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ANNEX

**of the Commission Implementing Decision on the financing of the multiannual action plan for an Operational Programme on Employment, Skills, and Social Inclusion in favour of the Republic of Serbia for 2024-2027**

**MULTIANNUAL OPERATIONAL PROGRAMME**

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and multiannual action plan in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI-Global Europe Regulation

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## 1. Programme synopsis

### 1.1. Programme Summary Table<sup>1</sup>

|   |  |
|---|--|
| <b>Title</b>                                    | Multiannual Operational Programme on Employment, Skills, and Social Inclusion in favour of the Republic of Serbia for 2024-2027  |
| <b>OPSYS</b>                                    | ACT-62588  |
| <b>ABAC</b>                                     | ABAC Commitment level 1 number: JAD.1414838  |
| <b>Basic Act</b>                                | Financed under the Instrument for Pre-accession Assistance (IPA III)   |
| <b>Team Europe<sup>2</sup></b>                  | No   |
| <b>IPA III beneficiaries</b>                    | The Republic of Serbia   |
| <b>Programming document</b>                     | IPA III Programming Framework  |
| <b>PRIORITY AREAS AND SECTOR(S) INFORMATION</b> |  |
| <b>Window and thematic priority<sup>3</sup></b> | Window 4<br>Thematic Priority 1: Education, employment, social protection and inclusion policies, and health   |
| <b>Sustainable Development Goals (SDGs)</b>     | Main SDG: 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)<br>Other significant SDGs:<br>SDG 1 (End poverty in all its forms everywhere)<br>SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture)<br>SDG 4 (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)<br>SDG 10 (Reduce inequality within and among countries)<br>SDG 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) |
| <b>DAC code(s)<sup>4</sup></b>                  | Main DAC Code – 16020 Employment creation 55,45%<br>Sub-code 1 16010 Social Protection 34.85%<br>Sub-code 2 43010 Multisector aid 9.7%   |
| <b>Main Delivery Channel</b>                    | <i>Recipient Government – 12000</i>  |
| <b>Targets</b>                                  | <input type="checkbox"/> Climate<br><input checked="" type="checkbox"/> Gender<br><input type="checkbox"/> Biodiversity  |

<sup>1</sup> This section is to be completed by the EU Delegation.

<sup>2</sup> Please specify if this action is going to be part of the Team Europe approach.

<sup>3</sup> Indicate the lead window and thematic priority as identified in the IPA III programming document. Please indicate for each thematic priority the approximate share (%) of the window budget it represents.

<sup>4</sup> DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab 'purpose codes' in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-financestandards/dacandscodelists.htm>

| <b>Markers <sup>5</sup><br/>(from DAC form)</b> | <b>General policy objective</b>                    | <b>Not targeted</b>      | <b>Significant objective</b> | <b>Principal objective</b> |
|---|--|--------------------------|------------------------------|----------------------------|
|   | Participation development/good governance          | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Aid to environment                                 | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Gender equality and women's and girl's empowerment | <input type="checkbox"/> | X                            | <input type="checkbox"/>   |
|   | Reproductive, maternal, new-born and child health  | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Disaster Risk Reduction                            | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Inclusion of persons with Disabilities             | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Nutrition <sup>6</sup>                             | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | <b>RIO Convention markers</b>                      | <b>Not targeted</b>      | <b>Significant objective</b> | <b>Principal objective</b> |
|   | Biological diversity                               | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Combat desertification                             | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Climate change mitigation                          | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Climate change adaptation                          | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |

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<sup>5</sup> For guidance, please see <https://www.oecd.org/development/financing-sustainable-development/development-finance-standards/>. Go to "Data collection and resources for reporters", select Addendum 2, annexes 18 (policy) and 19 (Rio) of the reporting directive. If an action is marked in the DAC form as contributing to one of the general policy objectives or to RIO principles as a principal objective or a significant objective, then this should be reflected in the Intervention Logic.

<sup>6</sup> Please check the Handbook on the OECD-DAC Nutrition Policy Marker.

| <b>Internal markers<sup>7</sup> and Tags</b>                            | <b>Policy objectives</b>  | <b>Not targeted</b>      | <b>Significant objective</b> | <b>Principal objective</b> |
|---|---|--------------------------|------------------------------|----------------------------|
|   | Digitalisation  | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Tags <sup>8</sup>   | YES                      |                              | NO                         |
|   | digital connectivity  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | digital governance  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | digital entrepreneurship  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | digital skills/literacy   | X                        |                              | <input type="checkbox"/>   |
|   | digital services  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | Connectivity  | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Tags  | YES                      |                              | NO                         |
|   | digital connectivity  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | energy  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | transport   | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | health  | <input type="checkbox"/> |                              | <input type="checkbox"/>   |
|   | education and research  | X                        |                              | <input type="checkbox"/>   |
|   | Migration   | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
|   | Reduction of Inequalities   | <input type="checkbox"/> | X                            | <input type="checkbox"/>   |
|   | COVID-19  | X                        | <input type="checkbox"/>     | <input type="checkbox"/>   |
| <b>BUDGET INFORMATION</b>   |   |                          |                              |                            |
| <b>Amounts concerned</b>  | <p>Budget line: 15.020201</p> <p>Total estimated cost for four years (2024-2027): EUR 126 930 000</p> <p>Total amount of EU budget contribution for four years (2024-2027): EUR 100 000 000</p> <p>The contribution from the general budget of the European Union is split per year as follows:</p> <ul style="list-style-type: none"> <li>- For 2024 – EUR 10 000 000;</li> <li>- For 2025 – EUR 30 700 000;</li> <li>- For 2026 – EUR 24 000 000;</li> <li>- For 2027 – EUR 35 300 000.</li> </ul> <p>The contribution from the general budget of the European Union for the subsequent years is subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p> |                          |                              |                            |
| <b>MANAGEMENT AND IMPLEMENTATION</b>                                    |   |                          |                              |                            |
| <b>Implementation modalities (management mode and delivery methods)</b> | Indirect management with the Republic of Serbia   |                          |                              |                            |
| <b>Relevant priorities and flagships from</b>                           | Priority: Human Capital Development   |                          |                              |                            |

<sup>7</sup> These markers have a different scope/rationale than the DAC codes. They are drawn from the level of budget allocation and emphasise the programme in terms of main objective(s) selected. The definition of the overall and specific objectives provided in the description of the programme should be in line with this section.

<sup>8</sup> When a marker is “Significant Objective” or “Principal Objective”, please indicate the relevant tags by selecting “YES” or “NO”.

|  |  |
|--|--|
| <b>Economic and Investment Plan for the Western Balkans [only for the Western Balkans]</b> | Flagships: X Youth Guarantee   |
| <b>Final Date for conclusion of Financing Agreement</b>                                    | At the latest by 31 December 2025  |
| <b>Decommitment deadline for each budgetary commitment</b>                                 | Budgetary commitment 2024: by 31/12/2029<br>Budgetary commitment 2025: by 31/12/2030<br>Budgetary commitment 2026: by 31/12/2031<br>Budgetary commitment 2027: by 31/12/2032 |
| <b>Indicative eligibility period</b>   | 31/12/2033 from last budgetary commitment  |
| <b>Final date for implementing the Financing Agreement</b>                                 | 12 years following the conclusion of the Financing Agreement   |

## 1.2. Summary of the programme

The overall objective of this operational programme is to improve the livelihoods of young and vulnerable people by supporting their employment, development of skills and social inclusion. This is to be achieved through measures in two support areas – Employment and Skills and Social Inclusion. In addition, the Other Support area will strengthen capacities of the institutions responsible for programme implementation to ensure the achievement of programme objectives.

**Area of Support: Employment and Skills** - under this area of support, activities will focus on improving the employment prospects of youth and other vulnerable groups to further increase the employment rate. One of the main activities under the programme will be dedicated to the development and implementation of services and active employment programmes by the National Employment Service (NES). As part of the Youth Guarantee offer, the NES will provide young people enrolled in YG with an offer of employment, further education, or an internship within four months. Funding active labour market programmes (ALMP) through OP offers the opportunity to include a larger number of young unemployed people, but also to pilot new modalities of support. Another intervention designed to enhance the employment prospects of youth and other vulnerable groups is the establishment of effective outreach services to identify and motivate young people not in education, employment, or training (NEET) to participate in programmes offered through the Youth Guarantee instrument, especially those who are inactive and demotivated and represent more than half of all NEETs. Special attention will be paid to NEETs who face additional barriers to entering the labour market, such as youth with no or little education, people with disabilities (PwD), Roma, youth in rural areas, etc. Employment of vulnerable groups will be additionally promoted through social entrepreneurship. The programme will support awareness and dissemination of information on social entrepreneurship to encourage registration of social enterprises, develop the necessary capacities for policy management and enterprise growth, and provide grants to social enterprises that employ and/or contribute to the social inclusion of disadvantaged groups.

Another specific objective under the Employment and Skills area of support is to improve the flexibility and relevance of the education system to promote employability. This will be achieved through measures aimed at extending implementation of the National Qualifications Framework (NQF) and its principles in higher education and better matching young people's skills to market needs, thus contributing to a faster transition of young people from education to employment. In this context, continuous/non-formal (adult) education will be strengthened by expanding the network of adult education providers and their offer to help young people acquire skills and qualifications needed in the labour market. Implementation of dual education in higher education will expand, by developing study programmes based on qualification standards. Another field of intervention is support for educational reform in Serbia, where efforts are being made to raise the level of scientific literacy among students. The programme will invest in equipping biology, chemistry, and physics cabinets in schools and support the

improvement of practical teaching to prepare students for careers in science, technology, engineering, and mathematics (STEM), but also for careers in medicine/nursing.

**Area of Support: Social Inclusion** - the Programme focuses on interventions that address tools related to the programming, financing, and implementation of housing policies at the national and local levels, as well as interventions to improve the socioeconomic integration of recipients of social housing assistance, with a focus on young people leaving social protection institutions.

Under this area of support, social housing projects will be developed and implemented at the local level to provide housing for vulnerable persons, particularly youth, women victims of domestic violence, Roma, internally displaced persons (IDPs), PwDs, and young people leaving social protection institutions. Complementary active inclusion measures will be ensured for beneficiaries to support their sustainable socio-economic integration into society.

The interventions of the Programme will also support the transformation of facilities for children and youth without parental care into community-based Centres for Children, Youth, and Families to reduce the number of beneficiaries in institutions and increase the number of those receiving social protection services in the community.

**Area of Support: Other Support** - The additional objective of the programme is to assist the Managing Authority, bodies comprising the management and control system in implementation of the Programme, and other institutions and actors of relevance for the successful development and implementation of public policies relevant to Window 4 by strengthening their capacities through a wide range of training and other capacity-building activities, as well as additional compensation to the salaries of selected staff to prevent staff turnover and create a stable work environment. To ensure effective management, control, monitoring, and evaluation of the programme, institutions will receive assistance in preparing the technical documentation necessary for programme implementation, designing and implementing communication and visibility activities, preparing evaluation reports, monitoring the results of the Programme on an ongoing basis, and supporting administrative controls and technical audits.

## 2. Sector(s) analysis

### 2.1. National sectoral policies and context

#### Area of support: Employment and Skills

The focus of the structural reforms in the **Economic Reform Programme (ERP) of the Republic of Serbia for the period from 2023 to 2025 and the draft for 2024 and 2026** in the area of Human Capital and Social Policy remains on education and employment. With regards to education the aim of the reform as presented in the draft ERP is to ensure that education is more practice-based and thus more responsive and aligned with the needs of the economy and technological changes, as well as to foster development of new competencies that are also labour market relevant through dual education and education based on research. By investing in the development of students' knowledge and the acquisition of practical experience in science, understanding and interest in science will increase, thus forming critical thinking and acquiring analytical skills that are relevant for the labour market. With regards to employment, improving the conditions for greater participation of young people in the labour market and enabling their easier transition from education to work to prevent them becoming NEETs, as well as the acquisition of knowledge and skills necessary for inclusion in the labour market of young people who are not in education (without qualifications or with a low level of qualifications) remains a priority. Further emphasis will be on the development of youth policy capacities in partnership with civil society organizations (CSO), systemic support aimed at youth entrepreneurship and greater labour market participation of women.

Committed to address youth inactivity and support youth employment in a systemic manner, the Government of Serbia, at the EU-Western Balkans Ministerial Meeting on Employment and Social Affairs, held in July 2021, signed the **Western Balkans Declaration on Ensuring Sustainable Labour Market Integration of Young People** that foresees gradual establishment and implementation of the Youth Guarantee (YG). The introduction of the Reinforced YG in the RS will allow to plan and implement a series of policy reforms, in education and training, employment, and the labour market, instrumental to the improvement of the transition from school to work in the medium-to long-term.

Several policy documents have also recognised reforms and interventions relevant for the establishment of the YG, from ERP, to Employment and Youth Strategy. In addition, during 2023 the **Youth Guarantee Implementation Plan (YGIP) for the Republic of Serbia** has been prepared, outlining reforms and initiatives to be undertaken in education, training, employment and youth policy. The YGIP covers the 2023-2026 period, with the piloting of the YG service delivery system planned for 2024-2026. Within this timeframe, additional research

will be undertaken to increase knowledge about young NEETs and inform the implementation of policy, interventions related to outreach envisage the design, implementation and monitoring of outreach activities towards young NEETs, interventions in education, amendments of the relevant legal framework, further development of the career guidance system, expansion of dual education and non-formal education offers. The YGIP also envisages the necessary amendments to the Law on Employment and Insurance During Unemployment, adjustment of the service delivery model of the NES to manage the YG service delivery system, revision of the NES human resource structure and organization, and establishment of a monitoring mechanism for the YG.

The **Youth Strategy in the Republic of Serbia for the period 2022 to 2030**<sup>9</sup> outlines the priority objectives that aim to contribute to improved quality of life of young people that will be measured in, among others, inactivity and unemployment rates as well as the NEET rate. The Strategy lists 5 strategic goals, including health and a number of measures that aim to enhance the position of young people from vulnerable backgrounds including young NEETs, young Roma, persons with disabilities, youth from rural areas, from poor families etc, which are also in focus of the YG. Importance of YG implementation as well as the need to ensure sustainable financing and adequate capacities of youth workers and CSOs for outreach activities towards youth is recognized within *Measure 4.3 Support for entrepreneurship/social entrepreneurship and youth employability*. Other complementary measures relevant for the YG include continuous implementation of programmes that support youth from these groups, further strengthening and standardisation of youth work etc.

The **Employment Strategy in the RS the period 2021-2026**<sup>10</sup> creates conditions for stable and sustainable employment growth underpinned by knowledge and decent work, whereas its objectives are: growth of high-quality employment achieved through cross-sectoral measures aimed to enhance labour supply and demand; the improved labour market position of the unemployed; improved institutional framework for employment policy. Young unemployed, especially young NEETs (15-29) are identified as being in a particularly unfavourable position so a number of interventions had been envisaged to support their labour market integration, including establishment of a YG scheme through which quality offers of employment, traineeship, apprenticeship and continued education can be provided within 4 months. Reforms and interventions that contribute to successful implementation of the YG but also to further advancement of the overall employment policy, which is proposed under this OP have been also envisaged (revision of the legal framework, capacity building of service delivery mechanism within the NES, strengthening of VET education and non-formal education providers, cooperation with social protection system to enhance activation and labour market integration of social protection beneficiaries etc). The Strategy is operationalised through the Action Plan covering a three-year period (with the 2021-2023 plan currently in implementation).

The **Strategy for Education Development in Serbia until 2030**<sup>11</sup> (SEDS) is an overarching strategy covering the whole area of education, with two overall objectives linked to pre-university education and higher education: increased quality of teaching and learning, equality and accessibility of pre-university education and strengthened educational function of educational institutions and improved accessibility, quality, relevance and equity of higher education. The Strategy establishes a total of 13 specific goals. Regarding pre-university education, the policy focus is to improve teaching and learning process as well as to improve the quality assurance system. Teaching methods and learning processes should focus on learning outcomes and should be developed further with a competence-based approach, in line with the national standard of qualifications. Relevant to this OP, one of the strategic objectives is creating conditions for a lifelong learning perspective, including adult education, and advancing dialogue and social partnership. By creating flexible and multiple entry opportunities, a more productive environment for continuous education is possible thus enabling NEETs to re-enter education for re- and up-skilling, consequently increasing employability. The Action Plan 2023-2026 period was adopted on 26 October 2023.

The **Strategy for Digital Skills Development in the RS for the period from 2020–2024**<sup>12</sup> envisages improvement of digital knowledge and skills of all citizens, including members of vulnerable groups, to enable them to keep up with the development of information and communication technologies in all areas and to satisfy

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<sup>9</sup> Official Gazette of the RS, No. 9/2023, document available at:

<https://mto.gov.rs/extfile/sr/1829/EN%20Youth%20Strategy%20in%20the%20Republic%20of%20Serbia%20for%20the%20period%20from%202023%20to%202030.pdf>

<sup>10</sup> Official Gazette of the RS, No. 18/21 and 36/21 – corrigendum, document available at:

<https://www.minrzs.gov.rs/sr/dokumenti/ostalo/sekto-za-rad-i-zaposljavanje>

<sup>11</sup> Official Gazette of the RS, No. 63/21, document available at: [https://prosveta.gov.rs/wp-content/uploads/2021/11/1-SROVRS-2030\\_MASTER\\_0402\\_V1.pdf](https://prosveta.gov.rs/wp-content/uploads/2021/11/1-SROVRS-2030_MASTER_0402_V1.pdf)

<sup>12</sup> Official Gazette of the RS, No. 21/20, document available at:

<https://mtt.gov.rs/extfile/sr/718/Strategija%20razvoja%20digitalnih%20vestina%20u%20RS%20za%20period%202020-2024.pdf>



the needs of the economy and labour market. The strategy also stipulates the specific objectives to improve the digital competencies in the education system; enhance the basic and advanced digital skills of all citizens; develop the digital skills in response to labour market needs; and promote life-long learning of ICT experts.

#### **Area of support: Social Inclusion**

The main goal of the **Strategy of Deinstitutionalization and Development of Community Based Social Protection Services for the period from 2022-2026**<sup>13</sup> is to enable life in the community for social protection beneficiaries (primarily people with intellectual and mental disabilities). The Strategy envisages establishment of normative and financial preconditions for sustainable deinstitutionalisation; transformation of residential institutions through the gradual reduction of their capacity and the development of community-based services and alternative forms of protection in the entire country. This is to be accompanied by empowerment and capacity building activities focused on social protection system beneficiaries and professionals to implement and advocate for deinstitutionalisation. Further institutionalisation should be prevented and the number of citizens using home care services/accommodation should be increased.

The **Strategy for Improving the Position of Persons with Disabilities for the period 2020 to 2024**<sup>14</sup> is set to ensure equal opportunities for PwD to exercise all civil, political, economic, social and cultural rights. The Strategy encompasses a wide range of areas of policy, with measures contributing to legal reform to prevent discrimination, mainstreaming of the voices of persons with disabilities in policymaking, implementation, and monitoring, and enhancing capacities of professionals dealing with issues of relevance to persons with disabilities. The document also recognised the significance of deinstitutionalisation through Specific Objective 1.3.

The **Gender Equality Strategy for the period from 2021 to 2030**<sup>15</sup> emphasizes the importance of decreasing the gender gap in segments of social inclusion, equal opportunities for realization of human rights, affordable and accessible health protection and social security. Supporting the entrepreneurship of women is strongly emphasised as a desired outcome, given the still significant obstacles women face in the labour market and the general need of society to fully realise the potential women have as innovators and successful drivers of the economy. This is most prominent in Measure 1.4. *Establish support systems for start-up, development and growth of businesses the majority share of which is owned by women and increase the profitability of women's entrepreneurial activities.* The importance of supporting Roma girls in the education system and activities to support young women who have dropped out of education, as well as young and underage mothers to continue their education, is emphasized.

The **Strategy for Prevention and Fight against Gender-Based Violence against Women and Domestic Violence for the period from 2021-2025**<sup>16</sup> aims to establish effective prevention and protection from all forms of violence against women and girls, domestic violence and the development of a gender-responsive system of support services for victims of violence.

The Serbian Government adopted a new **Anti-Discrimination Strategy**<sup>17</sup> covering the 2022–2030 period. The Strategy's vision is an inclusive society with zero tolerance for discrimination, in which all citizens, regardless of their personal characteristics, have equal opportunities and enjoy, on equal footing, all rights and freedoms enshrined in the Constitution, law and international treaties. The changes the Strategy aims to achieve include the improvement of the situation of members of groups at risk of discrimination through the elimination of the obstacles they face in various walks of life and creation of conditions for their enjoyment of all their rights on an equal footing with others in all areas. The Strategy's goal is to provide equal opportunities to member of groups at risk of discrimination to enjoy all their human rights and freedoms on an equal footing with others and improve the effectiveness of the system of preventing and protecting against discrimination in all areas and at all levels.

The **Strategy for Social Inclusion of Roma in the RS for the period from 2022–2030**<sup>18</sup> contains seven specific objectives in the key areas contributing to the overall goal, out of which those related to education, housing,

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<sup>13</sup> Official Gazette of the RS, No. 12/2022, document available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2022/12/1>

<sup>14</sup> Official Gazette of the RS, No. 44/2020, document available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2020/44/1/reg e>

<sup>15</sup> Official Gazette of the RS, No. 103/21 - <https://www.rodnaravnopravnost.gov.rs/sr/dokumenti/strategije-i-akcioni-planovi/nacionalna-strategija-za-rodnu-ravnopravnost-za-period-2021>

<sup>16</sup> Official Gazette of the RS, No. 103/21 - <https://www.minrzs.gov.rs/sr/dokumenti/ostalo/sektor-za-socijalnu-zastitu/strategija-za-spreccavanje-i-borbu-protiv-rodno-zasnovanog-nasilja-prema-zenama-i-nasilja-u-porodici-za-period-2021-2025-godine>

<sup>17</sup> Official Gazette no.12/2022-58, document available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2022/12/2>

<sup>18</sup> Official Gazette of the RS, No 23/2022, document available at Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2022/23/1>

employment, health and social protection are linked to this intervention. Interventions envisaged related to employment are aimed at encouraging the inclusion of the working-age Roma in the formal labour market, improving their employability, employment and self-employment, with particular focus on multiply disadvantaged unemployed Roma. The strategy foresees the implementation of measures and activities that are likely to have a positive impact on the increase of working-age Roma's participation in the formal labour market, the decrease of the number of functionally illiterate Roma and those who leave the formal education system prematurely, the increase of employer readiness to hire Roma, and the increase of Roma representation in employment and economic development policies at the local level.

In July 2009, the Republic of Serbia adopted a comprehensive **Strategy for Migration Management**<sup>19</sup> which defines the establishment of a framework for and implementation of comprehensive migration policy sensitive to the needs of vulnerable groups with displacement experience in their background as one of specific objective due the huge number of IDPs and naturalized refugees, who make about 10% of population. One of its key measures is to create the necessary conditions for integration of refugees and enhancement of living conditions of IDPs.

The **National Strategy for Solving Problems of Refugees and Internally Displaced Persons**<sup>20</sup>, which is currently being revised, envisages improvement of living conditions of the most vulnerable categories of IDPs as one of the strategic objectives, individuals and families, through facilitated access to rights, services and resources, in accordance with the legal framework, to reach living standards that are the same as other citizens and address their basic living issues. The crucial contributions to the implementation of this strategy in the part of solving housing needs of refugees (originating from Bosnia and Herzegovina and Croatia) is being provided through the Regional Housing Programme (RHP) in which the total of more than 7.500 housing units funded with EUR 134 million have being provided since 2013.

A new **draft National Housing Strategy until 2034** has gone through the public consultation process and is expected to be adopted by the Government of Serbia (GoS), along with the accompanying Action Plan, in 2024. It will replace the National Social Housing Strategy 2012-2022 and expand the focus of measures from the area of social housing i.e. housing support (in accordance with the Law on Housing and Building Maintenance) to measures to overcome wider problems in the housing sector. In addition to providing adequate and affordable housing for citizens who cannot solve their housing needs independently with their own resources, housing policy measures also include the improvement of housing conditions in the existing housing stock and settlements. It should also enable improvement of institutional capacities, enable more stable financing for the implementation of policy and a better legal framework, as well as adoption of the Housing Support Programme for the implementation of appropriate housing projects and other relevant activities in the sphere of social housing. The first Action Plan sets out the following objectives: Facilitated access to adequate housing for at least 30,000 households that cannot solve their housing needs at market conditions by the end of 2032; Ensured efficient management and maintenance of residential buildings and carried out renovation of at least 30% of the housing stock whose depreciation life expires by 2032; Established system for rehabilitation and improvement of informal settlements and prevention of further spread of illegal construction; Improved capacities for sustainable housing development in accordance with the law governing the area of housing.

## 2.2. Legal framework

### Area of support: Employment and Skills

The **Law on Youth**<sup>21</sup> regulates the measures and activities undertaken by the RS, the autonomous provinces and local self-governments (LSG) to enhance the social position of youth and create the conditions for meeting their needs and interests, while also providing the foundation for the development of the youth sector by ensuring the conditions for supporting youth in their organizing, social actions, development and fulfilment of potential for personal and social well-being.

The **Law on Employment and Unemployment Insurance**<sup>22</sup> provides a definition of employment services, which include the provision of information about employment opportunities and requirements, job matching services in

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<sup>19</sup> Official Gazette of the RS, No 59/2009, document available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2009/59/1>

<sup>20</sup> Official Gazette of the RS, No 62/2025, document available at <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2015/62/1/reg>

<sup>21</sup> Official Gazette of the RS, No. 50/2011 and 116/2022, document available at: [https://www.paragraf.rs/propisi/zakon\\_o\\_mladima.html](https://www.paragraf.rs/propisi/zakon_o_mladima.html)

<sup>22</sup> Official Gazette of the RS, No. 36/09, 88/10, 38/15, 113/17 and 49/21, document available at: [https://www.paragraf.rs/propisi/zakon\\_o\\_zaposljavanju\\_i\\_osiguranju\\_z\\_a\\_slucaj\\_nezaposlenosti.html](https://www.paragraf.rs/propisi/zakon_o_zaposljavanju_i_osiguranju_z_a_slucaj_nezaposlenosti.html)

Serbia and abroad, career guidance and counselling, implementation of active labour market measures, issuance of work permits to foreigners and stateless persons, in accordance with the law. Employment service providers are the NES and employment agencies.

The **Law on Professional Rehabilitation and Employment of Persons with Disabilities**<sup>23</sup> regulates the incentives for hiring PwDs to facilitate their inclusion in the labour market at equal terms, work ability assessments, the statutory obligation to hire persons with disabilities, the requirements for establishing and managing an enterprise for professional rehabilitation and employment of persons with disabilities and other special forms of employment and engagement of persons with disabilities, as well as other issues of relevance to professional rehabilitation and employment of persons with disabilities.

The **Law on the Foundation of the Education System**<sup>24</sup> underpins the system through establishing its basic objectives, key competences, rules for functioning of institutions and other matters for levels below university education. More specific laws, like the Law on Higher Education, the Law on the Dual Model of Studies in Higher Education, Dual Education, Adult Education, National Qualification Framework, etc. form a complete regulatory framework. Chapter 26: Education and Culture has already been provisionally closed.

#### Area of support: Social Inclusion

The **Law on Social Protection**<sup>25</sup> regulates social protection, its underlying principles and goals, the rights and services available to social protection beneficiaries. This Law has provided the conditions for the adoption of a significant number of rulebooks and directives that regulate matters like criteria for service provision, labour qualifications and procedures etc.

The **Law on the Social Card**<sup>26</sup> regulates the establishment and management of the single Social Card register, i.e. the content, method of access, processing and storage of data within the Social Card, as well as other issues of importance for its establishment and management. The goal of establishing the Social Card is the existence of a unique and centralized record, in electronic form, which contains accurate and up-to-date data on the social and economic status of an individual and related persons.

The **Family Law**<sup>27</sup> regulates various aspects of family, marriage, maternity and paternity, parental care, adoption of children, foster care, guardianship, protection from domestic violence. The law also regulates the obligations of the state towards the child, which includes the obligation to take all necessary measures to protect the child from neglect, from physical, sexual and emotional abuse, and to provide protection to the child without parental care.

The **Law on Rights of Beneficiaries of Temporary Accommodation Services in Social Protection**<sup>28</sup> regulates rights of beneficiaries in temporary accommodation in social protection institutions that are in the process of deinstitutionalisation. It also defines principles, placement and preparation procedures for life in the community for beneficiaries placed in institutions undergoing the process of deinstitutionalisation, as well as procedures related to protection from abuse, exploitation and neglect and other relevant rights and obligations.

The **Law on Local Self-governments**<sup>29</sup> regulates local self-governments, criteria for their establishment, bodies, supervision of their acts and work, as well as competences in the area of education, health, social protection etc.

The **Law on Social Entrepreneurship**<sup>30</sup> regulates the concept, goals, principles and area of activity of social entrepreneurship, legal position, rights and obligations of entities that perform activities with the status of social entrepreneurship, conditions for acquiring and terminating the status of social entrepreneurship, the concept of socially sensitive groups, encouraging the development of social entrepreneurship and support socially sensitive

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<sup>23</sup> Official Gazette of the RS, No. 36/2009, 32/2013, 14/2022, document available at:

[https://www.paragraf.rs/propisi/zakon\\_o\\_profesionalnoj\\_rehabilitaciji\\_i\\_zaposljavanju\\_osoba\\_sa\\_invaliditetom.html](https://www.paragraf.rs/propisi/zakon_o_profesionalnoj_rehabilitaciji_i_zaposljavanju_osoba_sa_invaliditetom.html)

<sup>24</sup> Official Gazette of the RS, No. 88/2017-3, 27/2018-3, 27/2018-22, 10/2019-5, 6/2020-20, 129/2021-9 document available at:

<https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2017/88/1/reg>

<sup>25</sup> Official Gazette of the RS, No. 24/11 and 117/22 – Constitutional Court, document available at

[https://www.paragraf.rs/propisi/zakon\\_o\\_socijalnoj\\_zastiti.html](https://www.paragraf.rs/propisi/zakon_o_socijalnoj_zastiti.html)

<sup>26</sup> Official Gazette of the RS, No.14/2021, document available at <https://www.paragraf.rs/propisi/zakon-o-socijalnoj-karti.html>

<sup>27</sup> Official Gazette of the RS, No. 18/2005, 72/2011, 6/2015, document available at: [https://www.paragraf.rs/propisi/porodicni\\_zakon.html](https://www.paragraf.rs/propisi/porodicni_zakon.html)

<sup>28</sup> Official Gazette of the RS, No. 126/2021, document available at: <https://www.propisi.net/zakon-o-pravima-korisnika-usluga-privremenog-smestaja-u-socijalnoj-zastiti/>

<sup>29</sup> Official Gazette of the RS, No.129/2007, 83/2014, 101/2016, 47/2018 and 111/2021, document available at:

[https://www.paragraf.rs/propisi/zakon\\_o\\_lokalnoj\\_samoupravi.html](https://www.paragraf.rs/propisi/zakon_o_lokalnoj_samoupravi.html)

<sup>30</sup> Official Gazette of the RS, No. 14/2022, document available at: <https://www.paragraf.rs/propisi/zakon-o-socijalnom-preduzetnistvu.html>

groups, registration of the status of social entrepreneurship, reporting, supervision and other issues of importance for social entrepreneurship. The Law envisages adoption of the Social Entrepreneurship Development Programme.

The **Law on Prevention of Discrimination of Persons with Disabilities**<sup>31</sup> regulates the general regime of prohibition of discrimination on the grounds of disability, special cases of discrimination against persons with disabilities, protection of persons exposed to discrimination and measures undertaken to promote equality and social inclusion of persons with disabilities. The **Law on Planning and Construction**<sup>32</sup> as one of the introductory principles, defines unhindered movement access for people with disabilities, children and elderly. The appropriate rulebook defines technical standards for planning, design and construction of facilities, by which this principle is secured.

The **Anti-Discrimination Law**<sup>33</sup> amended in 2021, expanded the list of those who can face discrimination. The expressions “discrimination” and “discriminatory treatment” shall denote any overt or covert unjustifiable distinction, exclusion, restriction or preference of persons or groups, as well as their family members or people close to them, based on race, colour, descent, citizenship, national affiliation or ethnic origin, language, religious or political convictions, sex, gender, gender identity, sexual orientation, gender characteristics, income level, economic status, birth, genetic characteristics, health, disability, marital status and family responsibilities, criminal record, age, physical appearance, membership of a political organisation, trade union or another organisation and other actual or assumed personal characteristics.

The **Law on Gender Equality**<sup>34</sup> regulates measures and policies for achieving and promoting gender equality, the institutional framework for achieving gender equality, monitoring the application of the Law and other issues of importance for achieving and promoting gender equality. The Law also regulates measures for the suppression and prevention of all forms of gender-based violence, violence against women and domestic violence. The Law supports and requires gender mainstreaming and gender responsiveness of actions developed by government institutions, as well as employers with more than 50 employees. Gender statistics and sex-disaggregated data are mandatory.

The **Law on Housing and Maintenance of Buildings**<sup>35</sup> is the cornerstone document of housing policy. It emphasises the concept of sustainable development of housing and operationalises the concept through determining the rules and procedures for management of housing units, housing support, data monitoring and other relevant aspects. There is no specific *acquis* that needs to be harmonized in this area. This law was adopted in 2016 and it is the first comprehensive piece of housing regulation after the transitional housing law of 1989, meant to enable mass privatization of public housing. The new Law on Housing and Maintenance of Buildings replaced also the reforming Social Housing Law of 2009 and reconfigured the social housing sector by excising the National Housing Agency (established by Social Housing Law) as the central-level programming and finance institution and assigned the main responsibility for housing support to the municipalities. Housing support (replacing the “social housing” of 2009) defines categories of beneficiaries, spatial standards, housing adequacy and income limits for accessing public assistance. The law foresees housing support through rental housing, purchase and other way of acquiring property of an apartment or a single-family home, improvement of living conditions, assistance for the legalization of an apartment or a single-family home, and shelter housing. The first three types of interventions are especially relevant for implementation of the social housing part of this programme. Respective bylaws define the work of non-profit housing organizations, rent calculation, technical norms for design, and rules for accessing social housing.

The **Law on Migration Management**<sup>36</sup> regulates obligation of LSGs to regularly assess, analyse and mainstream refugees, IDPs and other migrant categories relevant to their territory in employment, housing and overall development of municipality through local plans for migration. To support those plans, resources for their

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<sup>31</sup> Official Gazette of the RS, No. 33/2066 and 13/2016, document available at:

[https://www.paragraf.rs/propisi/zakon\\_o\\_sprecavanju\\_diskriminacije\\_osoba\\_sa\\_invaliditetom.html](https://www.paragraf.rs/propisi/zakon_o_sprecavanju_diskriminacije_osoba_sa_invaliditetom.html)

<sup>32</sup> Official Gazette of the RS, No. 72/2009-105, 81/2009-76 (ispravka), 64/2010-66 (YC), 24/2011-3, 121/2012-14, 42/2013-37 (YC), 50/2013-23 (YC), 98/2013-258 (YC), 132/2014-3, 145/2014-72, 83/2018-18, 31/2019-9, 37/2019-3 (др. закон), 9/2020-3, 52/2021-22 document available at: <https://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2009/72/11/reg>

<sup>33</sup> Official Gazette of the RS, No. 22/2009-3, 52/2021-4, document available at <http://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2009/22/1/reg/>

<sup>34</sup> Official Gazette of the RS, No. 52/2021, document available at: <https://www.paragraf.rs/propisi/zakon-o-rodnoj-ravnopravnosti.html>

<sup>35</sup> Official Gazette of the RS, No. 104/2016-6, 9/2020-3 (др. закон), document available at: <http://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2016/104/2/reg/20200212>

<sup>36</sup> Official Gazette of the RS, No. 2017/2012/4, document available at: <https://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2012/107/3>

implementation are regularly ensured within the national budget through the Commissariat for Refugees and Migration.

### 2.3. Institutional setting, leadership, and capacity

#### Area of support: Employment and Skills

The **Ministry of Labour, Employment, Veteran and Social Affairs** (MoLEVSA) is responsible for policy development, implementation and monitoring in the areas of labour, employment, health and safety at work, social protection, pension and disability insurance, protection of persons with disabilities and veterans. The MoLEVSA has 9 Sectors. Two organizational units are responsible for employment issues: the Active Employment Policy Department and the Group for Normative and Study-analytical Work.

These two entities are part of the **Labour and Employment Sector**, which has responsibility on social dialogue, collective bargaining and wages; labour law; employment policy; and employment and labour migration legislation. There are three broad policy areas mandated to the Active Employment Policy Department - the design, monitoring and evaluation of employment policies; the formulation and implementation monitoring of vocational rehabilitation policies targeting persons with disabilities; and the alignment of Serbia's employment policy framework to EU requirements. The Department also perform supervision of the work of the NES and employment agencies. The Group for Normative and Study-analytical Work in the field of employment and economic migration and supervision in the field of employment performs tasks related to preparation of laws and by-laws in the field of employment, economic migration, unemployment insurance, employment of persons with disabilities and foreigners, social entrepreneurship. The function of the **Youth Guarantee Coordinator** is held within the internal organizational unit in the Sector for Labour and Employment in the MoLEVSA, and its task is to manage data collection, coordinate the YG at the operational level and report to the GoS and the European Commission on the progress achieved in implementation. The Active Employment Policy Department is currently staffed with five employees, while the Group for Normative Affairs and Study-analytical Work employs three persons. The YG Coordination Units of European Union member States are usually staffed with four-five people and they are supported by focal points in partner institutions and other stakeholders to ensure execution of policy tasks as well as YG related duties.

The MoLEVSA is also performing the role of the lead national institution within the Human Resources and Social Development (HRSD) Sector Working Group (SWG), which is the primary platform for dialogue on social inclusion policies in general, coordinated by the **Ministry of European Integration/NIPAC Office**.

The **National Employment Service** implements employment policy defined by the MoLEVSA (Sector for Labour and Employment). More specifically, the NES has mandate for collection and dissemination of labour market information, employment counselling and career guidance, job placement and administration of passive and active labour market programmes. The organisational structure of the NES includes a Head Office (Cabinet and 9 Sectors), Provincial Office of Vojvodina and the network of 34 Branch Offices (BO) located throughout Serbia. Branch offices have 3 types of organisational units: Services (*službe*), Outposts (*ispostave*) and Offices (*kancelarije*). So-called "Offices", offer generic NES services (record keeping, initiation of the procedure for assessing work ability, initiation of the procedure for exercising rights based on unemployment (completion of documentation) and have a small number of staff (e.g. 3), while so-called "Services" offer generic as well as specialized NES services (mediation in employment) and have a larger number of staff (e.g. 10). They all report to the respective BO. The central organisation's structure (*direkcija*) includes support units (finance, procurement, human resources, information system, audit, international cooperation etc.) and the functional units – i.e., those units responsible for the management of the NES core functions and service delivery to clients (Sector for Employment Support and Sector for Unemployment Insurance and Legal Affairs). The NES is headed by a Director with one Deputy Director. In 2019, unemployed to councillor's ratio was 1:538, five times the international benchmark for quality service delivery. Through the direct grant provided to NES through Instrument for Pre-accession Assistance (IPA) 2020, additional staff/counsellors to support YG piloting will be recruited with the commitment to keep them in employment after project completion. Based on the lessons learned from the pilot BO, trainings for the counsellors will be organised to strengthen internal capacities in the NES for provision of services to young people. Also, learning from the experience from the pilot sites, possibilities for reassignment of NES staff to jobs that involve support for the implementation of the YG will be considered. Taking into account the aforesaid, the projection is that the number of employees in the NES would be sufficient to ensure efficient implementation of the YG. The need to further acquire and develop the necessary human resources to successfully expand the YG has been recognised in the currently valid Youth Guarantee Implementation Plan until 2025 and will be a prominent feature of the subsequent plan also.

The **Ministry of Education** (MoE) is the lead institution maintaining overall responsibility for the development and implementation of education policy in Serbia. Its functions and activities include researching, planning, developing, supervising and managing of the preschool, primary, secondary, higher education, and adult education systems. The Ministry of Education also leads the specifically-institutionalised sector dialogue on education reform, which includes other line ministries relevant to education, civil society representatives, and members of the donor community. The basic units that make up the Ministry are the Sectors, and currently there are 9 sectors with 399 employees. Two institutes<sup>37</sup> take active participation in the implementation of reform activities and provide advisory and expert support, as well as the Pedagogical Institute of Vojvodina. Also responsible for the education in Autonomous Province of Vojvodina is the provincial administration in the field of pre-school, primary and secondary school education, ensuring the right of national minority communities to an education in their mother tongue, Provincial Secretariat for Education, Regulations, Administration and National Minorities – National Communities. In addition to the two institutes, the GoS established the Qualification Agency, Office for Dual Education and the National Qualifications Framework and the National Body for Accreditation and Quality Assurance (HE). As bodies for policy deliberation and consultation, cooperation and coordination, four education Councils have been established: National Education Council, Council for Vocational and Adult Education, National Council for HE and NQF Council. With the number of organisations, institutions and bodies within education sector, coordination is a challenge as well as quality and relevance of monitoring and reporting mechanisms. Within the MoE there is no specific department or unit tasked with education development and providing support in coordination, monitoring and reporting on ongoing education activities, but all departments, in accordance with their defined responsibilities, contribute to monitoring and reporting activities. The SEDS 2030 foresees the establishment of an analytical unit, tasked with data analysis and building the capacities of staff for evidence-based policy making. Under High-level Policy Dialogue in the Field of Education<sup>38</sup>, the Ministry confirmed that establishing of a unit which will be in charge of planning documents and analytical support to management in the Ministry of Education is planned through the Rulebook on Systematisation which will be adopted in early 2024. This is also foreseen in the Public Administration Strategy and in the Decree on Principles for Organisation and Systematisation of Work Posts introducing analytical units. The Education Management Information System (EMIS) has been developed since 2018, building on the experiences of the previous information system. The EMIS should be designed to be interoperable with other national databases to maximize monitoring potentials, including different aspects of student population, such as underprivileged students, including the need for additional support measures and services. The EMIS is also expected to enable better coordination of stakeholders in data collection, ensuring validity and reliability of data and their regular updating.

The **Ministry of Tourism and Youth** (MoTY) is in charge of development and improvement of youth policy and implementation of national youth policies and action plans, for encouraging young people to organize and participate in decision-making processes, protecting the interests of young people and supporting them to realize those interests; providing support to young people related to employment and volunteer work; supporting the work of youth offices at the local level, assistance and cooperation with youth organizations and associations; etc. The Ministry is also responsible for strategy and policy related to tourism development, integral planning of the tourism development, implementation of incentive measures, promotion of tourism, research of the tourist market and development of tourist information systems. The MoTY has four Sectors, including the Sector for Youth. Within the Youth Sector there are several smaller internal units: the Department for Strategic, Normative, Legal and Operational-analytical Affairs and the Department for Cooperation with Associations and Youth Offices (YO). While YOs are established and run by LSGs, the MoTY provides strategic and policy direction for their work through Department for Cooperation with Associations and YO. There are number of umbrella organizations within youth sector including National Association of Youth Works Practitioners (NAPOR), National Youth Council (KOMS), the Association of Youth Offices (which currently has 117 members – cities and municipalities)<sup>39</sup>, etc. that are actively involved in the development and implementation of youth policy.

#### Area of support: Social Inclusion

The **Ministry of Labour, Employment, Veteran and Social Affairs** (MoLEVSA) is responsible for policy development, implementation and monitoring in the areas of labour, employment, health and safety at work, social protection, pension and disability insurance, protection of persons with disabilities and veterans. As previously

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<sup>37</sup> The Institute for Improvement of Education (IIE), and the Institute for Evaluation of Quality of Education (IEQE) - The IIE aims to monitor, ensure and improve the quality of the national education system in Serbia (preschool, primary and secondary education). The IEQE is a professional institution in charge of monitoring and evaluation of the implementation of general principles and goals of education as well as the implementation of standards of achievements

<sup>38</sup> Held on 24 February 2023.

<sup>39</sup> <https://asocijaciakzm.org/asocijacija-danas/>

described, the MoLEVSA has 9 Sectors. The **Sector for Social Protection** is of immense relevance to social inclusion, as it performs tasks related to preparation of draft laws and other regulations in the field of social protection, provides opinions and interpretation on the application of laws and other regulations in the field of social protection; prepares and monitors implementation of strategic documents and action plans, proposes measures to improve their effectiveness; monitors the situation in the sector, prepares analyses, reports and information related to the situation and problems of social protection and proposes measures to improve the social protection system; implements international conventions and bilateral agreements. The Sector is in charge of providing professional assistance to first-instance authorities and authorities that perform tasks entrusted to them in second-instance proceedings (including Centres for Social Work, hereinafter - CSW); provides consent for appointment for directors of CSW (appointed by LSG), exercises supervision over entrusted affairs, over the work of institutions, other legal and natural persons who perform social protection activities; make proposals for the introduction of new forms and methods of work in social protection institutions; suspends and revokes license of social protection organizations; performs inspection, supervision and supervision of the work of bodies entrusted with inspection supervision (province, city), etc. The **Republic and Provincial Institutes for Social Protection** have a mandate to perform developmental, advisory, research and other professional tasks in area of social protection, as provided by the Law. There are several key functions that both Institutes perform including: Research (monitoring of social protection system in order to collect information on the achievement of goals and the degree of implementation of social protection policies as a basis for formulation of new policies); Professional training (establishment of a system of continuous professional development of social protection employees and continuous identification of educational needs); Evaluation of professional work – supervision (assessment of the quality of professional work and compliance of the practice of service providers with national standards, provision of support to professionals); Provision of information (informs professionals and the general public about processes and phenomena relevant to the social protection system etc.). With regards to capacities of social protection institutions, at the end of 2022 there were 2,592 employees in CSW. Looking at the previous ten-year period, the number of employees grew until 2014, after which it continuously fell<sup>40</sup>. The same trend is noted in residential institutions and Centres for Foster Care. The European Commission in the Progress Report for Serbia for 2022<sup>41</sup> notes that the capacities of the social protection system were slightly increased in 2021 (by employing 122 new staff) and 43 new staff in February 2022.

The **Ministry of Construction, Transport and Infrastructure** (MoCTI) is responsible for urban and spatial planning, housing policy, and communal infrastructure. The MCTI is composed of 9 departments and within the Department for Housing and Architectural policy, Communal Activities and Energy Efficiency the Department for Housing Policy, Communal Activities and Energy Efficiency is in charge of preparing and implementing housing policy. This department in particular performs activities related to: proposing and preparing strategic documents and other measures for the development and implementation of architectural policy; preparation of proposals for improvement of the situation in the field of architectural activity and regulated profession "architect" and area of construction products, as well as harmonisation of the national legal framework with the EU *acquis* in these areas; preparation and monitoring of the implementation of regulations defining the requirements for construction products and procedures for recognizing the validity of foreign documents and signs of conformity; establishing and managing databases, making analyses and reports of importance for the development and implementation of architectural policy and the field of construction products; preparing and monitoring the implementation of programmes and projects in accordance with the goals and strategic priorities of architectural policy and sustainable urban development; monitoring the implementation of laws and other general legal acts regulating the field of architectural activity and the field of construction products; other operations within the scope of the Section. Although it manages preparations and monitoring of housing programmes and projects, this department has limited staff with only two persons, formally in charge in housing. MCTI has also two project management units under the Minister's cabinet: Department for Project Management dealing with largescale road infrastructure projects and an IPA implementation unit, in charge of IPA grants. Both units are scarcely staffed but have experience with implementation of housing projects, either directly contracting or implementing grant schemes with municipalities. Presently, the IPA unit has three staff members while the Department for Housing Policy, Communal Affairs and Energy Efficiency four staff members. The Housing Department is planned to be extended to a total of eight persons by 2024, following the Action Plan for 2022-2024 of the draft National Housing Strategy for 2022-2032. Similar slight increase of staff in charge of housing is also considered in LSGs.

The **Commissariat for Refugees and Migration** (CRM) is the state authority established by the Law on Refugees in 1992 as a special organization performing expert administrative tasks for refugees. With the Law on Migration

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<sup>40</sup> <http://www.zavodsz.gov.rs/media/2354/izvestaj-csr.pdf>

<sup>41</sup> [https://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/ec-report-2022.pdf](https://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/ec-report-2022.pdf)

Management, competences of the CRM have been extended further and it became the state authority responsible for implementation of measures aimed to improve living conditions for internally displaced persons, support re-integration of returnees under the Readmission Agreement and integration of asylum seekers. Within this Window, the Commissariat is engaged on issues concerning social inclusion of groups under its mandate, including housing solutions. The CRM has been engaged in implementing various grant schemes to municipalities including provision of housing solutions in the last two decades, funded from grants and the state budget. Since 2013, CRM is the lead institution for the implementation of RHP. The objective of the programme is to support four partner countries in the region, still faced with a protracted refugee situation. This programme is financed from a trust fund managed by the Council of Europe Bank (CEB) on behalf of the EU and other donors. Grant agreements with the Republic of Serbia amount to EUR 134 million. CRM's role was to define the interventions, gauge interest and organise selection of final beneficiaries in cooperation with municipalities, manage grant schemes, contract construction of new buildings with municipalities and ensure overall monitoring and reporting with technical support of Project Implementation Unit (state company established by Ministry of Education in 2010) responsible for procurement and financial management. The RHP was completed in June 2023.

The **Ministry of Human and Minority Rights and Social Dialogue (MoHMRSD)** is responsible for protection and promotion of human and minority rights, gender equality with the aim of promoting gender equality, anti-discrimination policy, preparation and implementation of strategic documents related to the creation of a supportive environment for the development of civil society. The Coordination Body for Gender Equality is the relevant entity for ensuring consultations and infrastructure for implementation of horizontal issues – gender equality and gender mainstreaming. Additionally, the government council for gender equality as a mechanism involving CSOs, ensures continuity of dialogue on gender equality and women's empowerment.

**The Ministry of Finance (MoF)** is of horizontal significance to both areas, as it performs state administration tasks related to: the republic budget; the determination of the consolidated balance of public revenues and public expenditures; the system and policy of taxes, fees, fees and other public revenues; the basis of the system of contributions for social insurance and provision of financing of mandatory social insurance; the regulation of source revenues of the autonomous province and local self-government units; public expenditure policy; the management of available means of public finances of the Republic of Serbia; and the coordination of the system of management and implementation of programmes financed from the funds of the European Union. The MoF also coordinates the Public Investment Management (PIM) system, receives requests for capital project financing, and submits the proposal of the list of priority project ideas, with an opinion on financial and implementation aspects, to the Republic Commission for Capital Investments.

The Ministry of European Integration performs horizontal coordinating functions for IPA Operational Programmes in line with the Financial Framework Partnership Agreement and the Law on Ministries. The MEI has been also determined by the Action Plan for Chapter 22 to be both the Coordinating Body for (Operational) Programmes and the Managing Authority for cross-border operational programmes after the Republic of Serbia joins the European Union.

#### **2.4. Sector(s) and donor coordination**

In line with the sector approach, the Sector Working Group on Human Resources and Social Development (SWG), covering policies within Window 4 Thematic Priority 1, is established along with the Sector Monitoring Committees (SMC). All Sector Working Groups are coordinated by the ministry in charge of European integration. The HRSD SWG is led by the ministry in charge of labour, employment, veteran and social affairs, the Swiss Confederation represented by Swiss Development Cooperation, and the European Union represented by the Delegation. The Group also included representatives of other donors and financing institutions including the Federal Republic of Germany, the Republic of France, the Kingdom of Sweden, Japan, the Republic of Korea, the Republic of Bulgaria, the United Nations, and the World Bank.

The primary role of the Sector Working Group for the HRSD Sector is to ensure a forum for sector policy dialogue and a reliable basis for effective planning and programming. This enables strategic focus and prioritisation, complementarity of various interventions and optimisation of different sources of funds. The SWG includes the most relevant stakeholders in the sector, including the donor community and CSOs that are actively taking part in Working Groups of the National Convent on the European Union covering Chapters 19 and 26 of the negotiations framework.

The SMC for Human Resources and Social Development is responsible for regular and detailed monitoring of the Actions operational under IPA III. The HRSD SMC is likewise coordinated by the ministry in charge of European integration. It is responsible for the regular, detailed monitoring of the interventions under the IPA Annual Programmes. The SMC reviews progress in the sector on the basis of monitoring reports/information prepared by the NIPAC Office, implementing authorities, final beneficiary institutions, contracting authorities, and the



recommendations from any relevant monitoring/evaluation reports. Each SMC reviews the effectiveness, efficiency, quality, coherence, coordination and compliance of the implementation of the interventions in the relevant sector and their consistency with the relevant sector strategies. The IPA Monitoring Committee reviews the overall effectiveness, efficiency, quality, coherence, coordination and compliance of the implementation of all programmes towards meeting the objectives set out in the financing agreements, the IPA III programming framework and the Strategic Response. It includes representatives of the European Commission in its composition. Both types of monitoring committees may invite other parties, such as relevant national authorities and bodies, economic, social, and environmental partners, international organisations, including international financial institutions, and civil society, to provide additional information, on an ad-hoc basis to provide supplementary information.

For establishing and managing the YG, the GoS in 2022 adopted the *Decision on the establishment of a Coordination Body for the preparation and monitoring of the implementation of the Youth Guarantee Implementation Plan*. The Coordination body includes high level decision makers from the line ministries relevant for YG implementation (MoLEVSA, MoE, MoTY, Ministry of Economy, Ministry of Finance etc.), representatives of relevant institutions (NES, Agency for Qualifications, and Republic Secretariat for Public Policy), social partners and civil society organisations. Its task is to review drafts of the YGIP prepared by an Expert group (established through the same Decision), adopt the plan and subsequently monitor implementation.

The strategic documents elaborated in Section 2.1 that have been adopted or updated since 2018 are fully in line with the Law on the Planning System, meaning that they are drafted in an inclusive process with the participation of interested parties from national institutions, local level officials, civil society organisations, academia and other types of actors, dependent on the individual issues covered by the strategy. The respective strategic documents in the sector are also translated into English and are available to the European Commission.

## **2.5. Mid-term budgetary perspectives**

Mid-term budgetary planning has been instituted in the Republic of Serbia, as determined by the Law on the Budget System and the Law on the Planning System. In accordance with their legal obligations, line ministries have initiated the process of adopting mid-term plans that present a three-year perspective of planned activities as well as mid-term expenditure frameworks. The plans contain budget allocations for each individual activity and indicators to monitor progress in implementation. Plans for the 2021-2023 perspective are currently being implemented and plans for the 2024-2026 timeframe have been adopted or are being drafted.

### **Area of support: Employment and Skills**

In 2023, EUR 52.5 million were allocated in the Financial Plan of the NES for the implementation of ALMPs. Projections have been made also for the following year. In addition, EUR 4.6 million have been earmarked in the RS budget for the implementation of professional rehabilitation measures and employment of PWDs. In accordance with the Law on the Budget of the Republic of Serbia for 2024 and the Financial Plan of the NES for the year 2024, the following funds are planned for measures of the active labour market policy for the unemployed for the coming period (Financial plan for ALMP measures and from the budget of the RS for measures for PWDs): EUR 62.9 million in 2024, and projections of EUR 67.1 million for 2025 and EUR 75.4 million for 2026. Also, according to the Law on the Budget of the RS for 2024, RSD 200 million or about EUR 1.67 million are planned for the implementation of the YG in 2024, with projections of the same amount for 2025 and 2026..

It is planned that the YG is financed from the budget of the Republic of Serbia and donor funds. An initial donation for the establishment and piloting of YG is provided through the IPA 2020 Direct grant to the NES signed in May 2023 for *"Implementation of innovative measures of active employment policy and support for the employment of less employable categories"* in the amount of EUR 4.0 million with national co-financing (funds from the RS budget) in the amount of EUR 1.5 million. Half of these funds are earmarked for financing the YG. Also, part of the funds from the Technical Assistance project from IPA 2020, signed in May 2023, with a total value of EUR 1.5 million will support the financing of this structural reform. The IPA 2020 activities have started implementation in 2023.

An additional allocation for social entrepreneurship in the amount of EUR 400,000 per year for 2024, 2025 and 2026 is envisaged.

The financial allocation for youth policy in 2023 is EUR 50 million (MoTY funds for Programme 1302 – Youth Policy). The implementation of measures as well as mid-term budgetary projects will be defined through three-year action plans. The first Action plan for the period 2023 to 2025 was adopted in July of 2023.<sup>42</sup>

In the education system government expenditure is committed mostly to staff costs. Public expenditure in education amounts to 3.42% of GDP of the Republic of Serbia budget for 2022, which makes the level of these expenditures stable in the last decade, but below the average of public allocations at the EU level (which is around 4.6% of GDP). In total budget expenditures, education amounts to 13.3%.<sup>43</sup> Total cost for the implementation of the Action Plan 2023 - 2026 is approximately EUR 255 million out of which around EUR 180 million will be covered from the budget of the Republic of Serbia, whereas some EUR 75 million are projected from external sources.<sup>44</sup> The Ministry of Education allocates EUR 10,873 million from its budget towards the National Qualification Framework, adult education, recognition of prior learning, career guidance and counselling, and dual education in higher education. This amount shows a slight increase every year. These activities receive 6% of the national budget's total funds allocated for all strategic activities in education. Additionally, donor funds amounting to EUR 2.73 million are intended for the reform of these strategic objectives. This represents 25% of the Ministry's allocation for these activities alone. It is clear that the donors' contributions are crucial to the development of these strategic objectives.

**Table 2: General government expenditure by function in education<sup>45</sup>**

| Expenditure  |            |      | Republic of Serbia |      |      |      |
|--------------|------------|------|--------------------|------|------|------|
| % of GDP     | COFOG Code | Year | Year               | Year | Year | Year |
|              |            | 2021 | 2022               | 2023 | 2024 | 2025 |
| 9. Education | 9          | 3.9  | 3.1                | 3.1  | 3.1  | 3.1  |

#### Area of support: Social Inclusion

The regulation on the establishing the Programme of subsidies for the implementation of measures and activities necessary for achieving the goals in the field of migration management in the LSGs for the year 2023 has been adopted and foresees approximately EUR 2 million EUR for the financing local plans in which housing solutions for IDPs are foreseen. The annual programmes for the provision of subsidies for housing solutions for IDPs are foreseen in CRM's mid-term plan 2023-2025 under Budget programme 1001: Improvement and protection of human and minority rights and freedoms - 0013 - Support to forced migrants and improvement of the migration management system.

As the draft Housing Strategy is currently being revised, the full amount provisioned for implementation is being reviewed but is currently indicatively determined to be 364 million EUR, with 353 million proposed for capital expenditure until 2034. This amount includes the indicative amount of 15 million EUR (11.1 million IPA funding and 3.9 national co-financing) envisaged to realise activities from Output 2.1.1.

Budget allocations for social policy from the national budget are allocated for earmarked transfers, which, in accordance with the Law on Social Protection and the regulations of LSGs are used to finance social protection services in LSGs whose level of development is below of the national average, social protection services in LSGs where there are residential institutions undergoing transformation, including the costs of the transformation of those institutions and innovative social protection services and services of special importance for the RS. In 2023, the MoLEVSA allocated EUR 5 million for the purpose of supporting LSGs to develop community-based social services (Program Activity 0004 - Support to associations and local communities - Economic classifications 463 - transfers to other levels of government planned). On programme activity 0004 economic classification 481 grants

<sup>42</sup> [https://mto.gov.rs/extfile/sr/2540/akcioni\\_pl\\_2023-2025\\_za\\_mlade\\_RS\\_2023-2030\\_063\\_cyr.pdf](https://mto.gov.rs/extfile/sr/2540/akcioni_pl_2023-2025_za_mlade_RS_2023-2030_063_cyr.pdf).

<sup>43</sup> Ministry of Finance, [https://www.mfin.gov.rs/upload/media/XhuXUy\\_61ced86c7e83c.pdf](https://www.mfin.gov.rs/upload/media/XhuXUy_61ced86c7e83c.pdf)

<sup>44</sup> High-level Policy Dialogue in the Field of Education, MoM, 24 February 2023

<sup>45</sup> Economic Reform Programme 2023 – 2025, pg. 176

to non-governmental organizations, the total planned funds amount to EUR 7.5 million. Within Program Activity 0005- for the performance of activities by social protection institutions, the MoLEVSA planned EUR 78.7 million.

As part of program activity 0003 - rights of social protection beneficiaries, funds in the amount of EUR 226 million are planned in 2023.

**Table 1: Social protection expenditure projections for 2024-2027**

| Type of expenditure             | Allocation per year in mill EUR |      |      |
|---------------------------------|---------------------------------|------|------|
|                                 | 2024                            | 2025 | 2026 |
| <b>Earmarked transfers</b>      | 5.0                             | 5.0  | 5.0  |
| <b>Foster care</b>              | 17.9                            | 19.2 | 19.2 |
| <b>Residential institutions</b> | 14.4                            | 15.0 | 15.0 |
| <b>Centres for Social Work</b>  | 76.0                            | 76.0 | 76.0 |

Under IPA 2020, “Modernization of the Social Protection System” project, the total planned funds in 2023 amount to EUR 4.5 million. On the economic classification 424 other specialised services, EU funds in the amount of EUR 4 million are earmarked for the financing of Standing Conference on Towns and Municipalities (SCTM) direct grant services “Support to sustainable community-based social services and inclusion policies at the local level”.

## 2.6. Performance assessment framework

The performance assessment framework for monitoring and reporting on implementation of national strategies is defined by the Law on the Planning System. Every strategy contains the institutional framework and plan for implementation monitoring, performance evaluation and reporting on implemented measures, achieved goals and performance of public policies set or elaborated by the strategy, specifying the institution responsible for monitoring the strategy implementation. The performance assessment framework that will enable monitoring and reporting on policy outputs, outcomes and impacts throughout the Serbian system of policy documents, including the local level. All actions planned through the IPA must be embedded into Action and mid-term plans of budget beneficiaries and as such will also be included in the Single Planning Information System (SPIS) and consequently reported upon through the system. The IPA Committee and the individual Sector Monitoring Committees consolidate and provide updates on the indicators and qualitative data necessary for monitoring the progress of EU-funded IPA initiatives. The ministry in charge of European integration engages other ministries, other IPA beneficiaries to provide updates in specific reports, which are shared with SMC participants and discussed in meetings.

### Area of support: Employment and Skills

The monitoring of achievement of employment and labour market priorities defined in the Employment Strategy of the Republic of Serbia for the period 2021-2026 rests with MoLEVSA that established a Strategy and Action Plan Monitoring Group. The Working Group consists of representatives of: MoLEVSA, NES, MoF, MoE, Development Agency of Serbia, MoTY, Statistical Office of the Republic of Serbia, Public Policy Secretariat, Standing Conference of Towns and Municipalities, Chamber of Commerce and Industry of Serbia, representatives of social partners – Serbian Association of Employers, Confederation of Autonomous Trade Unions of Serbia and “*Nezavisnost*” Trade Union Confederation, as well as representatives of the donor community and civil society organisations. Such wide participation of different stakeholders has been envisaged to remedy weak cross-sectoral cooperation that was identified during the evaluation of the previous National Employment Strategy for the period 2011-2020. Namely, inadequate cross-sectoral cooperation, especially between the sectors of economy, employment and education, in undertaking measures and interventions to match labour market supply and demand has been identified along with insufficiently effective coordination of employment policy with other sectoral policies is also identified. The current Employment Strategy also envisages that all authorities and institutions identified as implementing partners are required to report in writing to the MoLEVSA on the implementation of measures and activities on an annual basis. A performance report against the set Strategy goals is to be prepared on the basis of an *ex-post* impact assessment, and a final report is to be submitted to the Government for adoption after the Strategy expires. Reports are to be prepared and submitted to the Government in accordance with the time framework specified in the Law on Planning System. The active labour market policy measures and other activities implemented by the NES are monitored through the *National Employment Service Performance Agreement* – a document concluded between the MoLEVSA and the NES as prescribed by the Law on Employment and Unemployment Insurance. This agreement regulates in more detail the Action Plan measures and activities

implemented by the NES at the annual level, as well as time framework for their implementation, anticipated results, accountability, financial framework, and reporting.

With regards to monitoring of youth-related activities, the Youth Strategy indicates MoTY as the competent state body for coordination, development and improvement of youth policy, implementation of the Strategy. The Government formed a Working Group for monitoring and implementation of the Strategy. Activities directly implemented by other ministries, institutions, civil society, business sector, etc., are monitored indirectly by the MoTY, through reports provided by these institutions. An important mechanism for coordinating the implementation of the Strategy at the national level is the Youth Council of the Republic of Serbia, as an advisory body of the Government. The Council is chaired by the MoTY. At the level of the Autonomous Province of Vojvodina, the Provincial Secretariat for Sports and Youth monitors and supports the work of youth associations and associations for the youth, federations, as well as local youth offices directly and through coordination of the Provincial Youth Council.

The MoTY is responsible for establishing a comprehensive monitoring system. Youth Offices play a significant role in the process of monitoring and data collection, as well as other institutions and associations that conduct youth activities. The line ministries, as well as state organisations and institutions, are responsible for achieving the results and monitoring the activities for which they are determined by the Strategy and the accompanying action plan. The Autonomous Province and LSGs submit to the MoTY at least once a year a report on the implementation of the action plan for the implementation of the Strategy in their territory. The basis for monitoring the implementation of the Strategy is a set of indicators provided in the Strategy.

The MoTY and the Youth Council are institutionally responsible for reporting on the progress in the implementation of the Youth Strategy. The Working Group for the implementation of the Strategy prepares and submits a report based on the monitoring of indicators to the Youth Council for adoption. The line ministries participate in the preparation of the report for the Government. The MoTY reports to the Government through the public administration body responsible for coordination of public policies on the results of the implementation of the action plan of the Strategy no later than 120 days after the end of each calendar year from the day of its adoption. Also, the MoTY reports on the results of the implementation of the Strategy within 120 days after the end of every third calendar year from the day of its adoption and will submit the final report no later than six months after the end of the Strategy implementation period.

Although a comprehensive mechanism for monitoring and reporting on implementation of youth policies and initiatives exists, the results of the evaluation of the implementation of the previous Youth Strategy, ex-post and ex-ante analyses and consultations with young people and other youth policy actors, indicated that it is necessary to improve the system of data collection on youth at all levels of government in order to enable regular monitoring and reporting on the achievement of defined indicators. The evaluation also indicated that the capacities of all relevant actors, especially local youth councils and youth offices on monitoring and reporting are rather weak and should be strengthened along with mechanism for cross-sectoral cooperation, especially with institutions that either provide funding or provide services to young people.

In relation to Youth Guarantee at the national level, the Coordination body for preparation and monitoring of the YG Implementation Plan has been established and includes representatives of relevant Ministries, institutions, social partners and civil society organisations. The body has a mandate of the overall coordination and monitor of the implementation of the Youth Guarantee in the RS. Operational, day-to-day monitoring and reporting on the implementation of the reforms and initiatives listed in the YGIP is under the responsibility of the YG Coordinator. This includes gathering of information from partners (NES, MoE, LSGs etc.), preparation of draft implementation report on an annual basis for discussion prior to its submission to Coordination Body for the preparation and monitoring of the implementation of the Youth Guarantee Implementation Plan. The main input on YG service delivery will come from the NES that will be responsible to collect and aggregate the data for measuring the main YG monitoring indicators defined in *Indicator Framework on YG monitoring* developed by Employment Committee Indicators Group (EMCO). Establishment of the efficient YG monitoring system will be initially supported through Direct grant provided to the NES through IPA 2020 financing to be further continued under this OP.

The Working Group for Monitoring and Reporting on the Implementation of the Education Strategy 2030 has been set up by a Decision of the Minister. The implementation of the first Action Plan is monitored through annual reports. The reports covering the period until the end of 2022 on the implementation of the Education Strategy Action Plan have been produced and endorsed by the WG for Monitoring and Reporting on the Implementation of the Education Strategy 2030. They were published on the MoE website. Establishing Strategic Working Group under previous SRC Policy dialogue was a significant improvement and a solid basis for a future standing platform for coordination and cooperation. Accountability through monitoring and reporting of policy implementation

should be strengthened, also in view of the Law on Planning System. The EMIS is also expected to enable better coordination of stakeholders in data collection, ensuring validity and reliability of data and their regular updating.

**Area of support: Social Inclusion**

Duties and responsibilities related to the process of deinstitutionalisation and establishment of community-based services rest with a number of different actors. To monitor the achieved results and assess the success of the implementation of the measures and activities foreseen in the Strategy/Action Plan, all bodies in charge of their implementation are obligated to prepare reports that are submitted to the MoLEVSA. The MoLEVSA sector in charge of social protection summarises the findings and publishes them on the MoLEVSA webpage. Reporting on the results of the implementation of the Strategy is carried out at the end of each calendar year from the day of adoption, and no later than 120 days after the end of every third calendar year from the day of adoption, as well as a final report that is submitted no later than six months after the end of the Strategy's implementation. In accordance with the Law on the Planning System, reporting to the Government of Serbia on the implementation of the Action Plan is performed once a year.

For monitoring social housing projects, the draft Action Plan 2024-2026 of the National Housing Strategy 2024-2034 defines a set of indicators for each measure. Most of the data for the indicators are to be collected by MCTI in cooperation with the local governments involved in housing programmes which would be obliged to report on a yearly basis. For some indicators, the sources of verification are extended to reports from Standing Conference of Towns and Municipalities and collection of data from the Ministry of Finance.

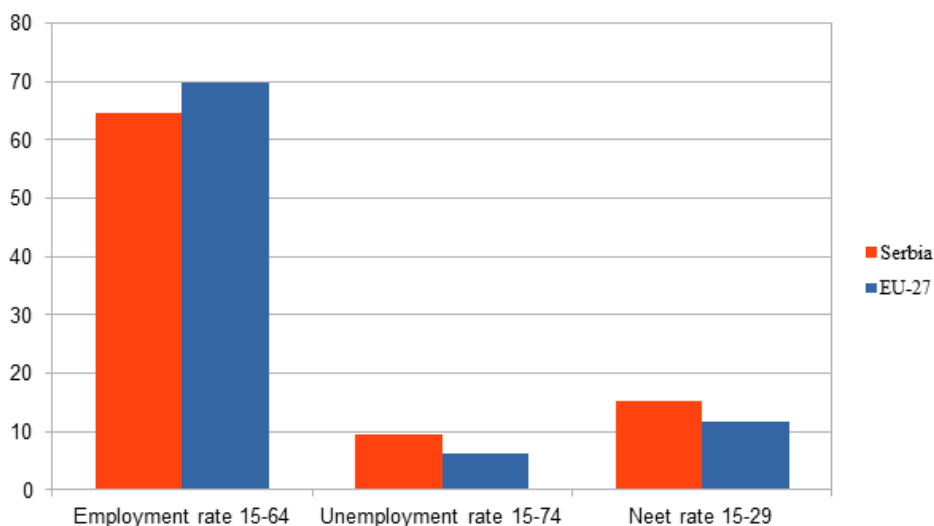
In line with regular monitoring and reporting system, CRMs follow progress against indicators set in different documents including those set within Mid-term plan of the CMR for the period 2023-2025. After adopting the Strategy for the solving Problems of Refugees and IDPs, a monitoring framework will be additionally set up by an action plan as it is prescribed by the Law on the Planning System.

**2.7. Socio-economic analysis (including SWOT analysis)**

**Area of support: Employment and Skills**

**Labour market outcomes, including those of young people,** in the RS have been improving in the last few years, but still remain below the average recorded in the European Union

**Figure 1: Key labour market indicators for Serbia and the EU-27<sup>46</sup>**



As presented in the Figure 1, the NEET rate (15-29) of 15.1% is rather high compared to EU-27 average. In Serbia close to 163,000 young people are belonging to NEET category, which corresponds to approximately one-fifth of the total youth population which is reason Serbia has committed to support youth employment and to gradually

<sup>46</sup> Rates for 2022, expressed in percentages, sourced from Eurostat - [https://ec.europa.eu/eurostat/databrowser/view/lfsi\\_emp\\_a/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/lfsi_emp_a/default/table?lang=en); [https://ec.europa.eu/eurostat/databrowser/view/une\\_rt\\_a/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/une_rt_a/default/table?lang=en); [https://ec.europa.eu/eurostat/databrowser/view/edat\\_lfse\\_20\\_\\_custom\\_8134526/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/edat_lfse_20__custom_8134526/default/table?lang=en).

establish and implement a Youth Guarantee. The NEET rates are higher for older youth (25-29) compared to the 15-24 cohort (27% and 15.9%, respectively); for young women compared to men (21.6% and 18.4%, respectively); for youth with no education (63.3%); and for young people living in Southern and Eastern Serbia (22.6%). Although education pays a premium in the Serbian labour market, the 26.9% NEET rate in 2020 among university graduates remains high.

The NEET population is heterogenous, and it comprises of young people with different characteristics, needs, and experiences. It is usually divided into seven sub-categories. The unemployed are sub-divided by duration of unemployment (short and long-term unemployed), while inactive young people are divided into different groups according to the reason for inactivity.

**Table 3: Young NEETs labour market status, 2020**

| Sub-groups                   | No of individuals | %    |
|------------------------------|-------------------|------|
| Short-term unemployed        | 58,700            | 26.2 |
| Long-term unemployed         | 44,100            | 19.7 |
| Re-entrants                  | 2,575             | 1.1  |
| Illness or disability        | 13,100            | 5.8  |
| Care/family responsibilities | 50,300            | 22.4 |
| Discouraged workers          | 1,300             | 1.2  |
| Other inactive               | 49,100            | 21.9 |
| <b>TOTAL</b>                 | <b>219,175</b>    |      |

Source: ILO, Serbia: Young People not in Education, Employment or Training - Mapping and Policy Pointers

Despite the improvement in the youth (15-29) employment-to-population ratio (41.5% in 2022 compared to 40% in 2021), the gender gap decreased (from 13.3 to 12.4 pp). The youth unemployment rate settled at 17.1% in 2022. Approximately 13.2% of work is undeclared, and temporary employment affects over half of all young (15-24) workers (56.4% in 2021) and especially young women (61.3%). Regional disparities are still very high. Young people from Belgrade and Vojvodina region remain in a better position when looking at employment and activity than young people from Eastern and Southern Serbia that traditionally record worse results in all the indicators, as many as 20.4% remain unemployed (compared to 13.3% in Vojvodina and 15% in Belgrade) and 51.6% remain out of the labour force (compared to 48.1% and 48.7% in Vojvodina and Belgrade region respectively).

The gender gap in employment is pronounced. Women (15+) have lower rates of activity (47.9 compared to 63.6% for men) and employment (43.2 compared to 57.9% for men) and higher rates of unemployment (9.8 compared to 9%) and inactivity than men (52.1 compared to 36.4%). Family care duties are a more frequent reason for inactivity among women than men. Among those who are not employed and are not looking for employment due to taking care of children or other family members, 97% are women.

According to LFS micro-data data for 2020 presented in NEET mapping,<sup>47</sup> **young unemployed people represented approximately 45.9% of all young NEETs (approximately 102,800 young people)**. Over 26% of young NEETs were short-term unemployed (approximately 58,700), while 19.7% (44,100) had been unemployed for longer than one year. Among young people who are inactive, there is a predominance of persons detached from the labour market due to care and family responsibilities, equal to over 50,300 people. Category of inactive due to “other”, unspecified reasons account to 49,100 young people. As this is a relatively large group, additional research is needed to understand the reasons for their inactivity.

Approximately 49.6% of all young NEETs declare to be registered with the NES, representing a declining trend compared with the 53% in 2019. At the end of 2021 there were 96,171 young people registered with NES (15-29). Young people with secondary education participate with the largest share (57.8%), followed by those with no education or low education (20.8%). Over 45% of young people have been looking for work over 12 months (43,487). An overview of sub-categories is provided in the table below.

<sup>47</sup> ILO, Serbia: Young People not in Education, Employment or Training - Mapping and Policy Pointers, December 2021

**Table 4: Overview of young unemployed per sub-categories, 2021<sup>48</sup>**

| Youth sub-categories             | PwD   | FSA beneficiaries | Roma  | Without secondary school | Without work experience | Without completed primary school |
|----------------------------------|-------|-------------------|-------|--------------------------|-------------------------|----------------------------------|
| <b>Overall no. of unemployed</b> | 1,386 | 7,646             | 7,677 | 20,006                   | 78,519                  | 6,945                            |
| <b>Unemployed women</b>          | 560   | 4,114             | 3,889 | 10,818                   | 43,216                  | 3,746                            |

**A considerable share of young people who are inactive according to the LFS, are registered with the NES** – especially young people with family responsibilities (47.1% of all young NEETs with care duties, or around 23,600 people) and discouraged workers (56.8%). One of the main reasons for their registration with the NES may relate to accessing maternity and child benefits.

**Most young people cite no or low trust in institutions as the reason for not engaging with institutions<sup>49</sup>.** On the other hand, there is a lack of experience and knowledge on the side of the institutions to reach out and engage inactive young people. About 85% of representatives of YOs said they do not have data on the number, structure and characteristics of young people in NEET status in their municipality, while only 56% reported communicating with inactive young people. A key problem for CSO dealing with NEET youth is the lack of funding, which further leads to issues of sustainability. The low number of youth workers is also considered an important area for improving the future outreach capacity. As recognized in the relevant previously elaborated strategic documents, outreach is a key component of successful Youth Guarantee implementation. However, for the outreach to be effective, capacities of relevant youth actors have to be additionally strengthened as available analysis point to uneven capacities of local YO and CSOs throughout Serbia. Data show that 106 LSGs (73.1%) do not have local action plan for young people, 52 LSGs (35.9%) do not have YO and another 18 LSGs (12.4%) have formally established the YO but it has no employees. The major challenge for the work and functioning of the existing YO is the lack of high-quality human as well as spatial resources. Cross-sectoral cooperation is also weak as only 50% YOs have established cooperation with local NES BO, while less than one third of YO representatives have established cooperation with the private sector.

Closely connected to the issue of youth engagement is a pronounced lack of public spaces intended to provide young people with opportunities to actively participate in their local communities. In a 2022 poll on youth issues, 83.5% of young people expressed a view that their community does not have sufficient or any at all space intended for young people. An overwhelming majority of polled young people feel that there needs to be investment in both infrastructure and provision of equipment (like computers, sound systems, sporting goods etc.) to enable adequate and functional spaces for young people to be present in their local community. Only 14.2% of young people feel that their local community has enough spaces accessible to disabled youth.<sup>50</sup> An analysis of the optimal scope and model of organising a network of youth spaces in Serbia is underway, Recommendations will be made for further directions of action, to reach the best solution for the establishment and operation of youth spaces, in accordance with the proposed standards that need to be met.

Due to the factors elaborated above, **many young people remain out of the NES' reach**, missing the opportunity to benefit from offered services and programmes. They are usually most detached from the labour market, inactive and discouraged, and additional efforts have to be invested to identify and encourage them to register, as well as to motivate them to actively take part in the job search activities.

If the outreach is handled properly, significant number of young NEETs is expected to register with the NES, and this is in addition to youth and other unemployed that traditionally register without additional support. Due to their characteristic many young NEETs would require intensive support and inclusion into ALMPs that are key instrument to remedy labour market imbalances.

The total of EUR 56 million (RSD 6.8 billion) has been provided in 2023 for ALMPs, which is an increase compared to 2022 (RSD 6 billion dinars or EUR 50 million). Funding sources include the financial plan of the NES, budgetary funds, as well as funding available through and the EU Instrument of Pre-Accession Assistance (IPA) provided as direct grant to the NES. The largest share of the NES budget is allocated to unemployment

<sup>48</sup> NES data on 31.12.2021.

<sup>49</sup> UYOS Alternative Report for 2022, <https://koms.rs/wp-content/uploads/2022/08/Alternativni-izves%CC%8Ctaj-o-polo%CC%8Caju-i-potrebama-mladih-za-2022.-godinu.pdf>

<sup>50</sup> Ministry of Tourism and Youth Research on the Position and Needs of Young People in Serbia, 2022 - <https://mto.gov.rs/>

benefits (~60%), then for administration and support (~20%), while only around 15% goes to active labour market programmes.

Allocations for ALMPs, as a proportion of the GDP, accounted to 0.1% in 2021 and 2022 respectively, while allocations for unemployment benefits accounted to 0.18 to 0.20% of GDP (totalling to 0.26% all together). On the other hand, total expenditures in EU Member States ranged from 0.088% of the GDP in Romania to 2.8% of the GDP in Denmark in 2018.

**Modest allocations for ALMPs result in relatively low coverage of the unemployed.** Within this limited financial envelope, funds are mostly used prudently but with modest overall effects. This can be attributed to the fact that a large share of the stock of unemployed is treated with services and active employment programmes and other measures aimed at enhancing employability. These services and programmes are delivered by NES counsellors (employment counsellors, employment counsellors for persons with disabilities, career planning counsellors and career information counsellors) and do not entail a financial disbursement. Only a small share of the unemployed have access to programmes that envisage a financial disbursement. Individual counselling and employment planning are the services most delivered to unemployed clients, followed by active job search and motivational training. In 2022, a total of 105,497 unemployed was included in non-financial measures implemented by employees of the NES while 18,357 persons were included in so-called “financial measures”.

With the expected influx of young people in the YG additional financial means have to be ensured so to cater the needs of young unemployed.

While the portfolio of measures that will be available to young people entering Youth Guarantee is fairly wide, the **effectiveness of some active labour market programmes is often below the employment gains recorded in the EU** for the same types of programmes, in particular labour market trainings. Also, many of the existing preparation services are offered only in person, in contrast to digitalised systems featured in many public employment services in the EU countries.

Another avenue contributing to employment of vulnerable categories is **social entrepreneurship**. With the adoption of the legal framework, a basis for their formal recognition as well as additional support is in place. Mapping conducted in 2012 showed that there were 1,196 social enterprises of different types, employing 10,326 people and achieving gross value added (GVA) in the amount of EUR 56.8 million, which accounted for 0.2% of Serbia’s GDP in that year.<sup>51</sup> Additional efforts are needed to further promote the idea of social entrepreneurship, its values and benefits, disseminate information on registration as per the Law and ensure financial support for those that provide employment opportunities to individuals coming from social excluded and most deprived groups. This will be an opportunity to encourage women entrepreneurship as extremely small share of young women (aged 19-29) are entrepreneurs which can be a signal that young women today have a harder time deciding to start a business than ten years ago.<sup>52</sup>

**Skill mismatch is a persistent challenge of the education system and one of the primary issues for addressing high youth unemployment and high outflows from unemployment to inactivity.** Labour Force Survey data<sup>53</sup> show that of the total number of unemployed (age 15–74), 62% possess a secondary education diploma. The European Training Foundation Report (ETF)<sup>54</sup> noted that although there is a positive relationship between the level of education and the probability of labour market participation, insufficient relevance of skills acquired in upper secondary (vocational education) and tertiary education leads to lengthy school-to-work transition. Another ETF study<sup>55</sup> concluded that the education system is not fully adjusted to labour market demand and contributes to skills mismatches and fails to develop young workers’ practical and soft skills. NES data shows that out of 164,503 requests by employers for job matching services, 54.09% result in employment while for 27,743 requests (approx. 22%) the NES could not find the right match among job seekers for reasons including no unemployed at the registry for the required occupation, lack of appropriate knowledge and skills, etc.

**Retraining and skills development is critical to ensure skills needs are met.** One of the education policy objectives is creating a conducive environment for a lifelong learning perspective and flexible and multiple entry opportunities. The prerequisite is establishing the National Qualification Framework (NQF), whose purpose is to enable easier mobility of the workforce by providing opportunity for young people for reskilling and upskilling

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<sup>51</sup> Vukmirović, D. et al. (2014) Economic Impact of Social Enterprises in the Republic of Serbia. Belgrade: National Statistical Office.

<sup>52</sup> SECONS, Women’s Entrepreneurship in Serbia – ten years later, 2023.

<sup>53</sup> Statistical Office of the Republic of Serbia, Labour Force Survey 2022, <https://publikacije.stat.gov.rs/G2023/Pdf/G20235695.pdf>

<sup>54</sup> European Training Foundation, Skills Mismatch Measurement in Serbia, 2019, [https://www.etf.europa.eu/sites/default/files/2019-07/Skills%20mismatch%20measurement\\_Serbia\\_0.pdf](https://www.etf.europa.eu/sites/default/files/2019-07/Skills%20mismatch%20measurement_Serbia_0.pdf)

<sup>55</sup> European Training Foundation, Youth in Serbia, [https://www.etf.europa.eu/sites/default/files/2021-06/youth\\_in\\_serbia.pdf](https://www.etf.europa.eu/sites/default/files/2021-06/youth_in_serbia.pdf)



and easier transition from school to work. Serbia established the NQF in 2018 together with an institutional setting for its implementation<sup>56</sup>. The List of Qualifications has been developed, which currently brings together 4,654 qualifications out of which 1,450 are active qualifications. Compared to the listed number of active qualifications, there are currently only 91 qualification standards (QS) in NQF Registry,<sup>57</sup> all belonging to pre-university education. A majority of QS can be obtained in formal education only, but there are also 34 that can be obtained through non-formal education and/or RPL which are relevant for supporting NEETs. In the previous period, only 6 qualification standards were developed at NQFS level 5 (specialization, master's/master craftsmen education, short cycles). To secure that needs of the economy are reflected in qualifications and as a manifestation of social partnership in education, 12 Sector (Skill) Councils were established with around 250 members. However, most members come from public administration (ministries) and education. Only one-fourth of SC members are representatives of the economy. The tasks of the SC of identifying new and outdated qualifications in the sector is increasingly reduced to accepting submitted initiatives, and less to analytical work and providing suggestions.<sup>58</sup>

Gaining additional theoretical and practical knowledge and skills in line with labour market for the unemployed is envisaged through an **ALMP called Labour Market Training. However, NES reports only 67.58% realization.** Out of 43 different trainings requested by the NES, only 19 contracts for the realisation of trainings were concluded. There were no offers from publicly recognized organisers of adult education (PROAE) or secondary vocational schools to meet this demand or the offers did not meet some of the stipulated criteria<sup>59</sup>. **The lack of work experience is one of the most common obstacles for the employment of youth** that do not have the practical and applicable knowledge and skills needed to work. The transition from school to a first stable and/or satisfactory job is almost two years on average (23.4 months)<sup>60</sup>, much longer than the 6.5 months it takes the young person in the EU to get their first job. The dual education model provides a more efficient response from the educational system to the needs of the economy and the labour market, technological changes and new competences. From the academic year 2019/20, dual education has been offered as an optional track within the formal secondary vocational education system. Dual profiles allocate at least 20% and at most 80% of the total number of hours for vocational subjects to work-based learning. Over 13,500 students have been covered by the dual education system; the number of dual education profiles has grown and approximately 168 secondary vocational schools participate in the system of dual education. The dual study model in higher education was introduced in October 2021, and currently there are 9 HE institution implementing 32 study programmes with 150 students.<sup>61</sup>

According to the results of the 2022 PISA tests, students in Serbia scored less than the OECD average in mathematics, reading and science. The results showed that the average achievement of students from Serbia on the mathematical literacy scale is 440 points (OECD: 472), on the reading literacy scale 440 (OECD: 476), and on the scientific literacy scale 447 points (OECD: 485). 43% students in Serbia are below the level of functional literacy in mathematics, and 35% for scientific literacy, meaning that over one third of 15-year-olds are considered functionally illiterate in reading, mathematics and science. Compared to 2012, the scores have not changed significantly. Average 2022 results were about the same as in 2018 in mathematics, reading and science. At the same time, many young people in Serbia are unsatisfied with the education system and what it offers. In November 2022, the Ministry of Sport conducted field research to assess the needs of young people. The survey revealed several issues, including outdated and overly extensive education programs, redundant qualifications, and inadequate practical teaching. Additionally, 8.7% of young people identified the education system and the quality of education as their main concern. According to an online survey conducted by Beta News Agency in 2023, 68.17% of young people in Serbia expressed a strongly negative or negative opinion about the state of the education system<sup>62</sup>.

Based on the data from external evaluation<sup>63</sup> of pre-university institutions, close to 30% of all primary and secondary schools in Serbia do not meet sufficient quality standards. Reform activities are reflected in the

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<sup>56</sup> Council for NQFS, Qualifications Agency and 12 Sector Councils, Office for Dual Education and NQFS.

<sup>57</sup> NQFS Registry, <https://noks.azk.gov.rs/pretraga-registara/pretraga-nacionalnih-kvalifikacija.html>.

<sup>58</sup> IPA 2014 "Development of an integrated system of national qualifications in the Republic of Serbia", Organization of sector councils, from February 2021.

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<https://nsz.gov.rs/filemanager/Files/Dokumenta/Izve%C5%A1taj%20i%20program%20rada%20NSZ/Izve%C5%A1taj%20o%20radu%20I%20-%2020XII%202022%20godine.pdf>.

<sup>60</sup> ILO, Labour Market Transitions of Young Women and Men in the Republic of Serbia, 2016.

<sup>61</sup> <https://prosveta.gov.rs/prosveta/dualno-obrazovanje/dualni-model-studija/>.

<sup>62</sup> Istraživanje: Većina mladih želi da ode iz Srbije pre 30. godine - BetaRS - <https://beta.rs/content/192862-istazivanje-vecina-mladih-zelida-ode-iz-srbije-pre-30-godine>

<sup>63</sup> The first cycle of external evaluation was completed in 2018 and the second cycle started in 2019.

development of new outcome-based programmes that were accompanied with the new set of standards for space, equipment and teaching aids.<sup>64</sup> Although modern and relevant curricula for biology, chemistry and physics subjects have been adopted, as well as regulations that prescribe practical and laboratory work for students, the data collected through the Education Management Information System (EMIS), as well as through a comprehensive direct survey, show insufficient levels of equipment in almost all primary schools and general secondary schools. It would therefore not be purposeful to apply any selection criteria that would result in focusing solely on schools, based on regional characteristics, poverty levels etc., since the recently compiled data shows that almost all schools situated in even the most affluent neighbourhoods and municipalities, have insufficient equipment in their science cabinets, and that vast majority of students graduate from these two levels of education without experiencing a single session in a science laboratory. 87.65% of primary schools lack the complete equipment necessary for conducting biology classes, and when considering only equipment that is less than 10 years old, that percentage rises to a striking 92.97%. Similar results are observed for chemistry and physics equipment: 85.77% of schools lack the equipment required for chemistry classes, and 91.81% lack complete equipment that is less than 10 years old; 90.67% of schools lack the complete equipment needed for physics classes, and when considering only the equipment that is less than 10 years old, that percentage increases to 94.74%. When it comes to general secondary schools, the results are remarkably similar to those in primary schools. The data reveals that 85.70% of grammar schools lack complete equipment for conducting biology classes, and when considering only the equipment that is less than 10 years old, that percentage rises to 93.63%. Additionally, 73.51% of grammar schools lack complete equipment for teaching chemistry, and 81.58% do so when considering only the equipment that is less than 10 years old. Similarly, 86.78% of grammar schools lack complete equipment for conducting physics classes, and when considering equipment less than 10 years old, that percentage increases to 93.37%.<sup>65</sup>

Relatedly, when asked whether young people are satisfied with the educational programme in which they are studying or have studied, on a scale of 1 to 5 (5 meaning completely satisfied), the average score was 2.83, which is a slightly lower score compared to the previous year (2.98)<sup>66</sup>. When asked if they are employed in the position for which they were educated, 58% of young people answered that they are not, 17% of them are to some extent employed in the position for which they were educated, and only 25% of young people work in the position for which they have acquired adequate education, which is slightly less than the previous year. The conclusion about the mismatch between the labour market and the education system, poor processes of professional orientation of young people is still valid.<sup>67</sup>

With the view of future implementation of the YG in the RS, the **challenges identified above should be addressed to ensure faster transition from school to work in the medium to long-term, with additional focus on persons from vulnerable backgrounds**. These include further improvement of dual education to facilitate labour market transition of graduates. Despite some positive developments related to supply of education programmes that respond to the different needs of economy, further expansion of the network of training providers and availability of training offers, along with establishment of the sound quality assurance system that creates trust in qualifications obtained in non-formal education, need to be put in place. More practically minded, hands-on learning would contribute to adoption of the knowledge, skills and attitudes necessary in the modern labour market, especially in the context of STEM education.

Additional efforts should be invested to reach out to those young NEETs that are most detached from the labour market through implementation of effective outreach strategies in close cooperation with civil society organisations, youth associations, youth workers and youth offices for which infrastructure, networks and capacities have to be strengthened. In order to do this successfully, **capacities of national and local level government institutions and their linkage with partners vital to implementation of policies need to improve. capacities of national and local level government institutions and their linkage with partners vital to implementation of policies need to improve** MoLEVSA, MoE, MTY, and the NES, one of the persisting problems identified is that there is a big staff fluctuation to perform functions related to EU funds management. Within the Managing EU funds and international development assistance is the functional area with the largest potential rate of employee turnover, as 51.5% of state administration personnel are considering the option of

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<sup>64</sup> The Rulebook on closer conditions in terms of space, equipment, and teaching aids for the realization of the curriculum of teaching and learning in the gymnasium was adopted ("Official Gazette of RS", No. 11/2017, 2013/2019).

<sup>65</sup> The reference for determining the completeness of equipment is the list of equipment specified as necessary and mandatory in the Rule books ("Rule book on Norms for School Space, Equipment, and Teaching Aids for Primary Schools" and "Rule book on Specific Conditions Regarding Space, Equipment, and Teaching Aids for the Implementation of the Curriculum in Grammar Schools"). These regulations define the necessary equipment for conducting biology, physics, and chemistry classes in both primary and grammar schools.

<sup>66</sup> National Youth Council of Serbia Alternative report on the position and needs of young people in the RS - <https://koms.rs/wp-content/uploads/2022/08/Alternative-report-2022.pdf>

<sup>67</sup> Ibid.

permanently leaving state administration. Further findings indicate that in the previous three years the realised rate of fluctuation ranged between 12.5% and 17.5% and in certain bodies of state administration reached above 22%. This finding was also part of “TNA survey – Development of system for management of Cohesion Policy” and was confirmed in the NAPA TNA for 2022 Report,<sup>68</sup> stating that the challenge for the state administration of the Republic of Serbia is to retain quality staff in appropriate jobs, which is why a framework has been established for monitoring the situation and taking measures related to the outflow of staff. Line ministries’ capacities for involvement in management of IPA funds is also sub-optimal.<sup>69</sup> The evaluation identified a number of horizontal factors limiting effective and efficient implementation. Most importantly the Strategy and its Action Plan (2015-2017) was not only generally overambitious, but it has not been designed based on a sound assessment of the available implementation capacities. Consequently, implementation increased the overall workload of the public administration, contrasted with a gradually decreasing public administration workforce and capacities, downsized in line with the requirements of the fiscal consolidation efforts. In essence, more work was to be done by fewer people. In addition, high staff fluctuation, weak managerial accountability and stability (including the high rate of senior positions filled with temporarily appointed staff), and a lack of specific competences and skills for newly assigned tasks (including for monitoring and coordination), plus an uneven willingness to reform and to inter-institutional cooperation (including, in several cases, a lack of sufficient collaboration with civil society and with independent bodies) all limited reform progress.<sup>70</sup>

The Strategy for Creating an Enabling Environment for the Development of Civil Society in the RS for the period from 2022 to 2030 notes that in 2021, the RS largely did not have a developed and structured dialogue with civil society. The existing cooperation is not sufficient for the required level of policy-making or analysis of the effects, state of affairs or consideration of recommendations that civil society in these sectors has for the government officials. The absence of significant changes is also confirmed by the evaluation recorded during the reporting period by the international network of CSO – CIVICUS. According to the estimates of this organization, the space for the activities of CSOs in Serbia remained “hindered”, and Serbia is still in the category of countries where the activities of CSOs are challenged by the holder of power through legal and practical restrictions.<sup>71</sup> This issue will be tackled directly by the Programme, given that it has applied the Partnership Principle in programming extensively and will integrate CSOs in implementation and monitoring also, with appropriate options for capacity development. More detail on both the consultation process and future perspectives is available in the appropriate following sections of the text.

**Absorption capacities at the local level are an identified threat.** Several analyses were conducted assessing the capacities of LSGs for planning, programming and financial planning, implementation and monitoring of infrastructure development projects. In 2017, the project “Human Resources Management in Local Self-Government” produced the Report on Training Needs Analyses in the Local Self-Government. The report identified main challenges in LSG operation. LSGs identified several institutional obstacles to their performance relating to unaccomplished processes of decentralisation and regionalisation, uncertain distribution of tasks and competences among different government levels, unsuitable local financing as well as to hyper-politicisation and partisanship at local level. On the operational level, the following are most relevant: staff shortages and inadequate (infra)structures, frequent legislation changes, and the existing legal limitations in decision making for LSGs as well as insufficient own revenues. Moreover, the lack of cooperation with central government agencies, especially in terms of prompt reactions on LSGs requests for (procedural) clarification on existing laws and the lack of systematic monitoring from the central government, were also highlighted by LSGs as factors limiting the operational capacity of their administrations. The lack of skills and knowledge of staff at the LSGs level is widely understood as a key factor hindering the LSGs’ performance and improving LSGs employees’ skills and knowledge was consistently held by LSGs as the single most important element to boost their performance.

**Political and economic instability is a relevant horizontal threat** as economic policy in the forthcoming period is shaped by exiting one and entering a new crisis. Coming out of the two-year crisis caused by the pandemic, a calmer period was expected that would allow economic, primarily fiscal policy, a break and enough time to return to a sustainable path. However, the conflict in Ukraine intensified existing and brought new risks that completely change both the international environment and the economic policy in the country. Global, growing inflation and

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<sup>68</sup> <https://www.napa.gov.rs/extfile/sr/3244/TNA%202022.pdf>.

<sup>69</sup> Strategic, country-level evaluation of the European Union’s cooperation with Serbia over the period 2012-2018, December 2020.

<sup>70</sup> External Evaluation of Serbian Public Administration Reform Strategy – Final Report, 21 April 2019 / <https://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf>.

<sup>71</sup> Shadow report State of Democracy in Serbia 2022, published by the Centre for Contemporary Politics - <https://centarsavremenepolitike.rs/wp-content/uploads/2022/10/Stanje-demokratije-2022->.

intensified energy crisis pose great challenges to economic policy makers. The geopolitical crisis intensified short-term inflationary pressures in the global economy.<sup>72</sup>

Relevant to the entirety of the scope of this area of support is the emigration of youth, as it is a persistent and prominent trend. Based on the 2022 polling data,<sup>73</sup> 13.2% of young people plan to leave the country temporarily or permanently, while 67.2% do not plan to leave the country for a long time in the next two years. Young people who plan to leave the country cite work as the most common reason (85.9%), followed by education (8.8%). Analysis of Western Balkan labour force survey data covering the period 2015-19 shows that emigration tends to be most pronounced among the younger cohorts. For Serbia, an estimation of costs of emigration of young people shows that directly and indirectly lost employment has generated an annual loss of gross value added of EUR 897.3 million, which is about 2.1% of Serbia GDP from 2018.<sup>74</sup>

### SWOT analysis – Employment and Skills

| Strengths  | Weaknesses  |
|--|---|
| <ol style="list-style-type: none"> <li>1. Well-developed normative and strategic framework on employment, education and youth policy</li> <li>2. Existence of a coordination mechanism at the national level for YG monitoring</li> <li>3. Presence of NES in each municipality</li> <li>4. Existence of a network of Youth Offices at the local level</li> <li>5. Experience of the NES in working with young people</li> <li>6. Wide range of ALMPs</li> </ol>   | <ol style="list-style-type: none"> <li>1. Lack of human resources, expert knowledge and high staff turnover</li> <li>2. Lack of trust of young people in institutions</li> <li>3. Weak cooperation between public administration and the non-governmental sector</li> <li>4. Weak cross-sectoral cooperation at national and local level</li> <li>5. Lack of experience, knowledge, and infrastructure to reach out and engage inactive young people</li> <li>6. Insufficient offer of adult education services and underdeveloped network of accredited adult education service providers</li> <li>7. Uneven capacities of local Youth Offices and civil society organisations throughout Serbia</li> <li>8. Insufficient funding for ALMPs</li> </ol> |
| Opportunities  | Threats   |
| <ol style="list-style-type: none"> <li>1. Favourable conditions on the labour market</li> <li>2. Opportunity to use and build on experiences from the implementation of the IPA 2020 projects (YG piloting, advancement of adult education, implementation, monitoring and evaluation of employment policy)</li> <li>3. Availability of lessons learned from piloting the NES youth package and other ALMPs</li> <li>4. Opportunity to utilize recently introduced innovative online services in NES for more effective involvement of young people</li> </ol> | <ol style="list-style-type: none"> <li>1. Political and economic instability</li> <li>2. Low attractiveness of education (low value of education by young people)</li> <li>3. Opportunities offered by migration (migration pull factors)</li> <li>4. Big regional differences</li> <li>5. Weak absorption capacities at the local level</li> <li>6. Stereotypes, prejudice and discrimination as an obstacle for effective integration of vulnerable groups</li> </ol>   |

### Area of support: Social Inclusion

The realities of social inclusion have been severely impacted by the COVID-19 pandemic and unfavourable macro-economic conditions of everyday life. In assessing potential avenues for Operational Programme support and taking into account how the requisite legal, strategic, and institutional framework has been developing in recent years, the issues of social housing and deinstitutionalisation have been chosen as extremely relevant and appropriate for the amounts and types of funding the Programme enables.

According to the draft National Housing Strategy (NHS) estimates, between 350,000 and 700,000 inhabitants of the RS (5%-10%) cannot meet their housing needs without state support. Inhabitants of informal settlements, especially Roma men and women, homeless people, people with disabilities, refugees and internally displaced

<sup>72</sup> Economic Reform Program 2023-2025 - <https://mfin.gov.rs/en/documents2-2/economic-reform-program-erp-2>.

<sup>73</sup> Ministry of Tourism and Youth Research on the Position and Needs of Young People in Serbia, 2022

<sup>74</sup> OECD: Labour Migration in the Western Balkans: Mapping Patterns Addressing Challenges and Reaping Benefits, 2022 - <https://www.oecd.org/south-east-europe/programme/Labour-Migration-report.pdf>

persons, women, especially those from rural areas, young people and the elderly have problems realising their right to housing.

Based on the reports of LSGs, there are only about 2,200 housing units in public ownership that are leased on non-profit terms, primarily to the most socially disadvantaged households. As per 2021 Household Budget Survey data, about 16.7% of household income is spent on housing, water, electricity, and gas. After spending related to food and non-alcohol beverage, this is the second largest spending category of a households in Serbia. According to Survey on Income and Living Conditions (SILC) data for 2020, 51.9% of households state they are very much financially burdened by housing related expenses, followed by 42.7% of those that state they are to the certain extent burdened. Earlier studies showed that about 16% of households in Serbia faced multiple deprivation in housing, in the sense that they lived in an apartment that was overcrowded and had another significant flaw, i.e. it was damp, dark, with poor insulation, no sanitary facilities etc.

In the last decade, a limited scope of social housing projects was focused to the most vulnerable groups, former refugees and internally displaced households and especially vulnerable groups, such as Roma, and these projects have been almost entirely financed by foreign donors, primarily the EU. At the same time, residential developments and the housing market in all major cities are booming and apartments are being built intensely, with a constant increase in housing prices and a slightly slower increase in rental prices. This indicates that, although the housing stock is increasing and to a lesser extent the supply of rental housing, the households with average and lower incomes have even more difficulty to satisfy their housing needs.

NHS emphasizes the unaffordability of housing and housing services and underdeveloped capacities for sustainable housing development as key problems. Housing affordability was analysed through the decile division of households by consumption/income, where it can be seen that purchasing an apartment on the market is affordable only for 10% of households with the highest income, and that market rent is affordable only for 30% of households, in the standard Eurostat and OECD affordability limit of housing related costs compared to the household income/consumption (40%) is applied. The same analysis applied with the subsidized rent in the public housing (Belgrade) even for this type of rent, housing is statistically unaffordable for almost 40% of the population.

Within the various social groups present on the housing market, it is important to understand the challenges faced by the most vulnerable ones. **Homeless people** account to about 18,287 individuals according to the 2011 special Census of Homeless People.<sup>75</sup> The largest group of homeless people are women over 65, about 31% are Roma men and women, and persons with mental disorders, LGBT\* persons and victims of domestic violence are also at particular risk of homelessness. Among the homeless, there is a large share of Roma (31%).

In Serbia, in 2021, there are 9 licenced shelters that have insufficient capacity in relation to the number of people who use them during the year, especially if the invisibility of homelessness is taken into account. The danger of new forms of homelessness stems from the eviction of residents from informal settlements, as well as eviction through the implementation of the Law on Enforcement and Security Interest of 2016. Housing programmes that have been implemented so far did not include this category of the population, nor do there exist programs for persons at risk of homelessness.

Another group are **victims of domestic violence**, whose numbers, according to CSW reports are constantly increasing (from 8,481 in 2011 to 36,966 in 2021). The current practice in providing housing for victims of domestic violence consists of safe houses that function as a necessary intervention for temporary housing, while there are no permanent and sustainable measures for housing victims of domestic violence. According to the LSGs representatives, the insufficient information of the LSGs is one of the most important reasons for the insufficient development of shelter services for victims of violence. Research and data document the link between domestic violence and housing insecurity for women, which in a certain number of cases can lead to homelessness.

As per the records of the CSW, in 2021 there were 204,286 individuals (85,330 families) that were **recipients of financial social assistance (FSA)**. They are the most represented group in the system of social protection (over 55%). Their share in the general population of Serbia is 9.9%, with the largest share recorded in Southern and Eastern Serbia, lowest in Belgrade region. The age structure is dominated by adults (46.8%), followed by children (25.6%), the elderly (18.7%), and the young (9%). High representation of this category of citizens in the social protection system is in correlation with the data from statistical surveys that deal with poverty. According to SORS data, the percentage of the population in the risk of poverty was 21.2% in 2021.

**Young people that leave the social protection system**, residential and family accommodation (foster care), are also in vulnerable position when it comes to housing as sustainable housing is precondition for their independence.

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<sup>75</sup> Statistical Office of the Republic of Serbia 2011 - <https://publikacije.stat.gov.rs/G2014/Pdf/G20144011.pdf>.

Based on the data from 2022, a total of 1,298 young people is placed within the social protection institutions - 497 young people (from 18 to 26 years old) were placed in residential care, and 801 in family care (accommodation in foster and relative foster families). Providing housing solutions is one aspect of the necessary support that this group of young people does not have access to.

**Persons with disabilities** face significant difficulties in housing. Their registration remains difficult, primarily due to the inconsistency of definitions. There is no methodology for monitoring the housing needs of PwD, nor is there a prescribed obligation of CSW or some other institutions to monitor and collect data on their housing needs. Persons with disabilities continue to face obstacles in terms of accessibility (access and movement through facilities, including residential facilities) in performing their daily activities, while the issue of functional adaptation of the place of residence of PwD has not been systematically resolved. In the process of deinstitutionalisation and the development of support services in the community, it is necessary to develop community housing programs for people who leave residential institutions and those who are at risk of institutionalisation.

In addition to the previously mentioned general categories, from the point of view of social and housing deprivation, **Roma** stand out as a vulnerable group. According to the 2022 Census, a total of 131,936 persons declared themselves as members of the Roma national minority, but the general assessment is that this number does not correspond to the actual situation in the country. As part of the project financed by the IPA 2012, a GIS database of substandard Roma settlements was created, which includes data from 594 substandard settlements, most of which are inhabited by the Roma population. Even Roma people that are currently housed typically have to live in much worse, substandard conditions than the general population. Approximately 30% of Roma households do not have a functional shower in their home, about half have leaky roofs, 32% have issues with excessive moisture in the core structure of their homes, and about 58% have rotting windows and doorframes.

Among the groups with housing vulnerability are **Internally Displaced Persons (IDPs)** that fled from Kosovo\*<sup>76</sup> in the period 1999-2004. Over 210,000 IDPs left their homes in Kosovo during the period 1999-2004 in order to find security. After twenty-two years, there are still 196,140 IDPs living in the RS, outside the territory of Kosovo. The CRM and Statistical Office of the RS in cooperation with UNHCR and Joint IDP Profiling Service (JIPS) conducted assessment on IDPs and their needs. Based on the last update in 2018, 15,857 households (with appr. 67,000 persons) do not have an adequate housing and regular sources of income that enable them to meet the housing needs by themselves. Due to bad security conditions and lack of economic opportunities and difficult integration into society in the places of origin, reintegration is unsuccessful, and it is estimated that the return is sustainable in less than 2%. Therefore, solving the housing problem in the place of displacement and supporting IDPs in the place of displacement, until conditions in the place of origin become acceptable, remains important.

The population in Serbia is declining but, on the other hand, in Belgrade, there has been a continuous increase in the number of inhabitants in the last three decades, due to the migratory influx, and, its 1.7 million residents make up about 25% of the population of Serbia and, the housing situation of the citizens of the capital is by far the least favourable compared to other cities in Serbia. Besides the draft Belgrade Housing Strategy, there are a few adopted and implemented housing strategies prepared in bigger cities in the period before adoption of the new housing law in 2016 (Kragujevac, Kraljevo, Niš, Novi Sad, Pančevo) and they are outdated. After the new law went into standing, there have been a few housing strategies adopted in smaller municipalities, in Vrnjačka banja (25,382), Lapovo (6,806), Čuprija (29,661) and Kučevo (18,243). As an example of the strategy that is being implemented, the housing strategy of Vrnjačka banja (2019-2029) relies on the already existing donor-funded housing programmes and is focused to providing apartments and other social housing related support for various vulnerable groups in both public and private tenure options.<sup>77</sup>The draft housing strategy for Belgrade, in terms of the problems and, to a certain extent of the housing needs can be seen as common to the two further biggest towns – Novi Sad (population 376,012) and Niš (254,240).

The social segregation that characterizes all informal settlements is particularly imminent in the narrower category of these settlements, qualified as **substandard Roma settlements**. As a rule, the poorest Roma households live in these settlements in extremely bad conditions, starting from the absence of legal security of land tenure and basic hygiene standards to lack of access to social infrastructure.

Having identified the main vectors of the issue of social housing, it is important to note a number of strengths that could influence investment in this field. There are significant **lessons learned from implementation of various social housing and projects in the area of social protection**. Since 2000, Serbia has been supported by

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<sup>76</sup> \* This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

<sup>77</sup> As per the MICS 6 poll, UNICEF, 2019 - <https://www.unicef.org/serbia/en/MICS6-Multiple-Indicator-Cluster-Survey-for-2019>.

international donors in implementing social housing projects for refugees and other vulnerable groups. The variety of projects in both owner-occupied and public rental scheme has been implemented by international and local NGOs, national project management public agencies and municipalities. Still ongoing major housing assistance for refugees Regional Housing Programme and capacity building oriented EU Support to Social Housing and Active Inclusion (SHAI) have already included the experience and knowledge of the housing programmes implemented in the last two decades. Sources include CRM reports, RHP reports, EU SHAI reports, UN Habitat SIRP final report, MCTI, and the draft National Housing Strategy. In social protection, lessons are available from IPA 2016 “EU Support to Roma inclusion – Strengthening local communities towards Roma inclusion”, IPA 2013 “Social Development: Social Inclusion and Poverty Reduction of Vulnerable and Multiply Disadvantaged Groups with Particular Emphasis on Children, the Elderly, PwD, and Income Support Users”, IPA 2013 “Strengthening the justice and social welfare systems to advance the protection of children in Serbia”, IPA 2012 “Support to Social Development: Support to Social Inclusion of the most Vulnerable Groups, Including Roma, Through More Diversified Community-based Social Services”, Grant scheme “Development of Effective Community-based Services in the Area of Education and Social Welfare at the Local Level”, IPA 2011 “Developing Community-based services for children with disabilities and their families”, “Transforming Residential Institutions for Children and Developing Sustainable Alternatives” (2008, EC) and lessons learned from IPA 2011 “Enhancing the Position of Residents in Residential Care Institutions for People with Mental Disability and Mental Illness and Creation of Conditions for their Social Inclusion in the Local Community”.

**There is also quality data regarding the number of beneficiaries of existing services and their needs.** For social housing, as per MCTI project reports, in certain municipalities the records with eligible beneficiaries that have applied for various social housing are kept and MCTI is preparing, within the EU SHAI project, an interactive database application for assessment of housing needs at the local level.

**There is also good previous experience in development of a comprehensive system of housing policy instruments at national and local level.** There is still social housing stock in municipal ownership, with approximately 2,200 social housing units throughout Serbia and around 3,500 units in Belgrade which represents a basis for necessary further development of local capacities for policy formulation and management of the beneficiaries and property, as per the draft National Housing Strategy, draft Belgrade Housing Strategy, and consultations with relevant departments in MCTI and Belgrade administration. Based on these projects and programmes a comprehensive social housing reform has been performed since 2004 to conclude with Social Housing Law in 2009 (Italian funded Settlement and Integration of Refugees Program, implemented by UN Habitat), as per the UN Habitat SIRP final report and the MCTI National Housing Strategy draft.

The National Housing Agency was established in 2010 by Social Housing Law of 2009 and then cancelled in 2016 by Law on Housing and Building Maintenance which reduced the capacity and responsibility of the national level to a mere department in charge of regulations and strategies. At local level, the same regulatory development resulted in reduction of the number of municipal housing agencies from 16 in 2012 to 6 in 2016.

**There is a lack of regular and sustainable financing of social housing.** In the actual national budget and the respective allocation for the MCTI, there are no provision for social housing apart from the financing of housing support to internally displaced persons allocated to CRM (approximately EUR 2 million yearly) and for financing housing projects for the Army aimed at non-profit purchase (program of 6,943 units in 7 municipalities in the period since 2019).

**Actual market conditions are very challenging for seekers of housing, especially if from a more precarious economic status.** According to the draft Housing Strategy of Belgrade 2022-2032, only a small percentage of the population solves its housing problem by buying an apartment on the market. The prices of apartments on the market are affordable for only 1/10 households, and most of the sales are made for the purpose of investments, savings and speculation. **This issue is present in the rental market also,** Despite, immense residential construction, the rental housing market has a limited supply. In the present practice with unregulated rental conditions, there is no firm security and long-term stability for neither tenants nor lenders, so renting is still considered an unacceptable long-term solution for life, as found in the Belgrade housing strategy, but is worth for all bigger cities. The financial cost of owning an apartment is small, both in terms of underestimated maintenance costs, well below the depreciation rate, and in terms of the low tax rate on non-occupied apartments, giving a strong argument for many owners of empty apartments not to rent out their property. This reduces the potentials of the market supply and maintains low affordability.

From 2000 to 2021, through 15 different budget and donor programmes, the city of Belgrade built 3,513 apartments for socially vulnerable families, as a non-profit sale, non-profit rental or housing in protected conditions which can be considered as a municipal social housing stock. A certain form of a waiting list defined on the basis of qualified applications amounts to 23,187 households with 61,988 members (appr.3,7% of entire population of

Belgrade). As a general consideration on the public social housing stock in Belgrade, these settlements and blocks are mostly characterised by standard shortcomings of social housing - social segregation, deprivation of buildings and settlements and deterioration of public property, for two basic reasons: the beneficiaries are households with the lowest incomes who cannot bear even subsidized housing costs (rent and communal services) - inadequate housing solution, concentration of socially vulnerable households and lack of adequate institutional capacity for managing beneficiaries and property. **Land policies not oriented towards ensuring affordable housing developments** – as per the general urban plans of towns and municipalities, there is no mandatory allocation of land for public housing. In the current situation, the average housing seeker practically has a very narrow choice of options for meeting their needs: buying or renting an apartment on the market, or illegal construction. These pressures are especially prominent for the Roma community and persons with disabilities, given the discrimination they face in the market. Alternative models non-profit or subsidised, which would make housing more affordable for the wider population, are mentioned in the regulations, but do not exist in practice - neither in the public nor in the private sector, nor as housing cooperatives, non-profit apartments for the middle-income population, public-civil partnership programmes, etc. Such a narrow set of choices is also one of the drivers of illegal construction.

Despite these issues, the programme intends to utilise a set of opportunities appropriate for more investment in social housing. While, as previously stated, the number of specialised housing institutions has dwindled, **there are still positive examples of local housing agencies that are active** - Novi Sad, Pančevo, Čačak, Kraljevo, Niš, Vrnjačka Banja, Stara Pazova, These agencies all developed local housing strategies and involvement in implementation of various social housing projects funded from international assistance etc. Also, recent experience and institutional memory in development of all elements of the social housing sector at the national level and in a number of larger local governments is a solid basis for future projects. The reform of the housing sector conducted by GoS in the period 2004-2012 set a basis for the legal framework for housing in 2016 and introduced social housing, which involved major secondary cities in Serbia and resulted in capacity building of local institutions in housing policy and foundation of 15 local housing agencies by 2014.,.

**Serbian institutions dealing with social housing have had opportunities to learn from modern day successful initiatives**, like, Housing2030<sup>78</sup> the Affordable Housing Initiative<sup>79</sup> and Housing First Europe.<sup>80</sup> The intervention will fully align within the framework Housing2030 that gathers 43,000 affordable housing providers and neighbourhood developers represented by Housing Europe. Their joint initiative supported by housing experts from over 56 governments through UNECE and UN-Habitat aims to improve the capacity of national and local governments to formulate policies that improve housing affordability and sustainability in Europe. That valuable experience and knowledge base condensed in a sort of a toolkit #Housing2030: Effective policies for affordable housing in the UNECE region<sup>81</sup> that will provide essential material for precisising the targets and defining actions to reach SO 2.1.1.1 of the national draft Strategy. Likewise, the system can utilize long-lasting and diverse experience already existing in the system. Serbia has currently standing practices of learning and exchanging information with EU members states like the capacity building activities within the Social Housing and Active Inclusion IPA 2018 programme.

Infrastructural capacities in some LSGs that can be used for provision of social protection services and integrated services, including inter-municipal cooperation in provision of community-based social protection services. This point has been frequently cited in the consultative process and is being applied in several promising projects that are referenced in Section 4.1.

**Deinstitutionalization**, as recognized by the revamped strategic framework, is a prominent priority for the development of social inclusion in the Republic of Serbia. Many years after reforms have been initiated, the number of beneficiaries in residential institutions continues to be high. At the end of December 2021, a total of 22,886 beneficiaries were in accommodation. **The process of deinstitutionalisation can be split along two primary categories of beneficiaries – children and youth, on one end, and adults and the elderly on the other.**

Deinstitutionalisation has thus far been more successful for children and youth than for the population of adults and the elderly. In a situation of limited resources, the priority is to further accelerate the process for children and young people. This has been attributed to a number of factors in the existing strategic framework and consultations, most prominently the development of the family accommodation and associated services, development of foster

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<sup>78</sup> <https://www.housing2030.org/>

<sup>79</sup> [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/affordable-housing-initiative\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/affordable-housing-initiative_en)

<sup>80</sup> <https://housingfirsteurope.eu/>

<sup>81</sup> <https://unece.org/housing-and-land-management/publications/housing2030-study-e>



care, and a general comparative lesser degree of difficulty of integrating younger beneficiaries of institutions into the community.

The number of beneficiaries in institutions for children and youth has been continuously decreasing and in 2022 the number dropped to 1,926.<sup>82</sup> Children and youth are currently placed in 19 institutions of three types: institutions for children and youth without parental care (10 institutions), institutions for children and youth with developmental disabilities (6 institutions), and institutions for the education of children and youth (3 institutions). Large capacity facilities dominate with high proportion of technical and administrative staff, uneven organisation, and systematisation of work.

**Table 5: Beneficiaries in institutions for children and youth, 2022<sup>83</sup>**

| Type of institution  | No of beneficiaries |
|--|---------------------|
| <b>Institutions for children and youth without parental care</b>           | 527                 |
| <b>Institutions for children and youth with developmental disabilities</b> | 1,357               |
| <b>Institutions for the education of children and youth</b>                | 42                  |
| <b>TOTAL</b>   | 1.926               |

Although institutions continuously try to reduce capacity in order to comply with the Law on Social Protection, the reports they submit indicate they are completely filled while placement of children aged 0-3 still occur despite the national moratorium. In 2022, the trend of a dominant share of adult users continued, although these are institutions intended for children and young people. At the end of 2022, 47.8% beneficiaries had over 26 years of age, with young people comprising 22.4% and children 29.8%.

Capacities and skills of professional in institutions for accommodation who directly provide support to beneficiaries requires continual improvement, due to the more complex physical and mental difficulties and needs of beneficiaries. In addition, institutions are lacking the capacities to meet functional and structural standards to develop and provide other services beside residential care. This directly impacts their possibility to license for provision of additional community-based social protection services. **A small number of children maintain contact with family and relatives.** Contacts are rare and without predictable dynamics. Young people and children from small home communities are in the most unfavourable position as close to 93% never see their relatives. The most frequent contacts have children and young people placed in educational institutions on the basis of the imposed educational measure. Length of stay in institution also very much depends on institutions in which they are placed. Children and young people with developmental disabilities are in the most unfavourable position as over half of them remains in institution over 20 years. About 10 to 11.5% of the total number of children accommodated in institutions for children without parental care leave the institution.

**The young people that leave the system of institutionalised care are still one of the most vulnerable groups** of the social protection system, facing numerous challenges on their path to independence. The absence of parental care is one of the key factors of destabilization and their difficult position, and the most common reason behind their unpreparedness for a sustainable independent living when leaving foster care. Compared to their peers, these young people are more likely to: leave school before completing secondary education, become parents early, depend on social assistance, be unemployed, if employed they are more likely to have low wages, live in poverty, have legal issues, are more likely to experience homelessness or live in unstable housing arrangements, have mental health difficulties, and be at greater risk of substance abuse. They need support during alternative care and in transition period to successfully integrate into the community and develop their potential and skills for independent living. Basic factors that contribute to the successful independence of young people, are housing, employment, development of social and life skills, continuity of relationships with family and the environment, education and relationships with peers, and while the protection and support for young people who are becoming independent is entirely within the competence of the social protection system, the actual success of their integration depends on coordination and cooperation among different systems and service providers.

<sup>82</sup> Republic Institute for Social Protection, Report on the Work of Institutions for Accommodation of Children and Young People in 2021, Belgrade 2022.

<sup>83</sup> Republic Institute for Social Protection data.

**Table 5: Number of beneficiaries and capacity in institutions for adults and elderly with physical, intellectual and mental difficulties, 2021**

| Year | Capacity | Total no of beneficiaries | New beneficiaries | No of beneficiaries at 31.12. | Capacities at 31.12. |
|------|----------|---------------------------|-------------------|-------------------------------|----------------------|
| 2018 | 4,389    | 4,414                     | 279               | 4,131                         | 94%                  |
| 2019 | 4,389    | 4,385                     | /                 | 4,080                         | 93%                  |
| 2020 | 4,389    | 4,241                     | 155               | 3,892                         | 89%                  |
| 2021 | 4,389    | 4,232<br>(2.039 women)    | 337               | 3,933<br>(1.891 women)        | 90%                  |

Source: Republic Institute for Social Protection

The **preconditions for successful deinstitutionalisation are support to alternatives to residential care, adaptation of services to the specificities of local communities and individual needs of beneficiaries, inclusion of different providers and their coordination.** Insufficiently developed services in terms of number, content, user coverage and territory, and especially interconnectedness I.e. a lack of integrated services are the main reasons for the constantly high number of people with disabilities in institutional accommodation, especially people with intellectual and mental disabilities, but also of a large amount of elderly. The priority should therefore be expansion of network of services available for families in crisis who, due to poverty, unemployment, disturbed family relations, or other reasons, are not able to provide support to their family members who need specific type of health care support and/or services, including ensuring adequate development of the child in the family.

**Despite efforts made in recent years, availability of social care services at the local level remains uneven.** According to 2021 data, community-based social care services are provided in 147 LSGs (91.3% LSGs in which at least one social service was provided).<sup>84</sup> Social services are not provided in 14 LSGs,<sup>85</sup> while they are not available in continuity throughout the year, for 12 months<sup>86</sup> in a large number of LSGs. Most LSGs provide two to three services (44.1%), followed by those that provide only one service (32.3%). Assessment of local capacities in social protection and social inclusion of vulnerable groups conducted in April 2019 pointed to weak capacities of LSGs to plan, implement and monitor social protection services.<sup>87</sup> The capacities are particularly weak with regard to assessment of the needs for development of new and/or improvement of existing social protection services, including the development of criteria for prioritising social protection services which should be provided in specific LSGs. **Capacities are also weak in relation to development of integrated social protection services.** This confirms the findings of the Ex-post analysis of the Social Protection Development Strategy, that the needs of social protection beneficiaries are not considered and met in a timely, comprehensive and rational manner, due to the lack of a planned approach in the development of social protection services, while respecting the specificities of local communities. The services most represented in the community are day-care services – assistance and care at home for adults and the elderly (available in 85% of LSGs), child personal attendants, and day care for children with disabilities. Supportive housing for youth is provided in 14 LSGs, and for adults with disabilities in 6, while the respite service exists in 6 LSGs.

According to MoLEVSA data, in 2023, the most licences were provided for home care services, day care for children with disabilities and personal child attendant. More detailed overview can be found in the table below.

**Table 6: Number of licenced providers per type of service, 2023<sup>88</sup>**

| Type of service                                | No of licenced providers |
|--|--------------------------|
| Home care                                      | 120                      |
| Day care for children with disabilities        | 53                       |
| Day care for children in conflict with the law | 1                        |
| Personal child attendant                       | 47                       |

<sup>84</sup> Republic Institute for Social Protection, Report on social protection services at the local level provided by licensed service providers in 2021.

<sup>85</sup> These being Alibunar, Ada, Beočin, Vrbas, Petrovac na Mlavi, Preševo, Trgovište, Čoka, Pećinci, Požega, Priboj, Mionica, Tutin and Ub.

<sup>86</sup> Matković, G., Stranjaković, M., Mapping Social Care Services and Material Support within the Mandate of Local self-governments in the Republic of Serbia, Social Inclusion and Poverty Reduction Unit of the Government of the Republic of Serbia, June 2020.

<sup>87</sup> SWISS PRO, Assessment of Institutional Capacities of LSG in the Area of Social Protection and Achievement of Social Inclusion of Vulnerable Groups, 2019 - [https://www.swisspro.org.rs/uploads/files/139-240-sp\\_procena\\_institucionalnih\\_kapaciteta\\_sr.pdf](https://www.swisspro.org.rs/uploads/files/139-240-sp_procena_institucionalnih_kapaciteta_sr.pdf) / 3rd National Report of the Government of Serbia on Social Inclusion and Poverty Reduction - [https://media.srbija.gov.rs/medeng/documents/third-national-report-on-social-inclusion-and-poverty-reduction2014-17\\_eng.pdf](https://media.srbija.gov.rs/medeng/documents/third-national-report-on-social-inclusion-and-poverty-reduction2014-17_eng.pdf).

<sup>88</sup> MoLEVSA registry data.

|                                    |    |
|------------------------------------|----|
| Drop-in centre                     | 2  |
| Personal assistance                | 18 |
| Protected housing                  | 5  |
| Shelter for adults/the elderly     | 3  |
| Shelter for children and youth     | 0  |
| Shelter for violence victims       | 5  |
| Shelter for victims of trafficking | 1  |
| Respite care                       | 3  |
| SOS line                           | 6  |

Thanks to the development of the so-called “standard foster care” **the number of beneficiaries in institutions for children and youth without parental care has been significantly reduced.** However, the so-called “specialized foster care”, although normatively recognized, is not widely rooted, which results in children and young people with disabilities still being at high risk of institutionalization.<sup>89</sup> **Efforts have been intensified to develop the occasional foster care service,** which is applied to children with developmental or health difficulties, who live in a biological or foster family and who are placed in another foster family for a shorter period in order to resume and preserve the capacity of the foster or biological family further child-care and prevention of crisis situations that may jeopardize the functionality of the family. However, the implementation of the service of a family associate aimed at providing support to a family dealing with various and intense difficulties, is documented in very small number of municipalities (5 in total) and is still not standardized.

**Funding of services, which is closely linked to availability, is one of the challenges that needs to be systematically addressed.** In 2018, LSGs allocated RSD 3.65 billion for the provision of social care services within their jurisdiction. On average, LSGs for social protection services allocate RSD 454 per capita per year. In 2018, 8 LSGs (5.5% of all LSGs) did not allocate any funds, 91 (62.75%) allocated less than the average per capita, 35 LSGs (24.14%) allocated between the average of RSD 454 and 910, and finally 11 LSGs (7.58%) allocated more than RSD 910.

In 2018 the share of funding for local social care was the following: 76.5% was allocated from the budgets of LSGs, 17.7% was allocated from the national budget (of which earmarked transfers with 17.1%), donations account for 2.8% of total funds, while the share of users in the price of the service is 2.2%, and other sources amount to 0.8% of the total funds. **The public sector remains a dominant provider.** 57% of community-based services beneficiaries receive services from public providers, 35% from non-profit providers while 8% are beneficiaries of for-profit care providers. There is a similar situation with providers of independent living support services, as 59% of beneficiaries are covered by services provided by public providers while 49% receive services from the non-profit sector. Accommodation services are dominantly provided by the state, which covers 88.5% of beneficiaries. The Ex-post analysis of the implementation of regulations on standards of social protection services and licensing of social protection services in Serbia identified a number of challenges related to licencing. The process was rated as moderately difficult, and most service providers noted that it was very expensive. The duration of the process, from the beginning of the collection of evidence to obtaining the license, varies greatly. For providers of accommodation licencing can take up to several years, while providers of community day care services and independent living support services indicate periods of 2-3 months to a year.

Relevant for all aspects of policy that is to be supported through this area, there is a number of abandoned **public species in LSGs that can potentially be revitalized and used for provision of community-based services.** The issue of abandoned public spaces that can be repurposed was discussed in the study “Public spaces and how to unlock them”<sup>90</sup> and is the subject of project activities comprising the “Initiative for a Socially Just City” project implemented by GIZ. Also, this opportunity is related to the need for expanded and revitalized youth spaces, recognised in the Employment and Skills area. These actions should result in a much better understanding of needs at the local level and enable specific investments to provide community activities benefiting the employment, employability, and social inclusion of youth and vulnerable groups.

As is the case in the Employment and Skills area of support, **external economic shocks due to macro-economic developments** pose a danger to policy implementation. Specifically, this has been an issue for projects related to infrastructure provision, like in the case of the Ministry for Public Investment in managing grant schemes for rehabilitation of municipal social infrastructure.

Likewise as in the Employment and Skills area, **capacities to manage project implementation are a threat. Specifically in the case of social housing, unsustainable management of social housing in terms of housing**

<sup>89</sup> According to available data for 2020, this form of accommodation was used by 347 children under 18 and 126 young people aged 18-26.

<sup>90</sup> <https://www.gradjanske.org/wp-content/uploads/2014/11/064-Javni-prostori-i-kako-ih-otkljucati.pdf>.

**adequacy and cost affordability, rent collection, managing rent contracts and rights and duties of beneficiaries, property management** requires special focus, as described in the draft National Housing Strategy.

**Prejudice, resistance and stereotypes of the local community towards social housing and social protection beneficiaries also require special attention.** The experience in implementation of various social housing projects, especially those targeting Roma, including the improvement of Roma settlement, repeatedly demonstrated the threat of incoming groups of vulnerable people not being welcomed by the local population. The bad practice of segregating the most vulnerable households in social housing in often remote locations in many municipalities was proven wrong and such settlements and building quickly decay and their residents become isolated and repeatedly stigmatized and socially excluded.

#### SWOT analysis – Social inclusion

| <b>Strengths</b>   | <b>Weaknesses</b>   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Well-developed normative and policy planning framework on housing and social protection</li> <li>2. Well-developed institutional framework on social protection</li> <li>3. Established system for licensing non-profit housing organizations and social services providers and developed trainings for LSGs staff and social welfare professionals</li> <li>4. Lessons learned from implementation of various social housing and projects in the area of social protection</li> <li>5. Availability of data regarding the number of beneficiaries of existing services and their needs</li> <li>6. Previous experience in development of a comprehensive system of housing policy instruments at national and local level</li> <li>7. Existence of social housing stock in municipal ownership</li> </ol> | <ol style="list-style-type: none"> <li>1. Limited institutional framework and weak capacities, to formulate, finance and implement social housing programmes and social protection services</li> <li>2. Regular and sustainable financing of social housing does not exist</li> <li>3. Land policies not oriented towards ensuring affordable housing developments</li> <li>4. Insufficient capacities in LSGs for identification of needs, planning and provision of adequate community - based social protection service.</li> <li>5. Weak cross-sectoral and inter-municipal cooperation related to provision of social protection services</li> <li>6. Underdeveloped network of community-based social services and specialised services (e.g. specialised foster care, sheltered housing...) for vulnerable groups</li> <li>7. Insufficient number and territorial distribution of licensed service providers as a result of strict licensing requirements</li> <li>8. Lack of (qualified) staff for provision of social protection services (in CSW, Centres for Foster care and Adoption etc.)</li> </ol> |
| <b>Opportunities</b>   | <b>Threats</b>  |
| <ol style="list-style-type: none"> <li>1. Commitment of certain municipalities to further develop their housing policy instruments</li> <li>2. Recent experience and institutional memory in development of all elements of the social housing sector at the national level and in a number of larger LSGs</li> <li>3. Interest, experiences and knowledge of CSOs to support and implement social inclusion projects</li> <li>4. Long lasting and diverse experience and lessons learnt in social housing throughout Europe that can be replicated in the RS</li> <li>5. Infrastructural capacities in some LSGs that can be used for provision of social protection services</li> </ol>  | <ol style="list-style-type: none"> <li>1. External and internal economic shocks due macro-economic developments</li> <li>2. Unsustainable management of social housing in terms of housing adequacy and cost affordability, rent collection, managing rent contracts and rights and duties of beneficiaries, property management</li> <li>3. Prejudice, resistance and stereotypes of the local community towards social housing and social protection beneficiaries</li> </ol>   |

#### Area of support: Other Support

Transitioning to the revised EU enlargement methodology necessitates significant investment in order to meet the requirements of the enlargement process and effectively implement reforms and legislation from all clusters. As-

suming the obligations of membership in almost all areas of the *acquis* requires that the alignment and harmonisation of legislation be accompanied by its effective implementation and enforcement. To ensure the compatibility of national legislation with EU legislation, the fulfilment of EU negotiation process requirements entails specific capacities, knowledge, and expertise in a variety of fields. In addition, Serbia must implement fundamental reforms in such areas as the rule of law, democratic institutions, and good governance.

At the same time, in terms of institutional capacities, Serbia is implementing the Instrument for Pre-accession Assistance (IPA) funds through indirect management. Even though the indirect management and operating structure is well set up in general, the main shortcomings remain, namely the relatively weak administrative and absorption capacities, as well as the anticipated increase in workload required for the implementation and coordination related to the Programme.

This workload will be additionally reflected in the difficulty of ensuring all the conditions arising from the entrustment of budget implementation tasks to IPA III beneficiaries are met, including challenges related to the implementation of the Programme, such as project preparation, contract management, evaluation and selection of actions, etc. The Managing Authority designated for the OP will be responsible for setting up the implementation structure, the detailed description of administrative processes and setting up management and control systems throughout the implementation structure. This will create pressure on the capacity of personnel, the amount of documentation required, the management activities carried out, professional and professional consultations, expert training and more.

The substantial employee turnover and migration to the private sector throughout the programming period 2014-2020 posed a challenge to the development of administrative capacities. The causes lie in inadequate legislative measures, low financial rewards, heavy workloads, and unfavourable environments for the achievement of professional potential. From the perspective of implementing two programming periods simultaneously (2014-2020 and 2021-2027) and increasing demands as regards the quality of implementation processes on the side of the European Commission, the new period will be more challenging than the previous one.

A challenge for the effective utilisation of available IPA fund resources is the insufficient capacity of the national administrations, both at central and local level, for strategic design, planning, permitting, inspection, enforcement, monitoring, and project management of large investment projects. To overcome this obstacle within the selected Window 4 policies, the Programme envisaged comprehensive technical assistance to ensure proper administrative capacities, support to retention measures, and linkages with Partners.

The objectives of the IPA Bodies are derived from their responsibilities outlined in the Financial Framework Partnership Agreement (FFPA) and the financing agreement. These responsibilities are further translated into the national IPA system through the IPA III Decree, inter-institutional agreements, and the IPA Bodies' internal manual of procedures. The Rulebooks for the organisation and systematisation of the IPA Bodies reflect their mission and objectives in a general manner.

**SWOT analysis – Other support**

| Strengths  | Weaknesses   |
|--|--|
| <ol style="list-style-type: none"> <li>1. National legal framework for IPA III management is in place.</li> <li>2. Experience in carrying out annual programmes financed from IPA in indirect management.</li> </ol> | <ol style="list-style-type: none"> <li>1. High turnover rate of staff employed in IPA bodies.</li> <li>2. High workload and limited knowledge of the implementation of multiannual programmes.</li> </ol>  |
| Opportunities  | Threats  |
| <ol style="list-style-type: none"> <li>1. Achieve full absorption of EU funds allocated in the OP.</li> <li>2. Achieve a high level of public awareness of EU support.</li> </ol>                                    | <ol style="list-style-type: none"> <li>1. Potential problems related to coordination and collaboration between the two OPs and within sectors of the OP with annual programmes.</li> <li>2. Insufficiently skilled personnel to process the additional financial resources of operational programmes.</li> </ol> |

**3. Overall Objective(s) and Specific Objective(s) of the Operational Programme**

The **Overall Objective** of this action is to improve the livelihoods of young and vulnerable people by supporting their employment, development of skills and social inclusion.

The **Specific Objectives (Outcomes)** of this action in the **Employment and Skills** area of support are:

- 1.1 Enhanced employment prospects of youth and other vulnerable groups
- 1.2 Improved flexibility and relevance of the education system for employability

The **Specific Objectives (Outcomes)** of this action in the **Social Inclusion** area of support are:

- 2.1 Support provided to provision of housing solutions for sustainable communities
- 2.2 Improved access to and quality of social services for vulnerable groups at the local level in support of the deinstitutionalisation process and the development of integrated services

The **Specific Objective (Outcome)** of this programme in the area of support **Other Support** is

- 3.1 Established conditions for successful realisation of policies supported by the Operational Programme

### **3.1. Coherence with the IPA III Programming Framework and with the specific policy instruments of the enlargement process**

The Operational Programme is in line with the EU position provided in the **Economic and Investment Plan (EIP)** to invest in human capital, specifically to reforms promoting appropriate supply of relevant knowledge, skills, and competences to tackle the existing mismatch between skills supply and labour demand, including through development of work-based learning in vocational education and training. Further, it is linked to the objective of improving labour market participation, especially of young people, NEETs in particular, women, disadvantaged groups and minorities, as this can contribute to economic growth. Through this OP, as envisaged by *Flagship 10 Youth Guarantee*, implementation of Youth Guarantee will be supported ensuring that young NEETs are provided with an offer of employment, further education, an apprenticeship or a traineeship within a four-month period. Wider involvement of civil society and the private sector by encouraging innovative solutions, promoting social entrepreneurship to tackle social challenges is also promoted as part of the proposed interventions. Reforms proposed in the area of social inclusion, more specifically, social protection and inclusion systems, including social care services and development of active inclusion strategies are also in line with the EIP *Flagship 6 - Renovation wave* and the efforts of this Programme related to social housing are linked as the Law on Housing and Housing Maintenance and its housing support (social housing) chapter foresees financing the improvement of housing conditions, and in particular, improvement of energy performance of the homes of the limited-income homeowners (Article 101). The law further promotes the same kind of support to homeowners who would accept to rent their spare housing space to social housing beneficiaries.

The OP is in line with the **Agenda for the Western Balkans on Innovation, Research, Education, Culture, Youth and Sport**<sup>91</sup> that aims at closer regional economic integration through planned investments in human capital development and digital transformation through a) enhancing the quality of education and training; and b) boosting human capital development.

As stated in the **Green Agenda**, “education is key to positively affect behaviours regarding the environment, starting from an early age as well as to reskill workers from transition industries. Curricula need to include key competences and skills necessary to perform in the green economy. To be successfully implemented, the Green Agenda for the Western Balkans needs to be reflected in the reforms of the education systems in order to guarantee that people are equipped and prepared for the labour market and society of tomorrow”. This is taken under consideration in interventions planned through this Operational Programme. Regarding the contribution to reduce the effects of climate change, high energy efficiency standards are required for planning of settlement and design of social housing buildings. Besides reducing consumption of energy, these buildings are to be connected to district heating systems with the least locally existing negative environmental impact. The social housing programmes are also directly contributing to energy poverty reduction by ensuring affordability of energy bills for the low-income beneficiaries.

The proposed interventions draw upon key recommendations from the **2022 EC Country Annual Report for Chapter 26 Education and Culture**, which state that Serbia should continue with the operationalisation of the NQF system, with additional focus on the quality and scope of non-formal education. The institutional set-up under the national qualifications framework (NQF) should be further strengthened. Recommendations related to *Chapter 19 Social Policy and Employment*, in particular those that call for adequate financial and institutional resources for employment and social policies to more systematically target the young, women and long-term unemployed are

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<sup>91</sup> <https://op.europa.eu/en/publication-detail/-/publication/22b8829d-b786-11eb-8aca-01aa75ed71a1/language-en/format-PDF/source-233221374>.

reflected, as well as those to take further steps to start piloting the Youth Guarantee in Serbia and address the issue of the quality and coverage of social services and start implementing the Strategy on deinstitutionalisation. The Report also mentions that the adoption of the Housing Strategy is pending, pointing at the housing situation of Roma as the most unprivileged population group, emphasizing the problem of the mapped Roma settlements (no regular access to safe drinking water, to sewer networks, and access to electricity). The legalization of Roma settlements as the initial step in improvement of living conditions of their citizens is seen as a priority, calling on the Poznan Declaration. The Report further indicates that forced evictions are still taking place, as opposed to the national legislation, insisting that the Law on Housing and Housing Maintenance should be implemented effectively, especially the provisions prescribing housing support and relocation of informal settlements.

The Proposed interventions respond to the key challenge listed in **Economic Reform Programme 2023-2025**<sup>92</sup> in the *Competitiveness and Inclusive Growth Cluster*, contributing directly to *Structural Reform 2: Qualifications oriented to the needs of the labour market leading to increasing employment, particularly of young people, and alignment of qualifications with the labour market needs*. The structural reform includes further implementation of dual education, improving the quality of career guidance and counselling services and further implementation of the National Qualifications Framework in Serbia (NQFS). As stated in the ERP, “the implementation of dual education model provides more efficient response from the educational system to the needs of the economy and the labour market, technological changes and new competencies. In the forthcoming period, the activities will be undertaken with the aim of raising a digital dual promotional platform for key participants in the dual education system, the establishment of regional training centres will continue. To attract foreign investments, an analysis of the key elements of the dual model of education in the Republic of Serbia will be made. Further implementation of the National Qualifications Framework in Serbia (NQFS) ensures the diversification and improvement of the relevance of the educational offer and lifelong learning, as well as ensuring the transparency of the NQFS system, comparability and recognition of qualifications obtained in the Republic of Serbia with qualifications obtained in other countries”. Equipping of science cabinets in schools is a measure of ERP structural reform aimed at increasing the relevance of the education system through a multidimensional focus on learning through practical work, thus meeting the needs of the contemporary economy and industry and increasing employability.

Interventions in the area of Education and Skills and Social Inclusion address Key challenge No. 1. *Increasing employment, especially of young people, women and sensitive groups and social protection from poverty* through Structural Reform 1: *Establishment of a framework for the introduction of the Youth Guarantee in the Republic of Serbia* where it is stated that “The Republic of Serbia will support the youth employment, in addition to other activities and measures, by gradually establishing and implementing the Youth Guarantee in cooperation with all relevant ministries, social partners and other stakeholders, in accordance with the confirmed Western Balkans Declaration on the Sustainable Integration of Youth into the Labour Market.” In the area of social entrepreneurship the key challenges identified include: development of the solidarity economy as a sustainable and socially responsible business that is aligned with broader social interests, especially the interests of socially sensitive groups; further affirmation of social entrepreneurship through informative and educational measures and Programmes intended for the general public as well as for social entrepreneurship subjects, public administration, pupils and students; establishment of efficient and coordinated financial and non-financial support for the operations of social entrepreneurship entities in the domain of social economy from various sources, which was taken under consideration when interventions under this OP were planned. The ERP relates to housing in two aspects: enhancing access to housing finance (commercial and subsidized loans for households to buy housing on the market) and improvement of energy efficiency of the existing housing stock, thus contributing to reduction of the energy poverty, i.e. housing related expenditures, tackling the low-income population. The regulation on minimum requirements for the energy efficiency of the new and reconstructed facilities reflects a new emphasis on the energy efficiency of residential buildings and houses (lack/inadequacy of thermal insulation on buildings, installation of low-quality wooden windows, use of non-standardized, energy-inefficient and outdated coal and wood heating devices), which represents one of the causes that can lead to energy poverty. Apart from lowering energy consumption and reduction of emission of harmful gases responsible for creating the greenhouse effect it is concluded that the implementation of measures that increase energy efficiency in the housing sector is a key factor for starting the energy transition, achieving energy policy goals and reducing energy poverty. All this has been taken under consideration when planning housing related interventions in this OP.

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<sup>92</sup> <https://www.mfin.gov.rs/en/documents2-2/economic-reform-program-erp-2>.

Priority reforms listed in the **EU-Western Balkan Strategy**<sup>93</sup> in employment, social policy and education, specifically those mentioned in the Flagship Initiative 3: to enhance socio economic development with more focus on employment and social reforms as well as education, in particular vocational education and training. The proposed interventions give high priority to the role of education in terms of promoting European values, and strengthening the cohesion of society, targeting socio-economic development. The focus is on ongoing education reform and related education and training policies, aimed at improving relevance of the education system, particularly of vocational education and training as well as development of lifelong learning perspective for all, consequently improving employability of future work force.

The proposed OP will contribute to the development of the state of play for policies covered by the **Action Plan for Chapter 19**. More concretely, it will contribute to the creation of better labour market conditions, an environment more conducive to integration of hard-to-employ groups in the labour market, availability of assistance and services to individuals and families with a view to improving or preserving the quality of life, eliminating or mitigating the risks for the disadvantaged, and creating opportunities for independent living in society, as well as to the improvement of institutional and policy capacities in line with the acquis and practice of the EU. The **Action Plan for Chapter 23**, under recommendation 3.4.4, 3.8.2 and 3.9.1, addresses the situation of the IDPs through several activities related with housing, access to rights including livelihood opportunities. The Action Plan states “that Serbia envisages to improve living conditions, to provide permanent housing solutions, to issue civil documentation for undocumented persons and to work on further integrating IDPs in society, in particular the most vulnerable ones. The EU emphasizes the particular importance of further improving the social and economic integration of displaced persons”. Related to education policy area and accession process, **Chapter 26 - Education and Culture** is provisionally closed and progress in reform implementation is assessed moderately positive. Significant contribution set out in the **Action Plan for Chapter 22** will be also made as it will enable the practical realization of structures for programming and implementation of Actions that are in line with Cohesion Policy requirements. In essence, successful adoption and implementation of OP is a pilot run for adoption and implementation of OP from Structural Funds when the Serbia joins the EU. Specifically, the proposed OP will provide the structure to develop the institutional framework, administrative capacities, programming, monitoring, evaluation financial management and control capacities necessary for implementing Cohesion Policy.

The interventions proposed are in line with the **European Pillar of Social Rights** and some of the key principles laid within - Chapter 1, Equal opportunities and access to the labour market that among other rights include access to education, training and life-long learning, right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services; Chapter 3, Social protection and inclusion, pertains to the right of an adequate social protection, access to affordable long-term care services of good quality, in particular home-care and community-based services, housing and assistance for the homeless, access to essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications.

## 4. Operational features of the programme

### 4.1. Interaction of the programme with IPA III annual action plans or measures and interventions from other donors/International Financial Institutions

The OP will further build on IPA 2020 Technical Assistance Project that is expected to strengthen institutional framework and capacities of the MoLEVSA, NES, LSG, social partners and CSOs to design, implement, monitor, and evaluate ALMPs, as well as capacities to assume obligations deriving from the EU accession process. The technical assistance project that has commenced in June 2023 will support NES during piloting of the YG in selected locations (with focus on development of the plan for piloting of the YG and strengthen policy coordination system and management mechanism to guide activities at national and local level within YG). While the direct grant secured under IPA 2020 will be used for piloting, the funds available through the OP will be used for further roll out of the YG in the RS. More specifically, under the OP, two direct grants are indicatively envisaged for the NES. First grant will be implemented from 2026 to 2028, while the second grant will be implemented from 2029 and 2030. In 2026, under the first direct grant in the amount EUR 19,97 million the piloting of the YG will continue in three previously selected NES BO as identified under the YG Implementation Plan (IP) and will be used to finance the following: the introduction and continuous improvement of online pre-registration and statistical profiling, the development of additional/complementary services for unemployed, tools for assessment and self-assessment of digital skills, and the further upgrade the NES ICT platform for YG monitoring. As of 2027, YG

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<sup>93</sup> Western Balkans Strategy 5.2.2020 COM (2020) 57 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Enhancing the accession process. A credible perspective for the Western Balkans. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0057>.



will be extended to other areas of Serbia. The amount of the second grant under this OP is EUR 19,96 million. The largest portion of the funds from these two grants will be used for services and ALMPs, covering in total approximately 10,775 persons.

Close coordination will be established with the project “Support to the Implementation of the Employment and Social Reform Programme with a Focus on Youth Employment and Employability Policies” funded by the Swiss Government and implemented by Swiss Development Cooperation (SDC) as the project also contributes to employment and employability of youth, with the goal of improving the creation and implementation of the legislative framework, and provision of tailor made services and measures toward enhancing employability and employment of youth.

This Programme is a continuation of support to education reform and will build upon results foreseen under IPA 2020 technical assistance project (Increased offer and diversification of accredited non-formal training courses and adult training providers) and correlate to the IPA 2022 Complementary support and IPA 2024 Sector budget support (Towards Quality Education and Lifelong Learning for Improved Employability). IPA 2020 will lay out the systemic solutions for the implementation of a lifelong learning concept, while through this Programme these solutions will be rolled out into system creating flexible and multiple entry opportunities for re- and up- skilling based on social partnership, qualification standards and strong quality assurance mechanisms. Through the IPA 2024 Sector Reform Contract, education reform in Serbia will be supported with focus on some of the main policy areas: **Relevance** - improved teaching content/curricula in pre university education (second cycle of primary education 5<sup>th</sup> to 8<sup>th</sup> grade, secondary general education 1<sup>st</sup> to 4<sup>th</sup> grade, and vocational education/VET profiles) to better match needs for personal fulfilment and development with focus on integrating key competencies for lifelong learning, employability with focus on green and digital skills, social inclusion and active citizenship and introducing qualification standards in higher education; **Equity** - early intervention measures in order to promote and implement fairness, equal opportunities and access to education for all, to improve participation in education for Roma students and students with disabilities by providing access and tailor-made support through activities including increasing accessibility of higher education, engaging pedagogical assistants, etc. and **Quality** - enhanced quality of teaching and learning and students support in underperforming schools to deliver competency based oriented teaching and curriculums /programmes based on fundamental and key concepts that ensures mobilisation of knowledge, skills, abilities and attitudes and implementation of national Matura exam. The IPA 2024 (SBS) has in its focus formal/initial education and developing curricula to stimulate a transition away from strictly knowledge-focused education, while the Programme will complement education reform by focusing on the provision of the necessary equipment for stimulating practical learning and associated skills, as well as the NQFS and non-formal/continuous education, responding to new skills needs that requires the flexibility of the education system and opportunities for people to get the education they need.

Important for the subject of vocational school development are the activities of German development assistance in the “Technical and vocational education and training” intervention which have provided extensive support to the development of a skilled workforce in Serbia. Just the 2022 Cooperation Protocol has enabled three new commitments. First is the Regional Challenge Fund budget for the establishment and implementation of dual or cooperative training programmes, tailored to the qualification needs of the private sector. Eligible for funding is primarily training equipment workshop infrastructure and VET teacher training for an adequate use of the equipment. Participating companies receive technical support for the implementation of cooperation training measures. Trainees participating in these programmes will acquire skills that are in high demand by the private sector, while at the same time we expect that access to these skilled workers will also foster the economic viability of enterprises. Second is a cost extension of the “Good Jobs for Serbia” project (planned to be signed in 2024), in the amount of 59.5 million EUR. Under this project, financing of VET infrastructure and equipment for priority schools of the Government of Serbia is envisaged to contribute to enhancing the Serbian dual education system. The extension with grant funds is to be used to finance additional “green” investment measures for the buildings of the selected schools – for example energy efficiency measures, such as façade insulation of triple-glassed windows, renewable energies and other green campus measures. The goal is to make the investments more environmentally- and climate friendly, to increase energy- and resource efficiency as well as emission reduction. Lastly is the “Vocational Education” project enabling technical cooperation for supporting the Serbian government in enabling the education system to meet the challenges of economic transformation (e.g. adaption of curricular, harmonisation with EU standards), development of excellence in vocational schools for the dissemination of skills needed for the green transition (e.g. qualification of teachers, new profiles), improving the cooperation between companies and the education system and awareness raising among young people for the new professions. This Action will take a stock on results achieved under the project “From Education to Employment (E2E) – Youth Skills Development and Public Private Partnership”, funded by the Swiss Government and implemented by the Swiss Development Cooperation (SDC) that support the development of national and local level policies for boosting the employment and employability of young people with implementing appropriate measures for

promoting and introducing new training programmes for developing essential skills for the job market. The IPA 2022 service contract will produce video materials containing instructions and demonstrations of science experiments performed by using the equipment procured from this Programme. Also, this Action will establish close cooperation and coordination with the new project in the field of dual education “Swiss Support to the Serbian Dual VET System” that will support establishing a sustainable and inclusive dual VET system with improved labour-market outcomes that will benefit young labour-market entrants and employers. The sequencing of all the Actions is planned to avoid any overlapping regarding the areas/ parts of education system i.e. formal/initial education and non-formal/continuous education as well as not to put additional strain on capacities of institutions responsible for different parts of the system. IPA 2020 is aligned with objectives and timeline with YG Implementation plan (YGIP 2023 – 2025), covering non-formal/continuous education and addressing Early intervention from YGIP. The Action from this OP, programmed for the year 2026, will continue to improve non-formal/continuous education after completion of the IPA 2020 in 2025. IPA 2022 Complementary support and IPA 2024 Sector budget support are aligned with the objectives in AP 2023 - 2026 for the implementation of Education Strategy 2030. These Actions will concentrate on formal/initial education and engage different institutions in education sector.

Finance Contract Serbian Education Infrastructure FL, FI N° 93.885 and Serapis N° 2021-0535 between the Republic of Serbia and the European Investment Bank, dated January 19, 2023 in the amount of EUR 40 million aims at supporting the Government of the Republic of Serbia in achieving one of the specific goals from the Education Development Strategy by 2030, which targets the improvement of infrastructure of educational institutions through modernisation of regional training centres, offering vocational upper secondary and adult education aligned with the labour market needs.

Framework Loan Agreement LD 2106 (2021) between Council of Europe Development Bank and Republic of Serbia, dated January 27, 2022, in the amount of EUR 20 million. The main objectives of the project are the reconstruction and equipping of two training centres, one in Belgrade and another in Vršac, for the needs of aeronautical education in Serbia, in a dual education model. The two training centres constitute the newly formed state-owned College of Vocational Dual Studies of the Civil Aviation Academy of Serbia (henceforth the College). This investment will meet the demand for aviation workforce in Serbia and the region and will help secure the career path for future pilots, air traffic controllers and other related professions.

Interventions proposed in the area of social inclusion continue upon efforts planned through IPA 2020 that aim to create a supportive environment for quality community-based social services, improve their availability and scope across the country, non-institutional support and active inclusion of vulnerable groups, in particular FSA beneficiaries in the labour market and Roma population. This pertains to both the technical assistance project (“Improving and strengthening efficiency of national protection regulatory mechanisms, policy implementation tools, quality assurance framework and strengthening capacities to participate in ESF”) and direct grant (“Support to sustainable community-based social services and inclusion policies at the local level”) provided to the Standing Conference of Towns and Municipalities. Especially significant for the Programme is IPA 2020’s piloting of integrated service initiatives, which will provide a better knowledge base and practical examples to be followed up upon with the Programme’s funding of the development of the actual system. In addition, planned interventions will build on decentralization efforts planned under IPA 2022 that will support family care providers but also ensure that decentralised, community-based social services are available, and that the existing network of services is expanded. Namely, to be sustainable, the process of deinstitutionalisation and development of community-based services that will be financed through IPA 2022 needs to be complemented and supported by capacity building of professionals from the social protection system, tailored-made socio-economic support to specific vulnerable groups and transformation of institutions for children and youth without parental care. Close sectoral coordination will be established with the following projects: “Education to Employment (E2E) Programme”, funded by the Swiss Government and implemented by the Swiss Development Cooperation (SDC) as its main objective is to achieve better matching of job demand and supply through the modernisation of youth employment policies and the development of specific competencies of the young qualified workforce required by the private sector through the promotion of work-based learning.

The GIZ implemented project “Promoting social inclusion in Serbia” focuses on provision of services at the local level, establishment of institutional structures for the economic inclusion of women and expansion of educational offerings to reduce discrimination based on gender, origin, and other factors. the project is making a difference in three main ways: first, by helping 20 selected municipalities, local administrations, private sector entities and civil society stakeholders to offer gender-sensitive social services and employment opportunities; second, by developing and implementing digital and analogue anti-discrimination measures to dismantle gender stereotypes, gender norms, prejudices and exclusion; and third, by improving the effectiveness and implementation of existing guidelines for social inclusion through facilitating dialogue and cooperation between national and local

stakeholders and among municipalities. It is expected to significantly contribute to national and local level capacities for policy development/implementation, and will be closely coordinated with to ensure synergies with similar initiatives within this Programme. The same project will make a significant contribution to the development of social entrepreneurship as it will support the finalisation of the Programme for Social Entrepreneurship. The previous iteration of one of its components, dealing with inclusive policies, contributed to the development of entrepreneurship through small grants, providing a stronger empirical basis for related activities from this Programme.

The project “Supporting Young People in Rural Regions of Serbia” that aims at improving economic and socio-cultural well-being of young people in the pilot regions in rural areas in Serbia through very strong outreach activities. Both this and the previous iteration of the project have contributed to the development of entrepreneurial capacities of young people, both through trainings and through granting, which will provide a basis for further development through activities supported by this Programme.

The German-funded “Initiative for a Socially Just City” project is expected to contribute to the development of potential models for developing and implementing integrated policies at the local level. Expected to conclude in 2024, the project will deepen the cooperation between national and local level institutions, experts and civil society dealing with urban development, housing, and social inclusion. The project is also funding two pilot grants, in Pirot and in Užice, to practically test its principles in engaging local communities, with special emphasis on vulnerable groups, and developing communal spaces of benefit to inclusive policies.

The Joint UN Programme "PRO - Local Governance for People and Nature" Project is of great significance to the Social Inclusion area, The PRO Programme works on improving capacities of LSGs and relevant local actors for the development of social inclusion and social protection policies, ensuring a more accountable and integrated local system of measures and services, which results in a better response to the needs of left behind groups. It is focused on 1) Increasing the availability of social protection services (UNOPS) through TA (42 LGs) and financial support for the establishment of improved and new services (15 LGs); 2) strengthening the cooperation of the civil sector and local institutions in a joint response to the needs of the community and contribution to a greater efficiency in providing support to those who need it most – CSO support (UNOPS); 3) Empowering communities to preserve families (UNICEF) where total of 16 LGs will contribute to the deinstitutionalisation process through services for children and families; 4) Supporting intergenerational cooperation (UNFPA) where 12 LGs will strengthen capacities for improving the lives of the elderly and youth through intergenerational cooperation and 5) supporting informal waste pickers (UNOPS lead with support of UNICEF and UNFPA) 1,700 informal waste pickers, whose income is affected by the construction of regional recycling centres within the "Solid Waste Management" project (co-financed by the European Bank Development and the French Development Agency) will be supported for the legalisation of status on the labour market and the acquisition of skills for better employability.

The programme is in line with the IPA 2018 “European Union Support to Social Housing and Active Inclusion Programme” meant for enhancing implementation of social inclusion policies and provision of sustainable housing solutions accompanied with active inclusion measures for the most vulnerable population. The EUR 27 million project has capacity building components for LSGs formulating local housing strategies and implementing social housing projects for the most vulnerable and complementary activities supporting social inclusion of the beneficiaries. The Programme, grounded in national and international frameworks, will contribute to meeting the EU accession criteria under Chapter 19 that relates to social inclusion and Chapter 23 that covers fundamental rights, along with achieving the United Nations Sustainable Development Goals. Experience gained through this programme will be fully integrated into the implementation of the OP.

The Regional Housing Programme is a broad EU-funded support modality which aims to contribute to the resolution of the protracted displacement situation of the most vulnerable refugees and displaced persons following the 1991-1995 conflicts on the territory of former Yugoslavia, including internally displaced persons in Montenegro from 1999. In Serbia, this programme implemented from 2014, which is to end in 2023, covers a range of various social housing solutions, construction of rental/lease apartment, design build of pre-fabricated houses, provision of building materials, and purchase of village houses and purchase of apartments, with a budget of over EUR 130 million donor funds and national contribution of over EUR 30 million. .

#### **4.2. Description of the programme**

#### 4.2.1. Intervention Logic

| Results   | Results chain   | Indicators  | Assumptions   |
|---|---|---|---|
| <b>The Overall Objective of this Action is</b>  | To improve the livelihoods of young and vulnerable people by supporting their employment, development of skills, and social inclusion   | Employment rate (15-64) (disaggregated by sex)<br><br>At-risk-of-poverty rate (disaggregated by sex and particularly monitoring the rate for children)  | The political and economic situation remains stable enough to enable implementation   |
| <b>Specific Objective (Outcome)</b><br><b>1. Area of support: Employment and Skills</b> | 1.1. Enhanced employment prospects of youth and other vulnerable groups   | Proportion of youth (aged 15-29) not in education, employment or training - NEET rate<br><br>Share of NEET (15-29) included in YG in the total number of NEET<br><br>Number of social enterprises registered and active   | Employment of youth and other vulnerable groups remains a key policy priority of the GoS and relevant ministries that coordinate reforms and secure synergy                       |
|   | 1.2. Improved flexibility and relevance of the education system for employability   | Share of 25-64 aged population participating in education and training 4 weeks prior to the survey (disaggregated by sex)<br><br>PISA science literacy scores (disaggregated by sex)<br><br>Number of persons who have obtained full qualifications through services of recognition of prior learning<br><br>Number of persons who have obtained partial qualifications through services of recognition of prior learning | Education remains a key policy priority across the GoS  |
| <b>Specific Objective (Outcome)</b><br><b>2. Area of support: Social Inclusion</b>      | 2.1. Support provided to provision of housing solutions for sustainable communities   | Percentage of households whose costs of housing present a significant burden to the household budget  | Costs of infrastructure do not rise to levels beyond available resources for provision  |
|   | 2.2. Improved access to and quality of social services for vulnerable groups at the local level in support of the deinstitutionalisation process and the development of integrated services | Number of persons benefiting from community-based services<br><br>Number of LSGs in which at least two community-based services are available   | Sufficient interest of the relevant local actors/institutions in local communities for development and implementation of integrated community-based services through partnerships |
| <b>Specific Objective (Outcome)</b><br><b>3. Area of support:</b>                       | 3.1. Established conditions for successful realisation of policies supported by the Operational Programme   | Budget disbursed against total budget allocation  |   |

|  |   |   |   |
|--|---|---|---|
| <b>Other support</b>   |   |   |   |
| <b>Outputs to Specific Objective 1.1: Enhanced employment prospects of youth and other vulnerable groups</b>             | 1.1.1. Employment opportunities of young people (15-29) enhanced through implementation of the Youth Guarantee and improved capacities of the National Employment Service                   | Number of NEETs included in the Youth Guarantee through measures supported by the Programme   | All relevant actors remain committed to implementation of Youth Guarantee in Serbia<br><br>The NES is capable of managing increased influx of youth that enrol into YG  |
|  | 1.1.2. Capacities of national, provincial and local youth policy stakeholders to implement, monitor and report on youth employment policy and other policies relevant to youth strengthened | Number of unregistered NEETs reached through outreach activities of CSOs and youth workers<br><br>Number of youth spaces at local level revitalized and equipped<br><br>Quality standards and accreditation mechanisms for youth spaces and services developed by the ministry in charge of youth | Sufficient interest of the relevant local actors/institutions to take part in the capacity building activities  |
|  | 1.1.3. Employment of vulnerable groups supported through social entrepreneurship  | Number of people whose employment in social enterprises has been supported through the Programme  | Supported social enterprises have sufficient capacities to generate new employment  |
| <b>Outputs to Specific Objective 1.2: Improved flexibility and relevance of the education system for employability</b>   | 1.2.1. National Qualification Framework system improved by creating multiple entry opportunities for reskilling and upskilling  | Number of qualification standards whose development was supported by the Programme  | Commitment of all stakeholders to implementing NQFS   |
|  | 1.2.2. Equipped chemistry, biology and physics classrooms in primary and secondary general schools  | Percentage of equipped natural science classrooms in elementary schools<br><br>Percentage of equipped natural science classrooms in secondary general schools   | Active participation of schools in securing conditions and space for equipment.   |
| <b>Outputs to Specific Objective 2.1: Support provided to provision of housing solutions for sustainable communities</b> | 2.1.1 Developed capacities at the national and local level and social housing units built, rehabilitated, or completed  | Staff in national and local housing authorities and LSGs trained<br><br>Number of housing units built, rehabilitated, or completed  | Political commitment of the national government to establish an authority in charge of social housing at the national level.<br><br>Construction land is available.<br>Timely identification of potential beneficiaries and qualification criteria is made compliant to the demand. |
| <b>Outputs to Specific</b>   | 2.2.1. Institutions for children and youth  | Number of established and equipped Centres for Children,  | Transformation plans completed in due time to   |

|  |   |  |   |
|--|---|--|---|
| <b>Objective 2.2: Improved access to and quality of social services for vulnerable groups at the local level in support of the deinstitutionalisation process and the development of integrated services</b> | without parental care transformed into Centres for Children, Youth and Family   | Youth and Family<br><br>Number of beneficiaries using services of the Centre   | ensure effective implementation   |
|  | 2.2.2. Realised training programmes and grants relevant for deinstitutionalisation and development of integrated services for national and local level stakeholders | Number of staff members trained<br><br>Number of services and service standards developed and implemented in Centres for Children, Youth and Family<br><br>Number of social service recipients in local self-governments supported through the Programme   | Sufficient interest of relevant actors to take part in capacity building activities                               |
| <b>Outputs to Specific Objective 3.1: Established conditions for successful realisation of policies supported by the Operational Programme</b>   | 3.1.1. Administrative capacities of MA, IBPMs, IBFM and other relevant institutions increased   | Number of employees of national and local level institutions, partners, and beneficiaries supported through training and other forms of capacity building<br><br>Number of systematised work positions supported with compensation of salaries   | The adequate staffing of institutions involved in OP implementation ensured through a stable working environment. |
|  | 3.1.2. Capacities of Partners to participate actively in Operational Programme implementation strengthened  | Number of trainings for Partners organised   |   |
|  | 3.1.3. Effective implementation, communication, visibility, and evaluation of the Operational Programme supported   | Number of Operation Identification Sheets produced<br><br>Number of tender documentation packages, grant, and grant schemes drafted with Programme support<br><br>Number of sets of planning and technical documentation for social infrastructure produced with Programme support<br><br>Mid-term Programme evaluation realised | The adequate staffing of institutions involved in OP implementation ensured through a stable working environment. |

#### 4.2.2. Detailed description of each area of support

##### Area of Support 1: Employment and Skills

###### Rationale

The interventions within this Programme will address key underlying causes of poor labour market transition for young people from education to employment comprehensively, affecting both the employment system as well as the underlying issues of how the labour force is developed and what opportunities are available at the labour market, especially for vulnerable groups. Outreach is an essential component of the Youth Guarantee in the European Union and has been recognised as a component for Serbia's YG preparation as well. Improvement of outreach will be realised through a sequence of activities started with a service contract enabling better capacities and the necessary standards to enable contractive outreach work. This foundation will then be expanded upon with a grant enabling the engagement of civil society and youth work practitioners directly to foster a closer and more

productive relationship between the relevant categories of actors and provide better services to job-seekers. Lastly, the ministry in charge of youth will be supported to realise the revitalisation of youth spaces, given that analysis demonstrates youth as frequently expressing this as one of the most pressing issues affecting their life outcomes and community participation the government could support and thus enable better means of youth engagement.

As the Programme recognised the need to further develop and fund active employment programmes and measures as well as the on-going IPA support to YG piloting, support will be provided to the National Employment Service through two sizable grants, both funding actual measures, as well as developing the necessary foundational elements enabling quality monitoring and service provision.

In education, having in mind the recognised skills mismatch and long school-to-work transition, boosting employment requires addressing underlying issues of relevance of education and better match of education with labour market needs. The Programme will integrate and build upon the results of IPA 2020 and support further implementation of National Qualifications Framework (NQF) principles in the education system. Through this approach, the transparency of qualifications will be ensured, along with their interconnection. Additionally, the entire education system will be oriented towards learning outcomes that build competencies, with an emphasis on improving access and flexibility of pathways for acquiring qualifications. Recognition of non-formal and informal learning and cooperation between relevant social partners will also be promoted. In line with the strategic objective to improve conditions for lifelong learning following activities are foreseen: further development of NQF system and implementation of its principles, strengthening career guidance and counselling, implementing recognition of prior learning, development of non-formal/continuous education (adult education), strengthening the capacities of providers and expanding the offer, opportunities will be created, and services offered for young people to acquire skills and qualifications that are needed on the labour market. Also, qualification standards will be developed for all levels of the NQFS. The NQF is a complex system that involves multiple objectives and stakeholders. Collaboration and coordination are essential not only within the education sector but also with social partners. Through indicatively a direct grant and/or service contract to institutions responsible for dual education and NQFS can facilitate these efforts by improving partnerships and offering professional support to relevant institutions, bodies, and social partners involved in the implementation of NQFS.

A leading education reform objective is to change teaching and learning paradigm in schools, and it is reflected in the development of new outcome-based programmes, stressing importance of competencies' development, the introduction of more elective subjects, and an interdisciplinary approach. Given that Sector Budget Support comprising IPA 2024 has a varied agenda to support the reform process, including curricular reform, the Programme is envisaged to contribute to this process by supporting a related activity, emphasised as of special importance in the Strategy and Action Plan and in the consultative and analysis processes during Programme drafting – the provision of equipment for primary and secondary general school cabinets for teaching of physics, biology, and chemistry. Changes in curriculums imply changes in the standards of equipment necessary for the implementation of new curricula. Efforts aimed at increasing students' interest in science, technology, engineering, and mathematics (STEM) are growing internationally due to its potential in securing an economic growth. STEM education provides suitable training of students for the labour market of the 21<sup>st</sup> century, with EU-funded research identifying that developing effective and attractive STEM curricular and teaching methods is among the best practices to encourage STEM skills. Improving the standard of science laboratories will significantly contribute to student interest in STEM professions, but also those from practical medical fields, such as nursing (vast majority of students currently transitioning from general secondary education to post-secondary-level nursing schools have no prior laboratory experience).. Additionally, an inquiry-based approach to learning, centred on project work, has been linked to greater motivation to learn in general. Special laboratories provide hands-on experiences that enhance student understanding of STEM subjects, fostering a deeper comprehension of scientific principles and concepts. Laboratory work promotes critical thinking, problem-solving, and practical skills necessary for STEM careers. It cultivates scientific inquiry and nurtures creativity, which are essential for future employability. Access to well-equipped laboratories can spark interest and passion in STEM fields from an early age, increasing the likelihood of pursuing related careers. It helps students explore various scientific disciplines and encourages them to consider STEM professions. Quantitative data specific to EU Member States vary, but a number of studies, including those funded by the European Commission, have consistently shown the positive impact of laboratory education on students' future employability and STEM-related career choices, and found that students who had access to well-equipped STEM laboratories were more likely to pursue STEM degrees in higher education, that practical learning of STEM can motivate women to seek careers in science, and boost interest in seeking a career in “green” sectors.<sup>94</sup> Furthermore, EU policies and initiatives such as the Horizon 2020 programme emphasize the

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<sup>94</sup> European Commission (2007): Science Education Now: A Renewed Pedagogy for the Future. European Commission, Brussels. Available at: [https://commission.europa.eu/research-and-innovation\\_en](https://commission.europa.eu/research-and-innovation_en)

importance of STEM education and highlight the need for quality laboratory facilities. These policies recognize the link between early exposure to practical laboratory work and the development of a skilled and competitive STEM workforce in the future. Additionally, an important aspect of this operation's rationale is the desire to increase the visibility of European Union development assistance, as the operation will provide EU-funded equipment used directly by children and young people in all primary and secondary general schools in Serbia.

Employment of vulnerable groups will be additionally supported through social entrepreneurship. Given that the legal, strategic, and institutional framework will be in place when the Programme can be implemented to, through a grant to the ministry in charge of employment and social affairs, work with and provide funds to civil society organisations and other categories of actors to both develop the necessary capacities across all categories of actors active in social entrepreneurship and to directly support entrepreneurs to establish or further develop their businesses. This will substantially contribute to the engagement of vulnerable groups as owners of enterprises, employees and beneficiaries of the goods and services delivered to the market, as well as substantially develop ties of national institutions with civil society.

### **Applicable EU legislation**

Interventions under this area of support are not part of the *acquis* but adhere and contribute to implementation of the principles established in the Council Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee (2020) and European Pillar of Social Rights, in particular principle of equal opportunities and active support to employment (Council Recommendation 2020/C 372/01 on Youth Guarantee). Although education (Chapter 26) is primarily under the exclusive competence of the Member States, and the EU envisages only to promote cooperation within the common policies framework, this programme is in line with European Education Area strategic framework.

### **Outcomes (Specific objectives):**

**Outcome 1.1: Enhanced employment prospects of youth and other vulnerable groups**

**Outcome 1.2: Improved flexibility and relevance of the education system for employability.**

### **Typologies of outputs:**

Trainings, development of educational products, development of services and programmes, service delivery, supply of equipment.

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**Table 7: Impact, outcome and output indicators (incl. baselines and targets):**

| Results   | Indicator   | Measurement Unit | Baseline                                  | Target                                  | Source  |
|---|---|------------------|---|---|---|
| <b>Impact:</b><br>To improve the livelihoods of young and vulnerable people by supporting their employment, development of skills, and social inclusion | Employment rate (15-64), disaggregated by sex   | Percentage       | 64.5 (2022)<br>(Male: 71.0, Female: 57.9) | 70 (2032)<br>(Male: 75.4, Female: 64.4) | Labour Force Survey, Statistical Office of the Republic of Serbia   |
| <b>Outcome 1.1:</b><br>Enhanced employment prospects of youth and other vulnerable groups   | Proportion of youth (aged 15-29) not in education, employment or training - NEET rate                                     | Percentage       | 15.1 (2022)                               | 11.7 (2032)                             | Labour Force Survey, Statistical Office of the Republic of Serbia   |
|   | Share of NEET (15-29) included in YG in the total number of NEET  | Percentage       | 0 (2023)                                  | 50 (2032)                               | Labour Force Survey, Statistical Office of the Republic of Serbia; Reports of the National Employment Service |
|   | Social enterprises registered and active  | Number           | 16 (2023)                                 | 100 (2029)                              | Agency for Economic Registries Register of Enterprises  |
| <b>Outcome 1.2:</b><br>Improved flexibility and relevance of the education system for employability.  | Share of 25-64 aged population participating in education and training 4 weeks prior to the survey (disaggregated by sex) | Percentage       | 5.2 (Male: 4.4; Female: 5.9) (2022)       | 7.5 (Male: 6.9; Female: 8) (2030)       | Labour Force Survey, (metadata), <sup>95</sup> Statistical Office of the Republic of Serbia                   |
|   | PISA science literacy scores (disaggregated by sex)   | Number           | 447 (Girls: 449, Boys: 446) (2022)        | 470 (Girls: 470, Boys: 470) (2029)      | PISA testing results published by the OECD  |

<sup>95</sup> Data for this indicator is available at the Serbian SDG tracking platform (<https://sdg.indikatori.rs/sr-cyrl/area/quality-education/?subarea=SDGUN040301&indicator=240002090105IND01>) as well as through the database of the Statistical Office of the Republic of Serbia (<https://data.stat.gov.rs/Home/Result/SDGUN040301?languageCode=sr-Latn>). Please note that both sources contain a technical error in that they display in the title that the share is for the previous 12 months. The stated values are actually for the 4 weeks prior to the survey. Additionally, please note that these figures are not part of the officially published Labour Force Survey but are published as supplementary data, in accordance with standing agreements with Eurostat.

| Results  | Indicator   | Measurement Unit | Baseline     | Target           | Source   |
|--|---|------------------|--------------|------------------|--|
|  | Persons who have obtained full qualifications through services of recognition of prior learning                           | Number           | 11<br>(2022) | 150<br>(2032)    | Education Management Information System-generated report of ministry in charge of education                          |
|  | Persons who have obtained partial qualifications through services of recognition of prior learning                        | Number           | 58<br>(2022) | 550<br>(2032)    | Education Management Information System-generated report of ministry in charge of education                          |
| <b>Output 1.1.1:</b><br>Employment opportunities of young people (15-29) enhanced through implementation of Youth Guarantee and improved capacities of the NES   | NEETs included in Youth Guarantee through measures supported by the Programme   | Number           | 0<br>(2022)  | 10,775<br>(2031) | Interim and Final Report of the NES, Annual reports of the NES and Report of the YG Coordinator on YG implementation |
| <b>Output 1.1.2:</b><br>Capacities of national, provincial and local youth policy stakeholders to implement, monitor and report on youth employment policy and other policies relevant to youth strengthened | Unregistered NEETs reached through outreach activities of CSOs and youth workers  | Number           | 0<br>(2023)  | 13,000<br>(2029) | Interim and Final Report of the e ministry in charge of youth, Report of the YG Coordinator on YG implementation,    |
|  | Youth Spaces at local level revitalized and equipped  | Number           | 0<br>(2023)  | 15<br>(2029)     | Project reports of the ministry in charge of youth   |
|  | Quality standards and accreditation mechanisms for youth spaces and services developed by the ministry in charge of youth | Yes/no           | No<br>(2023) | Yes<br>(2028)    | Project reports of the ministry in charge of youth   |
| <b>Output 1.1.3:</b><br>Employment of vulnerable groups supported through social entrepreneurship  | People whose employment in social enterprises has been supported through the Programme                                    | Number           | 0<br>(2023)  | 500<br>(2029)    | Project reports of the ministry in charge of employment  |

| Results   | Indicator  | Measurement Unit | Baseline       | Target        | Source  |
|---|--|------------------|----------------|---------------|---|
| <b>Output 1.2.1:</b><br>National Qualification Framework system improved by creating multiple entry opportunities for reskilling and upskilling | Qualification standards whose development was supported by the Programme       | Number           | 0<br>(2022)    | 60<br>(2030)  | Education Management Information System-generated report of ministry in charge of education |
| <b>Output 1.2.2:</b><br>Equipped chemistry, biology and physics cabinets in primary and secondary general schools                               | Percentage of equipped natural science classrooms in elementary schools        | Percentage       | 16,5<br>(2023) | 100<br>(2028) | Project report of ministry in charge of education   |
|   | Percentage of equipped natural science classrooms in secondary general schools | Percentage       | 23<br>(2023)   | 100<br>(2028) | Project report of ministry in charge of education   |

### Type of activities

#### Outcome 1.1: Enhanced employment prospects of youth and other vulnerable groups

##### Output 1.1.1: Employment opportunities of young people (15-29) enhanced through implementation of the Youth Guarantee and improved capacities of the NES

Implementation of employment services and active labour market programmes to young NEETs: After young people register with the NES, they will be referred to services and programmes intended to better prepare them for labour market entry. The NES will offer a number of services that are part of their service portfolio, including active job search skills, career guidance and professional orientation, motivation training, and training on how to start own business. While most of the preparation services are provided in-house by NES counsellors there are preparation services such as short-term trainings (basic computer literacy, languages, accounting etc.), that are provided externally. Availability of such courses to the unemployed will widen the spectrum of services provided by the NES. As part of the YG offer, within 4 months the NES will provide an offer of employment, further education or training, or traineeship, to young people enrolled into the YG. Financing of ALMPs through this OP will provide an opportunity to include a larger number of young unemployed, but also to pilot some new programmes. This offer will include programmes that support creation of new jobs, along with programmes that raise skills and competences of the labour force, and programmes that enable first encounter with the world of work. Employment subsidies will be primarily aimed at vulnerable groups facing higher risks in the labour market. Due to that fact that young women often face difficulties entering labour market due to care and family responsibilities, additional support measures will be introduced (childcare grants, priority access to community-based services etc.) to facilitate their labour market integration.

Strengthening of NES YG service delivery: Capacities of the NES will be further strengthened for more efficient provision of services to unemployed youth. As part of these efforts, NES will invest into digitalization of services intended for the unemployed, employers and employees of the NES. With regards to unemployed, focus will be on digitalization of career information and guidance services and services that can facilitate career choices. Services targeting employers (e-employer) will be digitalized with the aim to facilitate communication and accelerate service provision. The NES will also strengthen its human capacities through digitalization of some of the trainings for its employees into e-formats.

Strengthening YG monitoring system: To adhere to the monitoring requirements set in the EMCO Indicator Framework for Monitoring the Youth Guarantee, NES ICT needs to be further upgraded to ensure timely data collection including through alignment with other institutions including the Tax Administration, the ministry in charge of the economy, the ministry in charge of education, the ministry in charge of agriculture etc. This will also include signing of cooperation protocols where necessary and revising internal procedures to enable the smooth application of the YG monitoring system. In addition, capacities of the ministry in charge of employment, as the

YG Coordinator, will be strengthened, particularly related to collection of data from the NES and other partners and preparation of reports.

### **Delivery methods**

Implementation of employment services and ALMPs to young people and strengthening of a monitoring system will indicatively be ensured through a direct grant to the NES, as the implementing agency for YG. Capacity building activity is designed to strengthen the policy-making process and enhance the YG service delivery accordingly. The policymaking and policy implementation capacities of the ministry in charge of employment and NES and other relevant partners in YG will be supported through training, consultancy, and learning about best practices which will be implemented via a service contract.

### **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Opportunity to contribute to the green economy,
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

### **End-recipients and Target groups:**

Target groups are as follows:

- Young NEETs (15-29),
- Other unemployed,
- NES staff.

End-recipients are as follows:

- The NES,
- Ministry in charge of employment,
- Ministry in charge of education,
- Employers and employers' organizations,
- Trade unions,
- Adult training providers.

**Conditions** – The Government of Serbia implements the Youth Guarantee Implementation Plan envisaged reforms and initiatives, relevant for the full implementation of the Youth Guarantee.

### **Output 1.1.2: Capacities of national, provincial and local youth policy stakeholders to implement, monitor and report on relevant youth employment policy and other policies relevant to youth strengthened**

Implementation of outreach activities towards young NEETs: Outreach activities include identification of young NEETs most detached from the labour market, provision of preparation services oriented towards their motivation and activation and referral to NES as the point of contact for YG entry. The outreach activities will be implemented in partnership with (umbrella) youth organisations, youth workers and staff of the Youth Offices as they are best placed to reach out to inactive youth. Outreach activities will be based on the methodology developed during the piloting of the YG and under this OP upscaling of outreach efforts will be ensured on the territory of the entire country. Within this activity the following will be included: mapping/assessment of services and programmes available to young NEETs at the local level to understand what is available to young women and men at the local level and what are potential gaps in service delivery that have to be addressed before full roll-out of the YG, actions to build the outreach capacity of relevant youth actors (including identification and motivation of young people to take part in services and programmes as well as referral to the NES and provision of additional motivational services to inactive and demotivated), and provision of grants for outreach activities to relevant civil society organisations. Outreach activities will be complemented by provision of information, communication and awareness-raising activities organised with other YG partners. Various communication channels/tools/methods shall be used, such as: face-to-face contacts, social media, traditional media (TV, radio, news portals, magazines), events, electronic and printed publications, promotional materials, photo and audio-visual materials, etc.

Development of work standard for local Youth Offices and youth workers: To ensure the quality of non-formal education and non-formal learning programmes, special attention will be paid to raising the competencies of those working with young people through development of work standards of local youth offices and their services, as well as competence of coordinators. The existing YO work standards and competencies of YO coordinators will be upgraded. Special attention will be paid to better informing young people about the activities of the YOs. The MoTY, together with the relevant bodies and institutions, will play an important role in defining the national qualification standard for youth workers (level V, VI and VII according to the NQFS), primarily through participation in the work of sector councils and councils for the NQFS. The standards should also include the competencies of certified youth workers to work and create adequate support for young people from groups at risk of social exclusion. To further strengthen institutional framework, establishment of professional association of youth workers will be supported.

Support to accreditation of youth association as publicly recognised organizers of activities: Efforts will be invested to support accreditation of youth association as publicly recognised organisers of activities (PROAEA) within the Agency for Qualifications, as currently only one association is accredited.

Establishment/or adaptation of youth spaces at local level and their equipping: To upgrade the quality of working with young people, new accessible youth spaces will be established/adapted in accordance with defined standards and competencies of those who work with young people raised. This implies assessment of existing spaces in terms of investment required, construction/adaptation, equipping, developing standards for youth spaces, in terms of infrastructure and equipment and in terms of non-formal education and informal learning programmes that are implemented, including youth work programmes. Based on initial work done by OPENS,<sup>96</sup> quality standards and accreditation mechanisms for youth spaces and services are to be fully developed by the ministry in charge of youth. This requires conducting a comprehensive consultation process, analysis of an optimal and sustainable youth space model, establishing a database, and other activities that require support. When developing standards for youth spaces, as well as during the process of adaptation and creation of spaces for young people, principles of universal design will be applied, in order to ensure that all spaces are accessible to young people with disabilities.

A difference should be made between spaces that can be used by young people or for implementation of activities with youth, i.e. between Youth Spaces and Youth Offices. Youth offices are part of public administration, established and funded by LSGs, in line with their needs and capabilities, with the purpose of ensuring conditions for the active inclusion and empowering of young people in community. The YO is represented by a Coordinator who is an employee of LSG (municipality, city) and manages the YO. On the other hand, **Youth Spaces** are a much broader concept that refers to physical spaces where services and programmes are developed and implemented through intersectoral cooperation of different youth policy actors, LSGs, local institutions and the private sector. They include three different types of spaces - Youth Clubs, Youth Centres and the Youth Resource Centres that differ by purpose but also in spatial and programmatic capacity.

- **Youth Club** - A youth club is a place/space where young people gather and spend their free time, and in which various programmes, projects and youth work activities are implemented. All activities are under the direct supervision of accredited youth workers. A youth club can be founded and managed by a youth association, a civil society organisation for youth, the local government, a school, a church or other relevant institution.
- **Youth Centre** – The Youth Centre is a place/space where young people gather to spend their free time but also for the purpose of acquisition specific knowledge and skills. These are primarily spaces where integrated services are provided to young people at the local level. Standards for youth centres that cover aspects of their work policies, programmes, infrastructure, management and administration, are based on the positive practice of youth centres in the EU. to reach the best solution for the establishment of youth centres in Serbia, an analysis of the optimal scope and model of organising a network of youth centres in Serbia is underway, in order to provide integrated services for young people that are available to all young people. Within the analysis, recommendations will be made for further directions of action, in order to reach the best solution for the establishment and operation of youth centres, in accordance with the proposed standards that need to be met. There are currently two youth centres (in Loznica and Novi Sad). The key difference between a youth centre and a youth club is in the level of participation of young people in decision-making processes and implementation of activities. In the youth centre, young people can only be "passive" users of services, while in the youth club they decide what the club will look like, what its working hours will be, participate in the creation of programmes etc.

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<sup>96</sup> "Стандарди оmlадинских простора – оmlадински клубови, оmlадински центри и оmlадински ресурсни центри", Оmlадински савез удружења „Нови Сад оmlадинска престоница Европе – ОПЕHC“, 2021 - <https://storage.googleapis.com/stateless-opens2019-rs/2022/07/ed7fd258-opens-standardi-omladinskih-prostora.pdf>

- **Youth Resource Centre** - represents a higher level of capacity development of the youth centres. It represents the youth centres, but which has the capacity to improve youth policy, strengthen capacities of actors of youth policy, and providers of services/programme of youth work and informal education for young people. The YRC is a space intended for young people and actors of youth politics, not only in being beneficiaries of youth policies but also to be actively involved in its development. YRC represents a space for knowledge and expertise exchange by connecting young people, practitioners of youth work and informal education, researchers and decision makers. At this moment, there is one youth resource center in Serbia, “Eco Centre Radulovački” in Sremski Karlovci, which is recognized by the Council of Europe and has a recognized “Quality Label” for Youth Centres assigned by the Council of Europe.

Within this OP, the Youth Spaces that will be constructed, adapted, equipped, and stimulated to provide engaging content for young people, will be primarily **Youth Centres** that will be made available to all local actors (CSOs and youth associations, youth workers, NES, LSG etc.) for implementation of services and programmes intended for young people within the scope of the YG. Youth Spaces will enable integrated service provision and will enable intersectoral cooperation in the best interest of young people. The proposed revitalised Youth Spaces are envisaged to be distributed evenly throughout the territory of Serbia. The new analysis that is described in Section 2 should provide data on the exact number and layout of these spaces, and will be used for further detailed determination of their regional layout.

Strengthening capacities of relevant institutions on national, provincial and local level on reporting: To contribute to YG monitoring, national, provincial and local subjects of youth policy as well as youth and youth associations and youth offices to collect and process data and report on young people about the provided youth services will also be strengthened. This implies development of reporting formats that will be part of a reporting system and training staff on how to use these formats. Special attention will be paid to data collection and development of inter-sectoral cooperation mechanisms, as well as programmes and measures aimed at reducing social exclusion and segregation of vulnerable groups.

### **Delivery methods**

The development of standards, support to accreditation, and capacity strengthening will indicatively be supported through service contract managed by the ministry in charge of youth.

For the implementation of outreach activities, indicatively a direct grant to the ministry in charge of youth will be provided. In that case the ministry will, through a grant scheme, provide support to relevant youth actors (youth umbrella organisation, youth organisations, youth centres and others) to conduct outreach activities.

The revitalisation of youth spaces will indicatively be supported through a grant to the ministry in charge of youth.

### **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Opportunity to contribute to the green economy,
- Size and capacity of the local self-government that is to revitalise a youth space,
- Level of development of the youth sector in a particular local self-government unit,
- Level of activity of civil society sector in a particular local self-government unit,
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

### **End-recipients and Target groups:**

Target groups are as follows:

- Young NEETs (15-29),
- Ministry in charge of youth,
- (Umbrella) youth organisations,
- Association of Youth offices,

- Civil society organisations,
- Youth offices,
- Youth workers.

End-recipients are as follows:

- Ministry in charge of youth,
- Ministry in charge of employment,
- Local self-governments,
- Agency for Qualifications.

**Conditions** – The Law on Youth needs to be revised and revisions adopted.

### **Output 1.1.3. Employment of vulnerable groups supported through social entrepreneurship**

Awareness raising/information campaign: The programme will provide support to awareness raising and information dissemination with an aim to encourage registration of social enterprises in accordance with the existing legal framework. Efforts will be made to promote the idea of social entrepreneurship, its values and benefits, disseminate information on registration as per the Law.

Strengthening capacities of institutions and other relevant actors on social entrepreneurship: Development of the social entrepreneurship ecosystem will be encouraged by strengthening the capacity of the line ministry in charge of employment to further develop and support social enterprises as well as other institutions to provide assistance to social enterprises. Support to social entrepreneurship sector will also include assessment of possibilities and proposal/establishment of institutional mechanism for sustainable financing of social enterprises based on the best-case examples from the EU.

Grants to selected social enterprises to start or further develop their business/expand their business: The development of social enterprises will be further encouraged by granting of entities that want to start business according to the social entrepreneurship principles as well as granting those that already operate for the purpose of business expansion and job generation. Grants to social enterprises will be delivered as much as possible through channels foreseen under the Social Entrepreneurship Development Programme. Through granting of social enterprises employment of vulnerable groups, particular emphasis on vulnerable women will be supported. Support to economic empowerment and social integration of the vulnerable groups of women will be provided through established community-based gender transformative initiatives.

### **Delivery methods**

For the implementation of all three categories of activities under this output, indicatively a direct grant to the ministry in charge of employment will be provided. In that case the ministry will, through the grant scheme, provide support to relevant social enterprises to further expand their business as well as to women civil society organisations.

This activity will be complementary to and supported by the IPA 2024 delegation agreement with UN Women.

### **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Opportunity to contribute to the green economy,
- Opportunity to engage women civil society organisations and organisations representing vulnerable groups,
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

### **End-recipients and Target groups:**

Target groups are as follows:

- Vulnerable groups,
- Women civil society organisations
- Potential social enterprises,
- Social enterprises, ministry in charge of employment.

End-recipients are as follows:

- General public,
- Ministry in charge of employment,
- Local self-governments,
- Serbian Chamber of Commerce,
- National Employment Service,
- Private sector companies,
- Network of social enterprises.

**Conditions** – N/A

## **Outcome 1.2: Improved flexibility and relevance of the education system for employability**

### **Output 1.2.1: National Qualification Framework system improved by creating multiple entry opportunities for reskilling and upskilling**

Implementing the National Qualification Framework System at all levels of education and improving student mobility: To better match labour market need with education offers, support will be provided to the public authority in charge of dual education and the National Qualifications Framework system and other relevant actors for integrating and implementing principles of the National Qualification Framework into all levels of education so that it fully corresponds to modern trends in the world of work influenced by the processes of digitalization, automation and the application of the Green Agenda. It is vital to support different ways of obtaining qualifications and opportunities for horizontal and vertical mobility in the qualification system, including academic mobility, a model of student mobility from academic to professional studies and vice versa. Achieving this requires implementing some or all of the following:

- Improvement of the legislative, institutional and methodological framework for the development of qualification standards, implementation of Career Guidance and Counselling, the system for recognition of prior learning, adult education (continuous/non-formal), regulated professions, and recognition of foreign diplomas to make system more efficient and fit to purpose.
- Improvement of the analytical framework and instruments to assist the NQFS Council to provide policy recommendations regarding the enrolment in secondary schools and higher education institutions and the preparation of labour market relevant qualification standards.
- Development of qualification standards at all NQFS levels (for example, for short cycles at level 5 NQFS, partial qualifications and micro-credentials) aligned with the needs of the individuals, the labour market and society as a whole, emphasising digital and green skills.
- Support to expanding the network of accredited providers and services and increasing the offer in education and training including, if proven necessary, support to various actors in the process of accrediting and/or developing programmes based on qualification standards and/or occupational standards. This could include but is not limited to recipients like universities, Regional Training Centres, and Publicly Recognised Organisers of Adult Education.

### **Delivery methods**

A direct grant and/or a service contract will indicatively be provided to the public authority in charge of dual education and the National Qualifications Framework system, and/or, if proven necessary, to other institutions in charge of implementing the listed activities. The Government of Republic of Serbia has established The Office for Dual Education and NQF to provide coordination of various state and non-state stakeholders for dual education and above all for development of the NQFS. The Office as a part of the Government is seen as optimal institutional form to coordinate sector wide approach, to provide relevant analytics, research and to measure effects for NQFS and dual education development, and none of other institutions within educational system has the jurisdiction for those activities.



## **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Opportunity to contribute to the green economy.
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

## **End-recipients and Target groups:**

Target groups are as follows:

- Social partners,
- Education providers (schools, faculties and PROAE),
- Learners/students.

End-recipients are as follows:

- Public authority in charge of dual education and the National Qualifications Framework system,
- Ministry in charge of education,
- Agency for Qualifications,
- National Council for higher education,
- National Body for Accreditation and Quality Assurance in Higher Education (NAT)
- Serbian Chamber of Commerce,
- National Employment Service.

**Conditions** – N/A.

## **Output 1.2.2. Equipped chemistry, biology and physics cabinets in primary and secondary general schools.**

Equipping the cabinet of natural sciences (physics, chemistry, biology) in elementary schools and secondary general school: Delivery of equipment for chemistry, biology and physics cabinets in primary schools and secondary general schools in accordance with the standards defined by the relevant regulations and the current needs and gaps as identified within the IPA 2016 REDIS TA contract.

In 2022, within the IPA 2016 REDIS contract, the complete PRAG-compliant Supply Contract tendering documentation for equipping all primary and secondary schools in Serbia has already been fully prepared, including needs analysis, full technical specifications, market research, resulting distribution lists etc. On the basis of the already completed analysis of all primary and secondary general schools in Serbia and their equipment needs/capacities to provide practical science instruction, the ministry in charge of education will distribute the procured equipment to every school to ensure a universal level of coverage that is adequate for instruction of chemistry, physics, and biology.

## **Delivery methods**

Implementation of all activities related to this output will indicatively be supported through a supply contract to the ministry in charge of education for equipping primary schools and secondary general schools.

## **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Opportunity to contribute to integrating the Green Agenda in teaching and learning,
- Financial, operational, and infrastructure capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

### **End-recipients and Target groups:**

Target groups are as follows:

- Teachers,
- Pupils and students.

End-recipients are as follows:

- Ministry in charge of education,
- Primary schools,
- Secondary general schools.

**Conditions** – Active participation of schools exists in securing conditions and space for equipment, equipment is maintained and qualified staff is engaged to use the equipment.

## **Area of Support 2: Social Inclusion**

### **Rationale**

The proposed interventions within this Programme are designed to address key issues in social inclusion, recognising the Programme's utility in positively impacting the social housing system, the services and capacities for deinstitutionalization and the further development of integrated services.

In social housing, having recognised the escalating situation in the regular housing market and with Serbia now developing the necessary underlying legal and strategic framework for better housing, the proposed interventions would directly enhance the social housing system in Serbia, continuing work to build a comprehensive set of social housing instruments for formulation and implementation of policy at all levels. This continues and expands upon the initial reform processes supported by various previously elaborated international development assistance projects, with an obvious need now being to develop and rely further on national capacities for the implementation of housing for the benefit of Serbian citizens, with special emphasis on vulnerable groups.

To address adequately the housing needs of the targeted beneficiary groups different housing programmes are envisaged. The programmes / projects will comprise a) land preparation, design and construction of housing units with call for application, selection and rent contracting with eligible households, and b) alternative housing solutions, including delivery of building materials for completion of own house, purchase of village houses, refurbishment of the houses owned by young people leaving social protection institutions, regularization and improvement of informal Roma settlements and other. The programmes will be developed at the national level by the line ministry and implemented at the local level, primarily through the specialised housing institutions, existing or established within the OP, as foreseen by the housing law. Recognising that national capacities for housing policy are a key enabler of successful housing provision, a special unit within the Housing Department of MCTI will be capacitated to become before the end of the OP implementing period a full-fledge national level housing institution in charge of managing housing policy implementation through programming and financing. The housing projects will be financed as grant schemes drafted by the public authority in charge of housing and the public authority in charge of support to internally displaced persons to the municipalities or non-profit housing organizations and will have these authorities monitor their implementation.

Further support to deinstitutionalization efforts will be provided through transformation of Institutions for children and youth without parental care into Centres for Children, Youth and Family. Understanding that both children/youth and adults/elderly are different categories of long-term residents of social protection institutions, the Programme will be utilised to assist the deinstitutionalisation of children and youth with more emphasis. This is due to the previous relative successes of working with children and youth and recognising that the problem of adults and the elderly is more sizable than the available resources of the Programme. With the level of Programme support available and the specific timeframe it will be available in, it presents an immense opportunity to make a significant and crucial step towards the resolution of the issues of children and youth in institutions. The transformation is aimed at reforming the mandate of these institutions, i.e. the services they provide, that should result in a decrease in the number of children and youth beneficiaries in accommodation and an increase in those who use social protection services in the community.

While stating a focus on children and youth, it is emphasised that the activities of the Programme directed at capacity building, specifically the service contract envisaged for the ministry in charge of social affairs, will be of benefit to the entire population currently housing in institutions. To effectively support de-institutionalisation processes, the relevant capacity building programmes and institutional linkages of all relevant actors will be strengthened, including the ministry in charge of social protection, professionals in the social protection system, civil society, non-professionals (family members, care providers etc.), and the LSGs.

Tying together the issue of housing support and deinstitutionalisation is the development of integrated services. Given that the lack of interconnectedness of services and the providers of services has been a long-recognised problem in social protection in Serbia and the fact that a number of projects have been engaged in developing a starting basis for integrated services through piloting and similar measures, the Programme's support will be utilised to bring together the previous positive results in the field of social protection for a system that can link together and provide a set of services supporting the employment, health, education, and social inclusion of citizens across the Republic of Serbia. Given previous positive experience, the need to work primarily at the local level, and the need for multisectoral engagement, this activity is indicatively envisaged as a grant to the Standing Conference of Towns and Municipalities

### Applicable EU legislation

Interventions under this SO are not part of the *acquis* but adhere and contribute to implementation of the principles established in the European Pillar of Social Rights as well as the revised European Social Charter in particular principle of social protection and inclusion and equal opportunities. In regard of the housing support, EU member states have very different housing legislation among themselves with a full range of different housing policy evolutions. They are all an important basis for developing policy in Serbia. The National Housing Strategy and the Law on Housing and Housing Maintenance as well as the number of local housing strategies (many of them being formally outdated but still relevant) have their role model in practice and legislation of the EU member states. An indirect contribution to the EU *acquis* is the establishment of a sustainable mechanism for programming, financing and implementing housing support. The intervention is in direct line with Revised European Social Charter and the EU Pillar for Social Rights and its Action Plan within the area of social protection and inclusion, referring to the access to affordable housing and in specific to combating homelessness.

### Outcomes (Specific objectives):

#### 2.1: Support provided to provision of housing solutions for sustainable communities

#### 2.2: Developed system for provision of integrated community-based services to support the deinstitutionalisation process at the local level

#### Typologies of outputs:

Assessment, design and delivery of trainings, development of regulations, rulebooks and procedures, rehabilitated social care institutions, new social housing construction, various housing construction interventions, purchase of equipment, design and delivery of support programmes for integrated community-based services.

**Table 8: Impact, outcome and output indicators (incl. baselines and targets):**

| Results   | Indicator  | Measurement Unit | Baseline  | Target  | Source   |
|---|--|------------------|---|---|--|
| <b>Impact:</b><br>To improve the livelihoods of young and vulnerable people by supporting their employment, development of skills, and social inclusion | At-risk-of-poverty rate (disaggregated by sex and particularly monitoring the rate for children) | Percentage       | 20<br>(Female: 20.7, Male: 19.3, Children 0-17: 20.3)<br>(2022) | ≤7.9<br>(Female: ≤8.6, Male: ≤6.1, Children 0-17: ≤8.2)<br>(2032) | Survey on Income and Living Conditions, Statistical Office of the Republic of Serbia |
| <b>Outcome 2.1:</b><br>Support provided to provision of housing solutions for sustainable communities   | Households whose costs of housing present a significant burden to the household budget           | Percentage       | 49.7<br>(2022)  | ≤35<br>(2032)   | Survey on Income and Living Conditions, Statistical Office of the Republic of Serbia |

| Results   | Indicator  | Measurement Unit | Baseline      | Target        | Source  |
|---|--|------------------|---------------|---------------|---|
| <b>Output 2.1.1:</b><br>Developed capacities at the national and local level and social housing units built, rehabilitated or completed   | Staff in national and local housing authorities, organisations, and LSGs trained                   | Number           | 0 (2023)      | 100 (2032)    | Project reports of public authority in charge of internally displaced persons; Project reports of public authority in charge of social housing; |
|   | Housing units built, rehabilitated, or completed   | Number           | 0 (2023)      | 557 (2032)    |   |
| <b>Outcome 2.2:</b><br>Improved access to and quality of social services for vulnerable groups at the local level in support of the deinstitutionalisation process and the development of integrated services | Persons benefiting from community-based services   | Number           | 24,782 (2021) | 30,782 (2032) | Interim and Final Report of the SCTM, Reports of the Republic Institute for Social Protection   |
|   | Local self-governments in which at least two community-based services are available                | Number           | 56 (2021)     | 124 (2032)    |   |
| <b>Output 2.2.1:</b><br>Institutions for children and youth without parental care transformed into Centres for Children, Youth, and Family  | Established and equipped Centres for Children, Youth and Family                                    | Number           | 0 (2023)      | 4 (2029)      | Reports of the Ministry in charge of social protection, Reports of the Republic Institute for Social Protection                                 |
|   | Beneficiaries using services of the Centres for Children Youth and Family                          | Number           | 0 (2023)      | 600 (2029)    |   |
| <b>Output 2.2.2:</b><br>Realised training programmes and grants relevant for deinstitutionalisation and development of integrated services for national and local level stakeholders                          | Staff members trained  | Number           | 0 (2023)      | 800 (2032)    | Project reports of the ministry in charge of social protection, Project reports of the Standing Conference of Towns and Municipalities          |
|   | Services and service standards developed and implemented in Centres for Children, Youth and Family | Number           | 0 (2023)      | 4 (2029)      |   |
|   | Social service recipients in local self-governments supported through the Programme                | Number           | 0 (2023)      | 750 (2032)    |   |

### Type of activities

#### Outcome 2.1: Support provided to provision of housing solutions for sustainable communities

##### Output 2.1.1: Developed capacities at the national and local level and social housing units built, rehabilitated or completed

Building capacities for programming, financing and implementation of housing policy at the national and local level: This activity comprises various actions related to conceptualising and implementing training curricula, development of statutory documents, a business plan and rules of procedure. In order to organise training for the staff in municipalities engaged in housing policy formulation, project planning and implementation activities, the public authority in charge of social housing will organize development of training curricula for training of trainers and delivering trainings. An adequate intermediary training service provision mechanism will be identified and supported.

At the local level, this activity comprises further process of supporting Municipal Housing Agencies (MHAs), following the framework of the Law on Housing and Building Maintenance. The MHAs and relevant staff in the municipalities will receive specific trainings in preparation of local housing strategies and action plans. As part of the Programme, the municipalities will prepare new or update existing municipal housing strategies. Likewise, civil society organisations engaged in social housing will also be engaged to develop the necessary capacities to realise housing solutions for inclusive and sustainable communities.

Implementation of housing projects: There will be two sets of activities under this output, one to be realised under the auspices of the public authority in charge of internally displaced persons and the other under the auspices of the public authority in charge of housing.

The first set of activities will be implemented by the public authority by procuring the necessary works for buildings and implementing a grant scheme for the provision of rural houses as well as a grant scheme for provision of building material packages.

As for the second set of activities, the standardized process for all housing projects will comprise a call for grant application for the municipalities or alternatively a direct agreement in cases when the beneficiaries are identified already, assessment of applications and fulfilment of conditions, awarding grants to municipalities/MHAs/CSOs, implementation and monitoring of housing projects. Depending on the agreed conditions, the second grant contract can finance only works or it can comprise design and supervision services and also infrastructure services on the location. The projects will comprise of construction of new housing rental units or other alternative housing solutions, including rehabilitation of existing housing, supply of building materials or improvement of housing conditions through provision of services, all according to the scope of “housing support” interventions defined in the Law on Housing and Building Maintenance. Within the second grant contract particular housing support will be provided to the already identified 157 young people without parental care leaving social protection institutions, through rehabilitation of their own property to the level of liveability. For this programme, the ministry in charge of social protection has already prepared a preliminary assessment of the existing property and interest levels of the recipients. Procurement of services and works done by MHAs, LSGs, civil society organisations, or contractors, as part of grant implementation, will be monitored by the public authority in charge of social housing.

Provision of supportive measures to enable life in the community for beneficiaries of housing solutions: The Programme will provide support for the development and implementation of measures seeking to benefit people housed in newly provide units as well as the general receiving community by applying one or several of the currently developing models of social housing, service provision and related activities aimed at improving inclusion of young people and vulnerable communities, in a gender-equitable manner, and developing community-level dialogue. To best implement inclusive and sustainable models of housing and community development, the public authority in charge of social housing and the ministry in charge of social protection will work closely with women CSOs and CSOs representing vulnerable communities to best integrate their perspectives and directly support the implementation of appropriate measures.

### **Delivery methods**

Indicatively, direct grant to the public authority in charge of internally displaced persons, and/or through (a) works contract(s).

Indicatively, direct grant and/or through contracts for works and services to the public authority in charge of social housing.

### **Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Adequate prioritisation of housing needs,
- Availability of land for construction,
- Capacities of implementing partners to procure and manage works, service contracts, and beneficiary selection,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of supported models and housing solutions,
- Meeting high energy efficiency standards and incorporating the Green Agenda in all solutions.

**Target groups:**

- Internally Displaced Persons,
- Roma,
- Low income and vulnerable households, among which young families with children,
- Single parent headed families with children,
- Women victims of domestic violence,
- Households with a family member with disability,
- Homeless people,
- Young people without parental care leaving social protection institutions.

**End recipients:**

- Public authority in charge of internally displaced persons,
- Public authority in charge of social housing,
- Ministry in charge of social protection,
- LSGs,
- Civil society organisations (especially those working with women and vulnerable communities),
- MHAs.

Conditions – N/A.

**Outcome 2.2: Improved access to and quality of social services for vulnerable groups at the local level in support of the deinstitutionalisation process and the development of integrated services****Output 2.2.1: Institutions for children and youth without parental care transformed into Centres for Children, Youth and Family**

Transformation of institutions for children and youth without parental care into Centres for youth and family: Further support to deinstitutionalization efforts will be provided through transformation of Institutions for children and youth without parental care into Centres for Children, Youth and Family. The transformation is aimed at reforming the mandate of these institutions, i.e. the services they provide, that should result in a decrease in the number of beneficiaries in accommodation and an increase in those who use social protection services in the community. The implementation of the foreseen intervention will enable the reorganization of the existing institutions so that they provide a wider range of services (including family support services), especially those that support life in the community. Transformation would entail assessment of the existing infrastructural conditions, preparation of technical documentation for infrastructural improvements, works and equipping of Centres as well as strengthening of professional capacities for service delivery which is envisaged under Output 2.2.2.

**Delivery methods**

Indicatively, direct grant to ministry in charge of social protection, and, if necessary, works contracts.

**Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

**Target groups:**

- Ministry in charge of social protection,
- Staff of the Centres for Children, Youth and Family,

- Children, youth and their family members (biological and foster families),
- Families.

**End recipients:**

- Ministry in charge of social protection,
- CSW,
- LSGs,
- Service providers,
- Local community.

**Conditions:** Adoption of the Action Plan for the Strategy on Deinstitutionalisation.

**Output 2.2.2: Realised training programmes and grants relevant for deinstitutionalisation and development of integrated services for national and local level stakeholders**

Strengthening capacities of relevant social protection actors to plan, implement and monitor provision of social services: This activity entails several recipients of capacity building support including MoLEVSA, professionals in the social protection system, non-professionals (family members, care givers etc.). With regards to capacity building activities, the MoLEVSA will be supported to adequately plan and monitor implementation of transformation of institutions and services provided to social protection beneficiaries, as well as to define services and service standards for Centres for Children, Youth and Family as well as improving service standards for children leaving care. For newly established Centres to be operational and provide adequate services to end beneficiaries, set of services to be provided along with standards have to be developed and staff capacitated for their provision through appropriate trainings. Capacities of other actors, including professionals in the social protection system will be enhanced through a series of continuous education and other activities aimed at acquiring the specific knowledge and skills needed to implement transformation related activities.

Strengthening capacities of LSG for provision of innovative, integrative, and intermunicipal services in line with the citizen’s needs: Building on results of IPA 2020 project “Support to sustainable community-based social services and inclusion policies at the local level”, capacities of LSGs as well as different service providers to provide innovative, integrated, and intermunicipal services in community will be strengthened. Focus on service provision will be in partnership between different institutions (social protection, health, employment, education etc.) and civil society organisations (women CSOs, organisations targeting Roma people, and other types of organisations) as well as on establishment of joint-intermunicipal social services. This would entail preparation of the legal basis for cooperation, training of different actors/local institutions/ LSGs (social and health sectors primarily, but other sectors as well), support in establishment, provision and monitoring of standardised integrated services.

**Delivery methods**

Indicatively, service contract to ministry in charge of social protection and direct grant to Standing Conference of Towns and Municipalities with possibility of sub-granting.

**Selection Criteria**

Formal approval of the criteria for selecting operations to be financed under this output will be developed at a later stage by the relevant authorities. In all cases, the principles underlying the selection criteria will include at least the following:

- Relevance of the operation,
- Quality and feasibility of the operation,
- Financial and operational capacity,
- Complementarity with other funds and policies,
- Contribution to the Programme indicators,
- Sustainability of the operation.

**Target groups:**

- Ministry in charge of social protection,

- Staff of the Centres for Children, Youth and Family,
- Children, youth and their family members (biological and foster families),
- Families,
- LSGs,
- Staff from different institutions relevant for the provision of services (LSGs, social protection, health, education, employment etc.).

**End recipients:**

- Ministry in charge of social protection,
- SCTM,
- CSW,
- LSGs,
- Service providers/civil society organisations,
- Local community.

**Conditions:** For wide-scale transformation of institutions for children and youth without parental care transformed into Centres for youth and family, the national legal framework needs to be amended. The local legal and policy framework has to be developed as precondition for service provision at the local level,.

### Area of Support 3: Other Support

**Rationale**

The interventions under the “Other Support” are focusing on support to the Managing Authority and other bodies in the management and control system for the Operational Programme implementation, i.e. the Intermediate Bodies for Policy Management and Intermediate Body for Financial Management. It is to be noted that the IPA III multi-annual Operational Programmes 2024–2027 are the first OPs to be implemented in the Republic of Serbia. In this context, capacities of institutions of the monitoring and control system of this OP for the effective and efficient implementation of Programme activities are one of the most important factors to be considered. For this reason, the technical assistance funds will be used to support the Managing Authority, the Intermediate Bodies for Policy Management, and the Intermediate Body for Financial Management in efficient implementation of activities related to management, monitoring, evaluation, and control of the Operational Programme through assistance with preparation of technical documentation necessary for programme implementation, support in design and implementation of communication and visibility activities, preparation of evaluation reports, day-to-day monitoring of the OP results as well as assistance with desk and on-the-spot management verifications and technical audits. This will also include the wide range of capacity building measures in the areas stated above that are necessities for programme management under IPA III to ensure the competences of the employees and introduction of provisions allowing for additional compensation to the salaries of the selected staff to prevent staff fluctuation and to create a stable, change-resistant working environment. Additionally, activities directed at development of capacities for policy planning, policy implementation, and *acquis* alignment will be eligible for support as well.

**Applicable EU legislation**

Interventions under this SO are not part of the *acquis*. In the possibility that the *acquis may* change during the implementation of the Programme, options will be made available for support in alignment as well.

**Outcome (Specific objective):**

**Outcome 3.1: Established conditions for successful realisation of policies supported by the Operational Programme.**

**Typologies of outputs:**

Capacity building activities (training, coaching, on-the-job support, study visits), promotional and communication activities, monitoring and evaluation, preparation of technical documentation for tenders, preparation of documentation for grant schemes, etc.

**Table 9: Impact, outcome and output indicators (incl. baselines and targets):**



| Results  | Indicator   | Measurement Unit | Baseline    | Target        | Source     |
|--|---|------------------|-------------|---------------|------------|
| <b>Outcome 3.1:</b><br>Established conditions for successful realisation of policies supported by the Operational Programme        | Budget disbursed against total budget allocation  | Percentage       | 0<br>(2023) | 100<br>(2032) | MA reports |
| <b>Output 3.1.1:</b><br>Administrative capacities of MA, IBPMs, IBFM and other relevant institutions increased                     | Employees of national institutions, partners, and beneficiaries supported through training and other forms of capacity building | Number           | 0<br>(2023) | 500<br>(2032) | MA reports |
|  | Systematised work positions supported with compensation of salaries   | Number           | 0<br>(2023) | 60<br>(2032)  | MA reports |
| <b>Output 3.1.2:</b><br>Capacities of Partners to participate actively in Operational Programme implementation strengthened        | Trainings for Partners organised  | Number           | 0<br>(2023) | 10<br>(2032)  | MA reports |
| <b>Output 3.1.3:</b><br>Effective implementation, communication, visibility, and evaluation of the Operational Programme supported | Operation Identification Sheets produced  | Number           | 0<br>(2023) | 16<br>(2032)  | MA reports |
|  | Tender documentation packages, grants, and grant schemes drafted with Programme support   | Number           | 0<br>(2023) | 20<br>(2032)  | MA reports |
|  | Sets of planning and technical documentation for social infrastructure produced with Programme support                          | Number           | 0<br>(2023) | 152<br>(2027) | MA reports |
|  | Mid-term Programme evaluations realised   | Number           | 0<br>(2023) | 1<br>(2028)   | MA reports |

### Type of activities

**Outcome 3.1: Established conditions for successful realisation of policies supported by the Operational Programme.**

#### **Output 3.1.1. Administrative capacities of MA, IBPMs, IBFM and other relevant institutions increased**

Support to the capacity building of MA, IBPMs, IBFM and other relevant institutions. For the management and implementation of the OP, the new structures will be created in the ministries and public bodies responsible for the areas of support being subject of this OP and other relevant institutions. Considering the lack of experience among Serbian administration in implementation and communication of the operational programmes, dedicated capacity building programmes will be developed and delivered for the employees of the institutions in the management structures of the OP with the focus on specific aspects of programme implementation. Different types of capacity building activities will be proposed, such as training (including on-the-job training), coaching, study visits, addressing the needs of different groups of employees based on the Training Needs Assessments and scope of their tasks. The capacity building activities will be launched as soon as the structures for OP implementation will be created and will continue throughout the whole period of OP realisation depending on the needs.

Additionally, the Programme will support exploring and developing capacities of the National Employment Service and the Standing Conference of Towns and Municipalities to become IBFMs themselves and enhance the implementation of IPA and eventual Cohesion Policy funds by improving contracting.

**Delivery methods:** service contracts (indicatively).

**End recipients:**

- Ministry in charge of labour, employment and social inclusion, ministry in charge of education, ministry in charge of youth, public authority in charge of housing, public authority in charge of internally displaced persons, Central Financing and Contracting Unit (CFCU), potential new IBFMs, other institutions determined as relevant.

### **Output 3.1.2. Capacities of partners to participate actively in Operational Programme implementation strengthened**

Increasing the capacities of Partners. The Operational Programme has been prepared in partnership with the relevant public authorities (including regional and national representatives of local authorities), economic and social partners and civil society organisation. The partners have been involved in preparation and consultation of the OP and will be actively involved in its implementation through participation in the Sectoral Monitoring Committee and other activities such as consultation of the results of the Programme implementation, preparation of grant schemes, communication and visibility activities, etc. To ensure the active and effective involvement of Partners, special training programme will be designed and delivered covering all aspects of Programme implementation, monitoring and evaluation.

**Delivery methods:** service contract(s), twinning(s) (indicatively).

**End recipients:**

- Managing Authority

**Partners, including:**

- Relevant public authorities including regional and national representatives of local authorities,
- National public authorities responsible for the application of the horizontal principles,
- Economic and social partners,
- Bodies representing civil society.

### **Output 3.1.3. Effective implementation, communication, visibility, and evaluation of the Operational Programme supported**

Support for the institutions responsible for OP implementation in Programme implementation. Within this activity, the assistance to the MA, IBPMs and IPFM will be provided with preparation of documentation for tenders, works to be realised through grants and grant schemes, conducting studies and analyses indispensable for implementation of the Programme, design and implementation activities related to communication and visibility, such as preparation of promotional materials, organisation of events aiming at dissemination of information of the Programme results, etc.

Support to OP monitoring and evaluation. The activity will support the institutions involved in Programme implementation in tasks related to setting up a monitoring system for the programme and collecting and analysing data related to programme implementation as well as desk and on-the-spot management verifications of projects. Within the activity, preparation of mid-term evaluation for both areas of support being the subject of the Programme will also be undertaken. Additionally, the activity will support MA in performing the task of the secretariat for the Sectoral Monitoring Committee for the Programme: establishment of the SMC, organisation of the SMC meetings (at least twice a year), preparation of reports and documentation for the SMC, etc.

**Delivery method:** service contract(s) (indicatively).

**End recipients:** MA, IBPMs, IBFM

**Conditions:** The adequate staffing of institutions involved in implementation of the OP must be ensured through the stable working environment.

**Indicative timeline for implementation (for all activities)**

All activities will be implemented throughout the duration of the Programme, except for the activity related to evaluation which will be realised in 2027 when the mid-term evaluation report will be prepared. Ex-post evaluation must be covered from another source.

#### **4.2.3 Indicative List of major projects per each area of support**

No major projects are envisaged within this Programme.

### **4.3. Mainstreaming**

#### **4.3.1. Environmental Protection, Climate Change and Biodiversity**

Environmental protection and climate change mitigation have been mainstreamed as relevant to the specific activities in each area of support.

As regards the Youth Guarantee and social enterprises, opportunities for green jobs, including in the circular economy, that contribute to preserving or restoring the quality of the environment will be maximised. The roll-out of digitalised services for NEETs will have a positive environmental impact by reducing transport needs. In the case of any physical investments such as works and equipment for rehabilitating/constructing and equipping youth centres, Centres for Children, Youth and Family, and social housing, specific attention shall be given to maximising energy efficiency and the use of RES to reduce greenhouse gas emissions and the overall dependency on fossil fuels and oils as well as promoting green public procurement, the use of Best Available Technologies and life cycle costing as appropriate for physical investments. In particular, as regards physical investments for social housing, significant positive contributions to the protection of the environment and climate change will be reflected through technical standards set for social housing construction, which includes higher energy efficiency, efficient district heating or use of heat pumps. Higher energy efficiency standards are also associated with the need to reduce the utility costs for the beneficiaries. and also, in case of additional housing allowance, in case of the poorest households, lower utility costs will comprise also lower subsidy (in Serbia, it is applied as % of the rent and utilities, ranging from 30% to 50%). Likewise, special attention will be paid to making the transformed institutions within Social Inclusion Specific Objective 2 energy efficient.

The legal requirements in regard of environmental protection in Serbia are in line with EU directives and it is foreseen that Strategic Environmental Assessment, Environmental Impact Assessment and Climate Risk Assessment will not be required for any of the foreseen works, at the project level. At the level of urban plans, Strategic Environmental Assessment is required, and all the environmental impacts are assessed in the urban plans. If there are any potential environmental risks associated with the projects, mitigation measures would be required in the plan. Possible situations may envisage the need to remediate brownfields for future social housing projects.

From the point of view of the impacts of the individual physical investments on the environment, climate change and biodiversity, these will be assessed through the investment grant application processes; during the development of the grant schemes, specific attention will be paid to developing eligibility or selection criteria that contribute to environmental protection or mitigate climate change. Environmental conditions will be included in works contracts.

#### **4.3.2. Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, the programme is labelled as G1.

The programme will contribute to the National Gender Equality Strategy for the period from 2021 to 2030. Gender mainstreaming has been ensured through the cooperation with UN Women and partners in designing the OP. UN Women provided expert advice and enabled the organising of a workshops specifically on the topic of gender mainstreaming in IPA programming. This has led to the identification of specific actions within the programme that will contribute to gender equality while ensuring that the gender dimension has consistently been taken into account through its design. Furthermore, in line with national law, all applicable statistics will be disaggregated by sex. In the process of planning, implementing and monitoring of all measures in the Programme, a gender-sensitive approach will be applied (including producing gender analyses) to achieve gender-balanced results.

A considerable share of NEET who are inactive are young people with family responsibilities, while 47.1% of all young NEETs have care duties such as childcare, with the dominant representation of young women (almost 80%). The OP will be implemented under the working assumption that the significant majority of these NEETs are women. The Programme will thus support ALMPs that target the women equity at the labour market especially in terms of providing a good work-life balance. Special attention will be given to inclusion of young women, including specific outreach activities to young women in the Roma community, rural areas and vulnerable groups, given the gender gap in youth employment which has worsened in recent years; the improved access to services and programmes shall have a long-term effect on their position in the society. The gender-responsive budgeting

principle implemented when planning national ALMPs that entails the equal participation of unemployed women and men in the measures, including gender-balanced opportunities in the employment process, will be applied in this OP. Additional incentives to encourage and facilitate the labour market integration of those with care and family responsibility will be provided including childcare grant, referral and priority inclusion into social care services. Further, in view of the rising interest among women in starting their own businesses, in addition to intensifying the activities to promote women's (social) entrepreneurship, entrepreneurship training programmes and self-employment subsidies, the provision of mentoring support in the initial years of operation in the interest of long-term sustainability of the new businesses will be provided, as well as other types of support, including the availability of different financing measures to promote further business development and growth. In the design and implementation of measures related to social entrepreneurship, women will be specifically targeted as recipients of employment and employability support.

When designing and implementing community based social services to enable communal living for persons leaving the institutions, due attention will be paid to realise services in such a way as to relieve burden upon women who are considered the primary or exclusive providers of care to persons with disability in the Serbian society. Deinstitutionalisation will benefit boy and girl children and young persons, allowing them to lead more independent lives, while the support and measures designed for young men and women leaving social protection institutions will foster their integration into the community, also ensuring access to their rightful property ownership. As regards social housing, female-headed households, Roma women and women victims of domestic violence are among the main foreseen categories of potential final beneficiaries of social housing units. Adequate provisions shall be installed in the eligibility and selection criteria in all housing programmes as well as special community outreach activities and the public calls for beneficiaries will particularly stimulate women to apply as application holders in multi-member households and get tenure contracts in their names. Equal participation in accessing social services will also be ensured and monitored.

#### **4.3.3. Human Rights**

The human-rights approach has been fully mainstreamed in the design of this Programme and will be implemented consistently in all OP-related interventions (standards, services offered, programmes, grant schemes etc) and delivered through key messages when interacting with relevant actors (youth, employers, service providers etc.). Leave no one behind principle will also be implemented.

The key elements contributing to adherence to human rights principles are set out below, in particular as regards the effective integration of the vulnerable groups and ensuring their access to education and social services as well as employment opportunities, fostering social inclusion and addressing homelessness which particularly affects the Roma community and vulnerable groups. Bearing in mind that stereotypes, prejudice and discrimination persists as regards social protection beneficiaries, due attention will be provided to ensure full respect of their human rights when accessing services (including housing and other services) but also to raise awareness on prejudice that hamper social integration. This will be ensured through capacity building measure designed for professionals from the social protection system and other service providers that will include a strong human rights and gender awareness component.

Access to housing is a fundamental human right, as defined in the European Social Charter, Article 31. The following measures must be undertaken:

- *promote access to housing of an adequate standard;*
- *prevent and reduce homelessness with a view to its gradual elimination;*
- *make the price of housing accessible to those without adequate resources.*

which are precisely the principles on which the actions under Specific Objective 2.1. are based upon. The concrete outcomes and outputs of this Specific Objective will directly contribute to reaching these goals. Specific attention will be paid to recognised vulnerable groups as regards housing (namely subject to homelessness or inadequate housing conditions); these include the Roma community and internally displaced persons.

As regards the Roma community, specific attention shall be paid to ensuring their rights are respected. The programme will contribute significantly to several objectives in the national Strategy for Social Inclusion of Roma in the Republic of Serbia 2022–2030, in the fields of education, employment and social inclusion; from the perspective of social and housing integration, the Roma community stands out as a vulnerable group. The National Strategy for Social Inclusion of Roma includes a focus on the participation of Roma in the formal labour market, and the increase of Roma representation in employment and economic development policies at the local level; the envisaged actions for youth employment and social entrepreneurship in this programme will contribute to this. Early childcare provisions will pave the way for social inclusion and the inclusion of Roma children in the formal

education system. Homelessness disproportionately affects the Roma community which will be addressed through the interventions for social housing.

#### 4.3.4. Disability

As per OECD Disability DAC codes identified in section 1.1, this programme is labelled as D1. The full social inclusion of persons with disabilities underpins many of the specific actions envisaged in the programme as set out below. Attention to the needs of PwD has been mainstreamed in the design of the programme, identifying specific measures as applicable. The interventions planned are geared to ensuring the rights and accessibility of PwD to education, employment, social services and housing, including through specific measures to foster social entrepreneurship and provide accessible social housing. In general, works contracts will take the principles of accessibility and universal design into account.

The improvement of the overall social and economic position of persons with disabilities depends on their market participation and due consideration will be given to their inclusion into supported services and programmes. An essential prerequisite for the full effectiveness of the planned interventions is an individualised approach to needs assessment and integrated provision of services, which requires intensive and coordinated efforts of different service providers. To ensure access to services, all facilities will be adjusted to meet the needs of persons with disabilities. When developing standards for youth spaces, as well as during the process of adaptation and creation of spaces for young people, principles of universal design will be applied, to ensure that all spaces are accessible to young people with disabilities. To ensure labour market integration of young NEETs with disabilities, adjusted services (including digitalized services) and programmes will be provided.

Deinstitutionalization and the development of integrated support services in the community will contribute to the social inclusion of PwD as part of sustainable communities. Housing units and the Centres for children, youth and family that will be built through this programme will follow the legal requirements established in the *Rulebook on conditions and norms for planning and designing residential buildings and apartments in housing support programmes* i.e. they will have to be designed respecting the rules for accessibility, comprising the planning conditions, car parking, access to the building and the apartment openings and spatial arrangements of the apartment adequate for undisturbed access for wheelchair users. A minimum 10% of the social housing apartments will be designed to be fully accessible to people using wheelchairs. Common areas shall be designed according to universal design principles.

#### 4.3.5. Disaster Risk Reduction

Construction of infrastructure will fall under the mandatory application of anti-seismic rules in design and construction, given the earthquake risk that exists in a major part of Serbia (VII seismic zone). Other risks that will be taken in consideration, primarily before choosing the construction land, relate to risk of flooding in the areas close to the non-regulated river flows and the risk of landslide. Urban plans are always taking in consideration these potential risks and appropriate technical assessment, or studies are carried out before the planning. In particular cases in smaller municipalities and in case the social housing is proposed on the land that has to be converted from another purpose, geotechnical investigations of such sites to prove possible construction will be required as a precondition for investment grant application.

#### 4.4. Risks and Assumptions

| Category                           | Risks  | Likelihood (High/Medium/Low) | Impact (High/Medium/Low) | Mitigating measures   |
|------------------------------------|--|------------------------------|--------------------------|---|
| 3 - To people and the organisation | Insufficient interest of young NEETs to take part in the YG                                | M                            | H                        | Strong efforts will be made to raise interest and motivation among the target group to take part in the planned interventions. The CSOs, youth workers, youth offices and the NES will have a crucial role in this and will be additionally capacitated to effectively communicate and provide services to this target group. |
| 3 - To people and the organisation | Due to the number of institutions and stakeholders in education, insufficient coordination | L                            | M                        | Support to the MoE as the IBPM to improve and secure coordination.  |

|  |   |          |          |  |
|--|---|----------|----------|--|
|  | hampers timely and quality implementation   |          |          |  |
| 3 - To people and the organisation     | Insufficient interest of the local self-governments to support/take part in local level initiatives                       | <b>M</b> | <b>H</b> | The programme shall be oriented towards LSG with clearly expressed interest to take part in OP activities. This commitment should be assessed and confirmed prior to initiation of implementation.   |
| 2 - To planning, processes and systems | Municipalities lack funds for financing communal infrastructure / lack adequate serviced land                             | <b>L</b> | <b>M</b> | In the assessment phase, the municipalities applying for the grant scheme will need to prove level of services on the proposed locations and oblige themselves to cover all the due expenses on their part in the grant agreement.   |
| 3 - To people and the organisation     | Beneficiary households not able to pay the rent and utility bills   | <b>M</b> | <b>H</b> | Municipalities will establish housing allowances to reduce the burden on the household's income and these provisions will be part of the grant scheme agreement  |
| 1 - External environment               | Rising prices of construction material and/or supply chain disruption   | <b>H</b> | <b>M</b> | Timely revision of financial ceilings for procurement in infrastructure projects to absorb shocks  |
| 3 - To people and the organisation     | Insufficient interest of relevant actors/service providers for provision of integrated services to vulnerable individuals | <b>M</b> | <b>H</b> | Legal basis for cooperation and joint delivery of services will be ensured through protocols on cooperation. Also, the programme shall be oriented towards local communities that have clearly expressed interest and commitment to take part in the implementation of the OP activities.  |
| 3 - To people and the organisation     | Insufficient capacities of implementing partners to procure and manage works and service contracts.                       | <b>M</b> | <b>H</b> | The technical assistance provision of capacity building activities, alongside capacity building that will be available through the next project on developing the system for management of Cohesion Policy and future project preparation facilities will provide a multi-entry set of means to alleviate this risk and make sure partners are competent to produce effective and efficient project results. |

### **External Assumptions**

The following assumptions are applicable:

- For the entirety of the Programme: The political and economic situation remains stable enough to enable implementation;
- For Outcome 1.1: Employment of youth and other vulnerable groups remains a key policy priority of the GoS and relevant ministries that coordinate reforms and secure synergy;
- For Outcome 1.2: Education remains a key policy priority across the GoS;
- For Outcome 2.1: Costs of infrastructure do not rise to levels beyond available resources for provision;
- For Outcome 2.2: Sufficient interest of the relevant local actors/institutions in local communities for development and implementation of integrated community-based services through partnerships;
- For Output 1.1.1: All relevant actors remain committed to implementation of Youth Guarantee in Serbia and The NES is capable of managing increased influx of youth that enrol into the YG;
- For Output 1.1.2: Sufficient interest of the relevant local actors/institutions to take part in the capacity building activities;
- For Output 1.1.3: Supported social enterprises have sufficient capacities to generate new employment;

- For Output 1.2.1: Commitment of all stakeholders to implementing the NQFS;
- For Output 1.2.2: Active participation of schools in securing conditions and space for equipment;
- For Output 2.1.1: Political commitment of the national government to establish an authority in charge of social housing at the national level, construction land is available, and there is timely identification of potential beneficiaries and qualification criteria is made compliant to the demand;
- For Output 2.2.1: Transformation plans completed in due time to ensure effective implementation;
- For Output 2.2.2: Sufficient interest of relevant actors to take part in capacity building activities;
- For Outputs 3.1.1. and 3.1.3: The adequate staffing of institutions involved in OP implementation ensured through a stable working environment.

## **5. Overview of the consultation process for the preparation of the Operational Programme**

This Operational Programme has been prepared in compliance with the European Code of Conduct of Partnership (Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds) on the basis of the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in the Republic of Serbia under IPA III.

The partnership for the Operational Programme includes representatives from:

- Relevant public authorities including regional and national representatives of local authorities,
- National public authorities responsible for the application of the horizontal principles,
- Economic and social partners,
- Bodies representing civil society.

Where appropriate, umbrella organisations were included in the partnership.

The partnership was established by the National IPA Coordination and the Ministry of European Integration which is coordinating the programming process for IPA III. The scheduling of the drafting of the Operational Programme was conceived to allow for the full participation of the partnership at different stages of drafting in order to facilitate the co-drafting process. At the same time, given that some of the Partners had no experience in the preparation and implementation of IPA funds, a training needs analysis was carried out and initial training delivered during the programming process to maximise their participation. This process was supported by UN Women as part of the IPA 2019 Gender Equality Facility II.

A first workshop with Partners was organised on 30 and 31 March 2023 was attended by 32 participants. During the workshop sectoral analysis was discussed which allowed for the definition and validation of the SWOT. A second workshop with Partners organised on 26 April 2023 was attended by 23 participants and was used to discuss the intervention logic and the scope of the areas of support and the expected achievements. In accordance with the methodology and timetable established for drafting of the Operational Programmes, draft documents were sent to the Partners in advance of the workshops to enable effective participation. Written comments were received from the Partners and were taken into consideration during the drafting of the Operational Programme.

A wide consultative process with Partners was also organized for the purpose of preparation of the Youth Guarantee Implementation Plan of the Republic of Serbia for the period 2023-2026. Apart from relevant institutions from the national level, consultative process was extended to include youth umbrella associations (National Youth Council (KOMS), National Association of Youth Works Practitioners (NAPOR), the National Association of Youth Offices, social partners, Standing Conference of Towns and Municipalities, Regional Chamber of Commerce etc. Partners were invited to provide input on the reforms and interventions envisaged by the YGIP.

## **6. Implementation arrangements**

### **6.1. Financing Agreement**

To implement this programme, it is envisaged to conclude a financing agreement between the Commission and the Government of the Republic of Serbia.

## **6.2. Methods of implementation**

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the programme with EU restrictive measures<sup>97</sup>.

### **Indirect Management with an IPA III beneficiary**

This programme will be implemented under indirect management by the Government of the Republic of Serbia.

The managing authority responsible for the execution of the programme is the ministry responsible for labour, employment and social affairs, in line with the Financial Framework Partnership Agreement and the IPA III Decree.

The managing authority shall rely on sectoral expertise and technical competence of the following intermediate bodies for policy management:

- Ministry in charge of education,
- Ministry in charge of youth,
- Public authority in charge of housing,
- Public authority in charge of internally displaced persons.

The relevant institutions shall ensure sound financial management of the programme.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments, and revenue operations, shall be entrusted to the Central Financing and Contracting Unit (CFCU) playing a role of the intermediate body for financial management. It shall ensure legality and regularity of expenditure.

### **6.3. Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this programme impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

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<sup>97</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.



## 7. Financial tables by areas of support and by year (including co-financing rates if applicable)

|                       | 2024              |                                  |                   | 2025              |                                  |                   | 2026              |                                  |                   | 2027              |                                  |                   | TOTAL              |                                  |                    |
|-----------------------|-------------------|----------------------------------|-------------------|-------------------|----------------------------------|-------------------|-------------------|----------------------------------|-------------------|-------------------|----------------------------------|-------------------|--------------------|----------------------------------|--------------------|
|                       | EU contribution   | IPA III beneficiary co-financing | Total expenditure | EU contribution   | IPA III beneficiary co-financing | Total expenditure | EU contribution   | IPA III beneficiary co-financing | Total expenditure | EU contribution   | IPA III beneficiary co-financing | Total expenditure | EU contribution    | IPA III beneficiary co-financing | Total              |
| Employment and Skills | 4,350,000         | 1,650,000                        | 6,000,000         | 29,700,000        | 6,870,000                        | 36,570,000        | 6,700,000         | 2,000,000                        | 8,700,000         | 14,700,000        | 5,260,000                        | 19,960,000        | 55,450,000         | 15,780,000                       | 71,230,000         |
| Social Inclusion      | 950,000           | 750,000                          | 1,700,000         | /                 | /                                | /                 | 17,300,000        | 3,700,000                        | 21,000,000        | 16,600,000        | 4,900,000                        | 21,500,000        | 34,850,000         | 9,350,000                        | 44,200,000         |
| Other Support         | 4,700,000         | 800,000                          | 5,500,000         | 1,000,000         | /                                | 1,000,000         | /                 | /                                | /                 | 4,000,000         | 1,000,000                        | 5,000,000         | 9,700,000          | 1,800,000                        | 11,500,000         |
| <b>TOTAL</b>          | <b>10,000,000</b> | <b>3,200,000</b>                 | <b>13,200,000</b> | <b>30,700,000</b> | <b>6,870,000</b>                 | <b>37,570,000</b> | <b>24,000,000</b> | <b>5,700,000</b>                 | <b>29,700,000</b> | <b>35,300,000</b> | <b>11,160,000</b>                | <b>46,460,000</b> | <b>100,000,000</b> | <b>26,930,000</b>                | <b>126,930,000</b> |

**Note:** The IPA co-financing rate is maximum 85% at the level of each individual Area of Support  
Expenses related to Strategic Communication and Public Diplomacy, Audit and Verifications and Evaluation may be covered by another decision.

## 8. Performance Measurement

### 8.1. Monitoring and reporting

Monitoring on implementation of the Operational Programme will aim at collecting and analysing data to inform on progress towards achievement of planned results, to feed decision-making processes and to report on the use of resources.

The day-to-day technical and financial monitoring of the implementation of this Operational Programme will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the programme and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the Operational Programme, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators.

The Commission may undertake additional monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

#### **Roles and responsibilities for data collection, analysis and monitoring:**

As envisaged under the IPA III Results framework, institutions will report values for all relevant indicators as part of the annual data collection exercise. A variety of tools and methods will be used as sources of information for the indicators, as indicated in Section 4.2.2. Where surveys, tracer studies or similar are required they shall be financed through the Operational Programme.

The collection of data related to achievement of indicators in the area of the Youth Guarantee is under the responsibility of several ministries/institutions, including the Ministry of Education, Ministry of Labour, Employment, Veterans and Social Affairs, Ministry of Tourism and Youth and National Employment Service. Collection of data on indicators related to social inclusion is in the mandate of the Ministry of Labour, Employment, Veterans and Social Affairs, Republic Institute for Social Protection, MGSI, CRM and LSGs. Gender equality will be monitored through the collection of disaggregated data as envisaged by national law, as well by ad-hoc data collection for specific indicators.

At the level of the Operational programme, an internal monitoring system will be established by the Managing Authority which will allow the progress of implementation to be monitored, allow for the systemised and timely collection of data on the indicators and support annual reporting. A Programme implementation dashboard will provide the basis for communicative and results-oriented reporting and allow for implementation progress and achievements to be presented visually.

As regards the **accountability mechanisms**, a Grievance Redress Mechanism shall be established (if not already regularly in place) and provide information on:

- Accessibility of channels to submit grievances;
- Publicization of the grievance mechanism;
- How any grievance shall be handled;
- Monitoring cases and grievance redress mechanism effectiveness;
- Supporting the functioning of grievance redress mechanisms.

Since gender equality is marked as principal or significant objective, indicator(s) included under the Intervention Logic will be used to monitor the related results. Gender disaggregated statistics will be collected under activities where possible.

The Sectoral Monitoring Committee, as foreseen in Article 53 of the Financial Framework Partnership Agreement, plays a key role in monitoring and reporting of the implementation of the Operational Programme. The Sectoral Monitoring Committee will include representatives from the partners in compliance with the European Code of Conduct of Partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds] on the basis of the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in the Republic of Serbia under IPA III.

The partnership for the Operational Programme includes representatives from:

- Relevant public authorities including regional and national representatives of local authorities;
- National public authorities responsible for the application of the horizontal principles;
- Economic and social partners;
- Bodies representing civil society.

Where appropriate, umbrella organisations were included in the partnership.

The Managing Authority will act as the Secretariat for the OP Sectoral Monitoring Committee.

On the basis of the reports provided by the Managing Authority prior to the meetings, the OP Sectoral Monitoring Committee shall in particular

- review the effectiveness, efficiency, quality, coordination and compliance of the implementation of the programmes;
- review the progress towards meeting the objectives, achieving the planned outputs and results, and assessing the impact and sustainability of IPA III assistance, while ensuring coherence with the policy dialogue, the related central and regional sector strategies and multi-country or regional activities in the IPA III beneficiary;
- review annual implementation reports, including financial execution of the programmes;
- examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring, evaluations and audits if available;
- discuss any relevant aspects of the functioning of the management and control systems;
- discuss any problematic issues and actions;
- if necessary, consider or make proposals to amend programmes and take any other corrective action to ensure the achievement of the objectives and enhance the efficiency, effectiveness, impact and sustainability of IPA III assistance;
- review information, publicity, transparency, communication and visibility measures taken.

## 8.2. Evaluation

Having regard to the importance of the programme, amid-term and a final (ex-post) evaluation will be carried out for the areas of support falling under this Operational Programme contracted by the IPA III beneficiary. The activities related to evaluation are included in the Area of support “Other support” as indicated in Section 4.2.2.

The evaluations will be carried out by experts or bodies, internal or external, functionally independent from the management and control system. Their aim will be to improve relevance, quality, efficiency and impact of the Programme, and in particular to assess:

- performance of the Programme implementation,
- achievement of the agreed results of the Programme,
- drawing lesson aiming at improving the quality and design of future policies,
- achievements in implementation of areas of support (sub-areas of support), according to the needs.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to assess the achievement of its results as specified in the Programme as well as implementation arrangements. The mid-term evaluation will be funded by the Programme.

Final (or ex-post) evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the relevance of the Programme achievements for implementation of the national and EU policy objectives. Due to the implementation period of the OP ending before the period of ex-post evaluation, other sources will be utilised to fund its realisation.

The Sectoral Monitoring Committee for the project shall examine the findings of the evaluations and conclusions of the evaluation reports and the proposals for remedial follow-up actions shall be taken into account.

The evaluation reports shall be shared with all relevant parties. The IPA III beneficiary and the Commission shall analyse the conclusions and recommendations of the evaluations jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the support.

| Indicative Evaluation Activity                   | Timing |
|--|--------|
| Mid-term evaluation of the Operational Programme | 2027   |
| Ex-post evaluation of the Operational Programme  | 2033   |

### 8.3. Audit and Verifications

Technical audits for major projects are mandatory during the implementation.

Financial provisions related to audit and verifications, including technical audits if applicable, carried out by the IPA III Beneficiary should be included in the Area of support “Other support” as indicated in Section 4.2.2.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this programme, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 9. Strategic communication and public diplomacy

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [Communicating and raising EU visibility: Guidance for external actions](#) (or any successor document).

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective, and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations entrusted entities, contractors, and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

Visibility and communication measures specific to this programme shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

An Operational Programme strategic communication plan will be prepared and agreed with the EU Delegation in line with the Commission Guidance for external actions on Communicating and raising EU visibility. This will set out the responsibilities of the Operational Programme implementing bodies and the NIPAC as regards communication.

The Operational Programme strategic communication plan will identify the key messages, the communication objectives, the communication audiences (including multipliers), the approach, envisaged communication activities, RACER key communication indicators and targets, the risks and the envisaged budget. Annual Communication Plans will be drawn up and discussed with the EU Delegation in advance to coordinate activities and maximise reach.

The NIPAC and the Managing Authority will be responsible for press engagement and managing press and media contacts.

In line with the Operational Programme strategic communication plan, a dedicated webpage and social media channels will be set up. Standards for social media use and management and the social media plan will be coordinated between implementing bodies and the NIPAC.

## 10. Sustainability

*Programme level sustainability.* The Operational Programme has been designed in order to ensure the sustainability of the benefits/results achieved beyond its implementation. Key factors impacting on sustainability are the level of ownership of the end recipients, their institutional and operational capacities and their financial and human resources for the operation and maintenance of the results. The Managing Authority will put in place a system to monitor the sustainability of the assistance under the Operational Programme during the sustainability period defined as the period between the end of the implementation period of an action and the final date for implementation of the corresponding Financing Agreement. The NIPAC and the Managing Authority will monitor sustainability within their respective scope of responsibility through the Sectoral Monitoring Committee (FFPA

Article 53(4)(b)) and jointly with the Commission within the IPA Monitoring Committee (FFPA Article 52(3)). The assessment of OP sustainability will be a standard agenda item in Sectoral/OP Monitoring Committee meetings and will be included in OP evaluations.

*Sustainability of Operations.* End recipients shall ensure that the contracts are implemented in line with the objectives defined for the projects/contracts and that the results are measured using the indicators applicable to the projects/contracts as defined in the relevant documents. To ensure that results generated by projects/contracts financed under the Operational Programme last after the implementation period of projects/contracts has come to an end, the Managing Authority jointly with the Intermediate Body for Policy Management (if designated) and the Intermediate Body for Financial Management, shall establish the sustainability conditions applicable to tangible and intangible outputs as appropriate.

In the case of directly contracted works and supplies, cooperation mechanisms will be established between the Managing Authority and the end recipients for the planning and implementation of the envisaged actions, and responsibilities of the end recipients to ensure the sustainability of the IPA III assistance. The transfer of ownership shall be established in a formal agreement which shall also provide their commitment to provide the financial and human resources for the operation and maintenance of the results after completion. In the case of Major Projects, the Major Project Application will set out all the conditions for ensuring sustainability, including financial sustainability. In the case of public bodies, the sustainability of the financed operations will be assured through inclusion in the medium-term budget framework. In the case of grant schemes, sustainability will be a guiding principle for the selection of the operations. The grant contract will include specific provisions to ensure sustainability. The Intermediate Body for Financial Management will carry out sustainability checks on completed operations in line with their procedures.

The end recipients are obliged to ensure the sustainable use of the outputs in line with the Operational Programme, the contract or equivalent. The end recipients are obliged to allocate budget for ensuring the functioning and maintenance of the outputs and cover the costs of their operation and maintenance. The end recipients should recover the outputs to their initial condition in case of their damage or replace the outputs with those of minimum equal quality and functionality in case of their destruction.

The breach of the conditions for sustainability may lead to refund of the EU contribution in case the end recipients fail to take the necessary corrective measures for removing the deficiencies occurred.