipment and procurement of installation;</p> <p>1.5. Implementation of Data Filing System;</p> <p>1.6. Testing of the System (launching, debugging).</p> <p>2. Capacity building of the NES for using the new System</p> <p>2.1. Development of Working Procedures;</p> <p>2.2. Training for NES System administrators and training for NES employees (how to use the new System according to the Working Procedures)</p>			
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**ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project**  
 (IPA contribution only)

<b>Contracted</b>	QR1	QR2	QR3	QR4	QR5	QR6	QR7	QR8	QR9	QR10	QR11	QR12	<b>Total</b>
Contract 1.1				1,000,000									<b>1,000,000</b>
Contract 1.2							500,000						<b>500,000</b>
<b>Cumulated</b>				<b>1,000,000</b>			<b>500,000</b>						<b>1,500,000</b>
<b>Disbursed</b>													
Contract 1.1				100,000		225,000		225,000		225,000		225,000	<b>1,000,000</b>
Contract 1.2							225,000			225,000		50,000	<b>500,000</b>
<b>Cumulated</b>				<b>100,000</b>		<b>325,000</b>	<b>550,000</b>	<b>775,000</b>		<b>1,225,000</b>		<b>1,500,000</b>	<b>1,500,000</b>



### **ANNEX III Institutional Framework – legal responsibilities and statutes**

When the new Serbian Government was established in May 2007, the competence in the field of employment was shifted from the Ministry of Labour and Social Policy to the Ministry of Economy and Regional Development, with the purpose to facilitate creation of new jobs through loans for start-up or development of businesses, especially of small and medium enterprises, financial support and counselling services for the future employers. The Ministry of Economy and Regional Development emphasised five priority goals, one of which being the reduction of unemployment rate. The goal of the Ministry is to reduce by half the unemployment rate, which is currently at the level of 21.6 percent. The plan is to reduce the unemployment rate to 12 percent over the next five years. The National Employment Strategy and the National Employment Action Plan envisage three groups of active measures aimed at decreasing unemployment in Serbia: measures of counselling and activation, vocational education and training and employment programmes. The National Employment Service is considered the key element of successful implementation of employment strategy, employment policy and the law. Hence, NES has an essential role in the transition process and it is therefore necessary to continue further modernisation towards creation of a modern public service with the capacity to implement, in a prompt and quality manner, the measures intended to directly decrease unemployment and all other necessary administrative tasks.

The Law on Employment and Unemployment Insurance (Official Gazette of RS No 61/03) renames the former Labour Market Bureau as the ‘National Employment Service’ and states that the service is: ‘an institution for performing the works of providing the realisation of citizens’ rights to employment and insurance in case of unemployment’. In pursuit of this general responsibility the law confirms the Service’s competence in relation to the administration of unemployment registration and unemployment insurance, job broking, jobseeker advice and vocational counselling, additional education and training, and working licences and employment abroad.

Beside these tasks, National Employment Service is responsible for organization, administrative affairs, financial affairs, general affairs and other activities in the area of employment and unemployment insurance, according to the Law, Statute and other bylaws of the NES.

Other institutions that will benefit from or be directly involved in the Project are:

Ministry of Labour and Social Policy,  
Ministry of Education,  
Ministry of Finance,  
Ministry of Public Administration and Local Self-Government,  
Republic Statistical Office,  
Trade Unions,  
Employer Associations.

#### **ANNEX IV Reference to Laws, Regulations and Strategic Documents**

Relevant Serbian legislation and other documents relevant for the project are:

- Labour Law ("The Official Gazette of the Republic of Serbia", No. 24/05 and 61/05);
- Law on Employment and Unemployment Insurance ("The Official Gazette of the Republic of Serbia", No. 61/03);
- Law on Socio-economic Councils ("The Official Gazette of the Republic of Serbia", No. 125/045);
- National Employment Strategy of the Republic of Serbia 2005-2010;
- National Employment Action Plan 2006-2008;
- NES Change Strategy 2006-2008;
- Poverty Alleviation Strategy;
- Strategy of Small and Medium-Size Enterprises and Entrepreneurship Development in the Republic of Serbia 2003-2008;
- Decision on the establishing of redundancy program in the process of rationalization, restructuring and preparation for privatisation ("The Official Gazette of the Republic of Serbia", No. 64/05).

## **ANNEX V Details per EU Funded Contract (\*) where applicable**

Service contract 1.1

Supply contract 1.2

### **Activity 1 - Labour Market Forecasting**

▪ Service contract 1:

- 1.1 Improvement of the existing methodology for monitoring and forecasting of labour market trends
- 1.2 Improvement of the existing methodology for monitoring and evaluation of active labour market measures
- 1.3 Creation of internal Procedures for implementation of the methodology for monitoring and forecasting of labour market trends
- 1.4 Creation of internal Procedures for implementation of the methodology for monitoring and evaluation of active labour market measures
- 1.5 Drafting of manuals, instructions, publications and forecasting reports
- 1.6 Drafting of manuals, instructions, publications and reports on monitoring and evaluation of active labour market measures
  
- 2.1 Training for 60 NES staff (Head Office and branch offices) in labour market trends monitoring and forecasting
- 2.2 Training for 60 NES staff (Head Office and branch offices) in monitoring and evaluation of active labour market measures
  
- 3.1 Preparation of the technical specification, tender documentation for procurement of software for monitoring and forecasting of labour market trends, procurement and installation of software, testing and debugging
- 3.2 Preparation of the technical specification, tender documentation for procurement of software for monitoring and evaluation of active labour market measures, procurement and installation of software, testing and debugging

Development of the existing methodologies for monitoring and forecasting of labour market trends and monitoring and evaluation of active labour market measures will be the first activities undertaken upon the commencement of the project; they will be conducted concurrently, and they may overlap with the software procurement preparation activities.

The software for monitoring and forecasting labour market trends and the software for monitoring and evaluation of active labour market measures should be procured and installed before the training courses for NES staff in monitoring and forecasting of labour market trends and monitoring and evaluation of labour market measures are conducted.

- 4.3 Selection of the Contractor and development of Archiving Preliminary Design;
- 4.4 Development of the Implementation Project and application;
- 4.5 Specification of necessary equipment and procurement of installation;
- 4.6 Implementation of Archiving System;
- 4.7 Testing of the System (launching, debugging).
  
- 5.1 Development of Working Procedures;

5.2 Training for 60 NES System administrators (on how to use the new System) and training for NES employees (on how to use the new System according to the Working Procedures)

**Supply contract:**

1.1 Procurement of necessary equipment – server and work stations

Analysis of the current situation will be conducted by experts of the NES IT Division during the first quarter of Project duration.

The necessary IT equipment (server and workstations) need to be obtained, delivered and installed by the end of quarter VII, which will be followed by the training for NES administrators.