

Vibrant service sector for better economic opportunities

This is an intervention summary from the MSD for employment (MSD4E) landscape assessment.

This intervention seeks to grow the business process outsourcing (BPO) sector for ICT by connecting to international markets. The pilot intervention activities were designed by building on the knowledge of successful models tested by the RisiAlbania project in Albania and the MarketMakers project in Bosnia & Herzegovina, of the Swiss Agency for Development and Cooperation (SDC), implemented by Helvetas, and were initiated in Serbia, North Macedonia, Kosovo, and Montenegro.

Background information

Project	RECONOMY
Funder	Swedish International Development Cooperation Agency (Sida)
Implementer	HELVETAS Swiss Intercooperation in partnership with Impact Foundation
Contact	Emilija Jovanova Stoilkova, Regional Manager Western Balkans (Emilija.jovanova@helvetas.org)
Rural or urban?	Rural and urban
Sectors	ICT sector
Intended employment outcomes	Access to jobs
Target group (end beneficiaries)	Women and young people, including the most disadvantaged and excluded
Cross-cutting priorities	GESI, digitalisation
Years of operation	2020-2023

What constraints did the intervention aim to address?

Amidst the growth of ICT and BPO private sector enterprises in the Western Balkans, there are three key constraints:

1. Access to clients in foreign markets: constrained by poor supporting functions in information/research and knowledge generation.
2. Recruiting staff with the right skills profile: many of the ICT/BPO job vacancies remain unfilled, and firms struggle to recruit people with the right skills profile.
3. Limited cooperation and coordination between industry actors: only a small number of enterprises are successful at entering international markets.

Which market actor partners did the intervention work with?

1. **ICT/BPO companies:** Melita & Partners
2. **Training providers:** Semos Education
3. **Industry associations:** ICT Cortex Montenegro, Serbian Games Association
4. **Innovation hubs:** BONEVET

What were the intended behaviour changes for these partners?

1. Training providers:

- A sound business model for fee-based training services, differentiated by the addition of new services such as career guidance.
- Career centres provide guidance and employment information to young people interested in freelance careers.
- Revised ICT skills training - more relevant and up-to-date because of input from ICT companies.

2. ICT Companies:

- Hiring new trainees and growing their business as a result of increased access to qualified staff and opportunities for upskilling.
- Providing input on ICT skills training.

3. Industry associations:

- Delivering value to members by providing formal and non-formal education training courses tailored to the needs of members of the association.

4. Government institutions:

- Improved policy support due to better visibility of the sector.

How sustainable are these behaviour changes?

- Signals of sustainability include:
 - Public-private collaboration (e.g. MoU between ICT Cortex and the Ministry of Education in Montenegro).
 - Non-formal training providers charging more fees and becoming less reliant on sponsors, donors, and scholarships.

What were the intervention's key results?

- Employed: 541 (Target: 500)
- Trained: 2,838 (Target: 1,500)
- Number of trainings: 21 (Target: 5)

<i>Has a third party been involved in measuring these results?</i>	No
<i>Is the partner behaviour change the sole/major/minor contributing factor towards the employment-related outcome you've reported? (i.e. are there other contributing factors?)</i>	Major
<i>Results chain available?</i>	No

What is one lesson learned from this work?

The speed of the digital revolution has accelerated in recent years. While many “traditional jobs” continue to face challenges, there has been rapid development of ICT/BPO-related jobs. Knowledge creation in the ICT-BPO sector, facilitation of industry upgrading through training, and facilitation of access to new markets are crucial to accommodating the increase in demand in the Western Balkans.

The MSD4E Intervention Library was compiled by the MSD4E Community of Practice and funded by the ILO, Mercy Corps and Swisscontact.

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