

administrative systems in place to support grant implementation. If the negotiations do not result in an acceptable submission, the Grant Officer reserves the right to terminate the negotiation and decline to fund the application. Award is also contingent upon signature of a letter of agreement between USDOL and relevant ministries in target countries.

#### A. Background and Problem Statement

Serbia is undertaking sweeping reforms to accelerate its transition toward an open free market. For example, the government recently passed legislation that reduces income taxes to 14 percent. In addition, the government has embarked on a campaign of economic reform aimed at improving prospects for attracting investment and generating jobs. These reforms are intended to assist the government of Serbia in its efforts to become an integrated member of the European economic union.

The Government is reforming labor legislation both to augment its economic reforms and to align itself with European Union (EU) standards. The labor ministry, created in 2000, is receiving support from the World Bank to assist workers who may be adversely affected by the economic changes occurring in Serbia.

In order to further demonstrate its commitment to workers, the Government is also seeking assistance to help strengthen the labor ministry's capacity to reduce workplace injuries and deaths through improved compliance with occupational safety and health laws. New legislation has been drafted that, when adopted, will dramatically expand the responsibility of the Ministry of Labor and Employment (MOLE) to monitor worksite health and safety conditions, with the goal of mitigating work-related injuries and deaths in the country.

The main constraints confronting the Ministry in the area of workplace safety and health are:

- Outdated occupational safety and health (OSH) regulations and practices.
- Poorly trained inspector corps.
- Underutilization of data to focus inspection efforts more strategically.
- Limited campaigns to educate employers and workers about the need for and benefits of improved workplace safety and health.
- Lack of coordination among different government agencies that have some responsibilities related to workplace safety and health.

Legislation has already been prepared that, when passed, will consolidate safety and health inspection authority under the labor inspectorate of the

MOLE. The inspectorate plans to almost triple its number of inspectors in order to fully enforce this pending legislation (the MOLE has been authorized to hire 500 additional inspectors, increasing its monitoring force from 268 to 768). The legislation will also require that a reorganized labor inspectorate adopt practices and procedures to ensure that enterprises using new technologies adopt appropriate new safety and health standards. Meeting these needs will require a significant increase in the capacity and the flexibility of the new labor inspectorate and its staff.

#### B. Target Population

Applicants shall target the MOLE labor inspectorate.

#### C. Objectives

The Grantee(s) will implement, in partnership with USDOL, a project to help reduce workplace injuries and deaths in Serbia. The reduction of workplace injuries and deaths is expected to occur as the Grantee(s) assists the MOLE in its efforts to improve compliance by Serbian employers with workplace safety and health laws. The Grantee(s) will assist the MOLE through the provision of the following types of assistance:

- Development of a five-year strategic plan to establish goals, objectives, measures of accountability, and an annual timetable and set of activities for implementing the plan.
- Development of a set of procedures and policies to guide OSH inspectors in carrying out their work.
- Training of inspectors in the implementation of new procedures and policies.
- Development of new approaches to utilize existing data more effectively to target low levels of OSH compliance.
- Development of an ongoing outreach campaign to employers and workers in order to prevent injuries and deaths from occurring.

*Relationship to USDOL Program Strategy:* By helping to improve compliance with OSH laws, the proposed project in Serbia supports achievement of USDOL's GPRA goal (3.3b) to "Improve living standards and conditions of work for workers in developing and transition countries."

#### D. Type of Work To Be Performed/Activities

The selected Grantee(s) will be responsible for developing a strategy for successfully achieving the stated objectives of the project, addressing the problems identified in the Background and Problem Statement, developing and implementing the major tasks to be

accomplished as part of that strategy, tracking and reporting on progress in achieving the stated objectives, and providing any necessary related services.

#### E. Expected Outcomes/Project Outputs

By the end of the grant period, the project will have:

- Developed a five-year strategic plan to establish goals, objectives, measures of accountability, and an annual timetable and set of activities for implementing the plan.
- Developed a set of procedures and policies to guide OSH inspectors in carrying out their work.
- Trained inspectors in the implementation of new procedures and policies.
- Developed new approaches to utilize existing data more effectively to target low levels of OSH compliance.
- Developed an ongoing outreach campaign to employers and workers in order to prevent injuries and deaths from occurring.

#### F. Deliverables

Following the award of the grant, the Grantee(s) shall collaborate with USDOL/ILAB to:

- Develop a Project Document (including a project budget) that will set the technical parameters and provide guidance to the project. It should include all information and be prepared according to the standardized format outlined by USDOL. While the Applicant's original proposal will serve as the basis of the Project Document, in every case USDOL has found it advantageous to visit the field and reach consensus on the project strategy with host country counterparts in order to further inform the project design. USDOL must receive a draft of the Project Document 45 days after returning from travel to the relevant area(s). The Project Document must be finalized no later than 30 days after receipt of USDOL comments on the draft.
- Establish a Workplan identifying major project activities, deadlines for their completion, and person(s) responsible for completing these activities (within 60 days after the Project Document is finalized).
- Set project indicators, including indicators that support ILAB's Government Performance and Results Act (GPRA) goal, "Improve living standards and conditions of work for workers in developing and transition countries." (within 90 days of finalizing the Project Document).
- Create a Performance Monitoring Plan (PMP) to establish the data needed