

Sector fiche – IPA National programmes / Component I

1. IDENTIFICATION

Title	Social Development
MIPD Sector Code	7. Social Development
ELARG Statistical code	
DAC Sector code	16020
Total cost (VAT excluded) ¹	26,500,000 EUR
EU contribution	23,605,000 EUR
Management mode	Decentralised
<i>Centralised mngmt:</i> EU Delegation in charge <i>Decentralised mngmt:</i> Responsible Unit or National Authority/Implementing Agency(ies)	Central Finance and Contracting Unit (CFCU) - Ministry of Finance and Economy, Department for Contracting and Financing of EU Funded Projects Programme Authorising Officer (PAO) – Assistant Minister at the Ministry of Finance and Economy, Head of Department for Contracting and Financing of EU Funded Projects Mrs Nataša Šimšić
Implementation management	<i>Measure 1:</i> Ministry of Labour, Employment and Social Policy (MoLESP), National Employment Service (NES). Nominated SPO in the Ministry of Labour, Employment and Social Policy is Mr Janićije Jeremić, Secretary General of the Ministry. <i>Measure 2:</i> Ministry of Education, Science and Technological Development (MoESTD), Ministry of Labour, Employment and Social Policy. Nominated SPO in the Ministry of Education, Science and Technological Development is Mr Radomir Žikic, assistant minister. <i>Measure 3:</i> Office for Human and Minority Rights (OHMR); Ministry of Construction and Development (MoCD). Nominated SPO in the Office for Human and Minority Rights is Ms Suzana Paunović, Director.
Implementing modality	Sector-based approach
Zone benefiting from the action(s)	The Republic of Serbia

2. RATIONALE

The sector needs and corresponding results and measures have been articulated based upon the sector strategic framework presented in sections 2.1, 2.2.1 and 2.2.3. Prioritisation has been done accordingly, based on the views and criteria of the EC as expressed in the 2012 Progress Report (PR).

The Progress Report 2012 describes the labour market situation in Serbia as sharply deteriorating, where the fight against unemployment and sustainable employment creation represent major challenges. Yet figures indicate a low level of total allocation for active

¹ The total cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

employment policy (only 0.1% of GDP) and decreasing annual budget for active labour market measure by 14% compared to 2011.

Two recommendations from the PR indicate the very strong need to put in practice measures aimed at increasing effectiveness and inclusiveness of active labour market policies, particularly regarding persons with disabilities, and at decreasing the apparent mismatch between LM supply and demand:

- Additional efforts are needed to ensure better targeted and efficient labour market measures and to develop a strategic approach to employment, especially in a context of limited financial resources, increasing unemployment and deteriorating economic growth. Preparations in this area are on track.
- The number of vulnerable persons registered with the National Employment Service remains extremely low. Social integration of persons with disabilities remains limited and as that of other vulnerable persons, it needs further improvement.

In the area of education, the PR refers to high drop-out rates among Roma children, children with disabilities and children living in remote areas. This is also a key MIPD objective for the education subsector. An improvement of this situation requires further development of inclusive education. Accordingly, the identified result and measure in this Sector Fiche in the field of education will focus on drop-out prevention and reduction. This area has been selected for IPA 2013 financing because the rest of the recommendations from the PR in the area of education, primarily regarding implementation of VET, adult and higher education reforms, has been mainly addressed through on-going projects from past IPA assistance (2007, 2008, 2011 and 2012).

In the area of social inclusion, the PR recommendations point to still limited availability of community-based social services across the country and to the need for further development of integrated/cross-sectoral social services. Those issues are directly addressed by the Sector Fiche measure which includes a grant scheme for further development of community based social services and technical assistance for more effective targeting of cash transfers. The measure was selected by taking into account that the other recommendations, referring to the need for further efforts in the fields of Labour Law and Social Dialogue have been addressed through on-going projects within bilateral assistance, IPA 2012 and partly IPA 2011.

As for the Roma population, the following has been noticed in the PR:

Most of the Roma population lives in informal settlements under difficult conditions. Some positive steps to comply with international standards were taken regarding the relocation of Roma evicted from such informal settlements. Further sustained efforts are required to fully comply with international standards on forced evictions. The Roma population, and especially Roma women, are the most discriminated against in the labour market. The Roma minority continues to face discrimination, social exclusion and high unemployment. Roma women and children are still frequently subject to family violence, which often goes unreported.

All three projected measures in the Sector Fiche contain actions directed toward social inclusion and further improvement of the status of Roma. However, the focus of the third measure is specifically on the design and implementation of durable housing solutions and improvement of physical infrastructure in selected informal Roma settlements. This measure complements the interventions on Roma social inclusion under IPA 2012 (legal rights and access to labour market, education, social and health services, formulation and development of a housing model) as well as the City of Belgrade's action of relocation of the most vulnerable families hosted in temporary mobile containers settlements (e.g. the families

evicted from the Belville settlement). Besides the recommendations contained in the Progress Report, it directly reflects the MIPD strategic objectives as well as the operational conclusions from the Seminar on Roma Issues held in Belgrade in June 2011.

The European Training Foundation (ETF)'s Review on Human Resources Development (2010) also provides a strong verification of the relevance of identified measures:

- Increase labour market training but in close cooperation with employers
- Increase support for the employment of people with disabilities and implement measures for long-term unemployed people from vulnerable groups.
- Strengthen the implementation of policy goals in the Career Guidance and Counselling Strategy and Action Plan formulated by the government in 2010
- Improve and implement local plans and the development of community-based services.
- Encourage social innovation (through the Social Innovation Fund and other channels) while strengthening the capacities of local government in local needs assessment and the development of locally targeted social inclusion policy measures.

The chapter on Human Resource Development of the inter-sector document "**Needs of the Republic of Serbia for International Assistance 2011-2013**" (Needs Assessment Document, NAD) summarises the midterm priorities and objectives for the Social Development sector, based on sector policies and strategies. As such, it represents the starting point and provides the basis for the programming of international development assistance.

The NAD 2011-2013 priorities and objectives within the area of HRD which are not explicitly addressed by the measures and operations of this Sector Fiche (such as Supporting the development of regional and local employment policies, Improving the quality and relevance of VET and adult education, Competence based and outcome oriented teaching and learning, Modernisation of higher education system, Improving the position of young people in society) have been predominantly supported by past EU and bilateral assistance. On the other hand, the implementation of the NAD's recommendation to **bring the informal economy into the mainstream** as a priority measure would be proposed for the next programming round. The reason for not programming this measure in IPA 2013 is that the development of an Action plan for combating informal economy, that will require further assistance to be implemented, is foreseen as part of IPA 2012 twinning contract.

Similarly, the MIPD objectives in the area of Social Development sector, concerning the improvement of conditions for migrants, refugees and IDPs and proper treatment of all prisoners in accordance with EU standards as well as regarding newly established national councils of national minorities are not supported by this SF since those issues are subject to planning and programming under the Role of Law NAD sector. Likewise, the objective "to align social policies in Serbia with EU standards" is not considered within this SIF due to on-going project *Improvement of Occupational Health and Safety in the Republic of Serbia* founded by Norwegian bilateral assistance.

Measures proposed under this SF complement and are mainly directly linked with and measures developed under IPA 2012 SF Social Development. They are also aimed at complementing as several important projects and programs such as: Strengthening Capacities and Improvement of the Position of Enterprises for Vocational Rehabilitation and Employment of PwDs (Norway), Inclusion of Roma pupils in Secondary Schools in AP

Vojvodina (Roma Education Fund), Three year Program for Roma Inclusion (SIDA), Regional Initiative for Roma Integration (MB IPA).

2.1 LINKS WITH NATIONAL SECTOR OBJECTIVE(S) AND MIPD SECTOR OBJECTIVE(S)

The Social Development (SD) sector corresponds to the social development sector in the MIPD, and encompasses employment, labour market issues, education, social inclusion, health and youth. Comparing to the MIPD Social Development sector, the issue of human and minority rights is not considered as a part of the national SD sector but falls under the national sector 'Rule of Law'. As Health sits outside the MIPD classification, *acquis* related priority identified in this area will be subject to a separate Project Fiche (it is not covered by Part Two of this Sector Identification Fiche).

The Needs Assessment Document 2011-2013 defines the following priorities for the SD sector:

- Raise employment in the formal economy by more flexible and inclusive labour markets through improvement of employment, labour policies and social dialogue in line with EU standards;
- Improve the quality of and access to the education system to enable the full and equal participation of every citizen in the economic, political and social life in the context of a knowledge-based society;
- Reduce poverty and social exclusion in Serbia by addressing the needs of disadvantaged groups in a multidimensional way based on a stronger coordination of existing policies and services and the development of community-based solutions;
- Improve the quality and accessibility of health care to promote the health and well-being of all citizens, emphasising preventive care while strengthening the operational capacity of the health care system in line with EU standards.

Those midterm objectives as well as measures of this Sector Fiche are fully consistent with the commitments made in the **Stabilisation and Association Agreement (SAA)** to reform the employment policy and create an environment enabling *equal opportunities for women and men, for people with disabilities* and for *people belonging to minority and other vulnerable groups* and to contribute to *upgrading education and training structures* by improving the quality and relevance of VET and making the education system more inclusive and *free of discrimination on the grounds of age, gender, colour, ethnic origin, disability or religion*.

The Sector Fiche is also addressing the priorities agreed in the **European Partnership** notably those regarding *social inclusion and social protection policies, the development of community-based social services*, the strengthening of *inter-ministerial coordination* to develop integrated social services at the local level, better *linkages between the VET and adult education with labour market needs* and further development of the *National Qualifications Framework* to facilitate the acquisition of skills which will *foster employment opportunities and long-term economic growth* and the support to drop-out prevention programmes which will help *increase school enrolment rates at the secondary education level of all children, particularly Roma*. The measure related to Roma addresses the mid-term priority *to implement fully the strategies and action plans relevant to the integration of Roma*.

The measures proposed within this Sector Fiche are directly in line with the Multi-Annual Indicative Planning Document (MIPD) 2011-2013 specific objectives for IPA assistance under the Social Development sector:

- To support Serbia's efforts to adhere to the targets of Europe 2020 in employment, poverty and social exclusion;
- To improve enforcement of education and employment policy, notably for the youth;
- To align social policies in Serbia with EU standards;
- To prevent social exclusion of vulnerable groups and minorities, notably the Roma.

2.2 SECTOR ASSESSMENT – POLICIES AND CHALLENGES

2.2.1. National Sector policy, strategy and context

This sector fiche was developed following the objectives and directions of key national and EU strategies and policies and is fully consistent with actual policy framework.

The **labour market** situation in Serbia has remained below optimal levels for the past 10 years. The working age population (15-64) in Serbia numbered 4,718,878 in April 2012 according to Labour Force Survey. The active population was made up of 2,818,813 people (59.7% of the working age population) consisting of 2,083,604 employed and 735,209 unemployed. 1,900,065 people were inactive.

Unemployment has remained at very high levels throughout the last ten years partly due to the lack of competitiveness of industrial enterprises and the restructuring of the economy. More recently, the financial and economic crisis further deteriorated labour market indicators. Employment rate fell from 53.3% in 2008 to 44.2% in April, 2012. During the same period, the unemployment rate rose from 14.7% to 26.1% while the inactivity rate reached 40.3% of the population². Serbian youth unemployment rate amounted to 50.9% in April 2012, compared to 21.4% in the EU-27³.

In 2012, for the implementation of the active employment policy measures 3,400,000,000.00 RSD is allocated in the Budget of RS, while additional funds from proceeds of contributions for unemployment insurance are not provided.⁴

Overview of allocation of funds from Budget of RS per active employment policy measures in 2011 and 2012

No	Active employment policy measure	Funds in 2011	Funds in 2012
1.	Active job search	10,000,000.00	10,000,000.00
2.	Additional education and training	1,790,000,000.00	2,490,000,000.00
3.	Employment subsidies	1,400,000,000.00	400,000,000.00
4.	Public works	700,000,000.00	500,000,000.00
Total amount in RSD		3,900,000,000.00	3,400,000,000.00

² Labour Force Survey, population aged 15-64

³ Eurostat, 2011

⁴ In 2012 Budget funds of RS allocations for active employment policy measures are about 0,1% of GDP, which represents a reduction compared to 2011, when the allocations for active employment policy measures were 0.17% GDP (funds from the Budget of RS and additional funding from the proceeds of contributions for unemployment insurance).

Source: MoLESP, amounts in RSD

Number of 39,929 persons - participants of some of the measures, entered into employment relationship, which represents 31% of the total number (127,966) of unemployed participating in the active employment policy measures. There were 751,458 people registered as unemployed with NES in September 2012.

However, active labour market programmes (ALMPs) implemented by NES have had limited impact, due mostly to budgetary constraints. The efficiency of employment policy also suffers from a low involvement of local institutions in developing tailor-made solutions to address local employment needs. Much remains to be done to tailor ALMPs to the needs of multiply disadvantaged groups, to turn around the falling employment rate and reduce the informal economy.

Low employment rates as well as a high level of informal employment, together with substantial skills and qualifications mismatch represent considerable challenges for the Serbian labour market as the economic restructuring continues. Despite high unemployment, the economy suffers from a shortage of skilled labour.⁵

According to the NES analysis and forecast of the labour market trends in 2012, lack of adequate knowledge and skills, lack of working experience and occupation deficiency are the most common reasons for which employers are not able to meet their needs for newly employed workers. If we observe economic sectors, enterprises that suffer from labour market mismatch are those operating in processing industry, trade, transportation, information and tourism.

According to employers' point of view⁶, trainings and additional specialization are required for staff with occupations within III and IV level of qualifications, as well as for staff with higher, VII-1 level of qualifications. Professional knowledge is the least present among lacking skills, but is mostly required for occupations with III level of qualifications.

The existing labour force tends to be relatively narrowly focused on specific skills and occupations which are not necessarily in line with the competences required as the economy develops, and the know-how of the labour force needs to improve in order to achieve and sustain economic growth. The persistent mismatch between labour market demands and workforce skills in Serbia continues to impede the development of new segments of the economy, highlighting a need for further reforms of the education and training system to better accommodate evolving labour market demands.

In order to create adequate base for the reduction of the mismatch between the labour market supply and demand, it is necessary to carry out an analysis of the "skill gaps" (primarily in the sectors where the highest mismatch is registered), to develop training programs focused in gain the skills and knowledge required for a particular job (at this moment, some 40 standards of training are developed, while about 12 are accredited in cooperation with the Serbian Chamber of Commerce), with a special focus on the area of small and medium enterprises and entrepreneurship needed skills.

⁵ The Serbian labour market has been characterised by a continuing mismatch of skills and competences. The Labour Force Survey from April 2012 confirms the low educational attainment of the population aged 15 and above: 36.1% have primary education or less, including 2.8% with no education; 48.5% have secondary or post-secondary non-tertiary education, and 15.4% have tertiary education.

⁶ source: NES Employers survey 2012 - forecast

Additionally, according to national employment policy, awarding employer's subsidies and subsidies for self-employment are recognized, among others, as ways to contribute to the labour market demand and supply matching that leads to the employment. Having seen the insufficient amount of the financial resources for active employment policy measures and their low effects on employment, despite the high level of involvement of the unemployed in the actions, it is clear that additional financial support, that will be used for the subsidies for training at the employer's request, subsidies for creation of new jobs and self-employment subsidies needs to be provided.

With regard to the labour market inclusion of PWDs, it is important to stress that although there are no reliable records of the number of PWDs in the Republic of Serbia, it is estimated that around 10% of total population (600,000-700,000 people) have some level of disability⁷. According to the Living Standards Measurement Survey (LSMS) in 2007, the unemployment rate of PWDs was 13.6% and was approximately at the level of the average unemployment rate to this survey (13.9%). The main reason for such a low unemployment rate of PWDs is high inactivity rate of 69%.

Unemployed PWDs face the worst risk of long-term unemployment and labour market exclusion than any other group of the unemployed. Low level of motivation for entering employment, long-term passivation as a result of dependence on system of social protection, insufficient system supporting services, prejudices of employers, their unwillingness to adjust the working environment to the special needs of PWDs, and their general lack of practice and experience prevents many PWDs from getting a job and often leads to job search discouragement. As a result, PWDs are highly dependent on benefits and are particularly at risk of poverty. In addition, PWDs are also discouraged from looking for a job and their inactivity rate is very high and that is the reason why not all PWD with working capacity come to NES to register as unemployed (in December 2011, only 18.555 PWDs were registered with NES, among which 5.995 are women). There are also insufficient employment opportunities for PWDs.

As a response, in 2009, the Government of the Republic of Serbia adopted Law on Professional Rehabilitation and Employment of PWDs which introduces many novelties and incentives for employment of PWD (promotion of the employment to create conditions for equal inclusion of PWDs in the labour market, professional rehabilitation, obligation to employ PWDs so called *quota system*, wider scope of active labour market measures for PWDs, incentives for employment of PWDs, organisation and operation of enterprises for vocational rehabilitation and employment of PWDs⁸) and with following bylaws sets legislative framework for full inclusion of PWD on the open labour market.

⁷ This figure is given on the basis of WHO estimation. There are no reliable official data on this matter (estimation vary from 500,000 to 1,000,000 according to different researches, e.g. Handicap International, FREN, EAR, Center for Monitoring and Evaluation). The official Census 2011 data shall be available at the beginning of 2013.

⁸ Enterprises for vocational rehabilitation and employment of PWDs have the role of promoting labour and social integration of PWDs with accent on the vocational rehabilitation and developing and providing trainings for PWDs with the aim to increase their employability. However, their capacity and experience is still insufficient, and support is therefore required to help them realise the potential of PWDs and ensure the sustainability of their activities. There are 44 enterprises currently active in Serbia⁸. Total average number of employees with disabilities in these companies is 1571, as compared to the total number of employees is 59.7%. However, those companies face a number of challenges, especially in terms of financial sustainability, management and functional capacities, and adjustment to the open market. The range of trainings currently provided by these enterprises is rather limited, and subsequent potential for employment in the open market is low. The enterprises also lack capacities to meet the required standards in vocational rehabilitation and support services, while their equipment is generally outdated and can hardly serve the purpose of vocational/ on-the job training. In that sense, there is a

Given the unfavourable educational structure of job seekers with disabilities, but also the fact that, once implemented measures and activities of vocational rehabilitation increases the employability of persons with disabilities, the Law on Professional Rehabilitation and Employment of Persons with Disabilities gives considerable attention to the development of training programs based on labour market needs and capabilities of the PWD, to meet the basic criteria for the achievement of planned results and the acquisition of professional competencies. As a result, until July 2012 the MoLESP has issued, to 50 holders 73 authorizations for performing measures and activities of vocational rehabilitation for 267 training programs.

According to the report of the Tax Administration (the authority responsible for monitoring the execution of obligation to employ), the following can be reported on the legal obligation to employ persons with disabilities, since it started (June 2010), until January 2012:

- Employment: 10,666 PWDs,
- Implementation of the agreements on business and technical cooperation signed with the enterprises for professional rehabilitation and employment of PWDs: for 140 PWDs,
- Participation in financing the income of PWDs, through payment into the Budget Fund⁹: for 5,672 PWDs,
- Payment of penalty fee into the Budget Fund: for 227 PWDs.

Although significant progress has been made in the area of labour market inclusion of PWDs, it is needed to further increase the coverage and relevance of ALMPs to the needs of unemployed PWDs through better targeted employment programmes and service. Achieving this aim requires further strengthening of the LM institutions which are dealing with this issue – at the MoLESP level, at the NES level, (primarily Centres for Professional Rehabilitation and Employment of PWDs¹⁰ and employment councillors) and at the level of enterprises for professional rehabilitation and employment of persons with disabilities.

Actual employment policy in Serbia has been driven by **National Employment Strategy** for the period 2011-2020. The aim of the employment policy presented in Strategy is to achieve an efficient, stable and sustainable employment growth trend and to fully align the employment policy and labour market institutions with the EU *aquis*, by the end of 2020. Priority activities will be related to the employment growth by investing in human capital and greater social inclusion. The Strategy foresees that the employment rate (15-64) in 2020 will amount to 61.4%. The unemployment rate of the working age population should gradually decrease to less than 15% in 2015 and approach one-digit levels (10.8%) by 2020.

need for supporting the development of new training curricula, in order to enhance the supply of trainings for more occupations.

⁹ Budget Fund for professional rehabilitation and fostering employment of PWDs was established in 2010

¹⁰ NES Centres are organisational units of the NES in which unemployed PWDs and employers can, in one place, get information on the measures and programmes of professional rehabilitation and financial incentives for hiring persons with disabilities. In the centres individual counselling work with PWDs is practiced. Currently, 4 NES centres are established and operational (in Belgrade, Kragujevac, Novi Sad and Nis), while NES is planning in 2012. to open additional one in Krusevac.) and the level of NES PWDs employment counsellors, and the level of enterprises for professional rehabilitation and employment of PWDs (given the regional distribution, tradition and experience in employing PWDs and the role of a bearer of vocational rehabilitation and a new legislative framework supports the further transformation of these companies (the "sheltered" and "enterprise integration") as a model of sustainable development synergy of economic, social and educational components.

National Employment Action Plan (NEAP) is adopted annually to translate the strategic priorities into concrete active labour market programmes (ALMPs) in line with the Law on Employment and Unemployment Insurance, which defines the range of eligible ALMPs. One of the priorities defined in the NEAP for 2012 is to increase the competences of unemployed individuals through the acquisition, by developing and implementing short-term labour market programs that are primarily organised according to the employers demand. The annual further education and training programme is set by the NEAP in accordance with labour market needs. In line with the Strategy for improvement of the position of persons with disabilities (PWDs) from 2005, NEAP also introduces various measures (primarily financial) that will be conducted through National Employment Service (NES) or Ministry of Labour, Employment and Social policy (MoLESP) in the field of promoting employment of PWDs (promotions of employment, subsidies, refunds, work assistance and others). National Employment Action Plan for 2013 (Official Gazette No. 117/12) has been adopted by the Government on 6th of December.

The overall **education** level of the Serbian population is low, with a high percentage of illiterate and low qualified adults. The education system as a whole still does not prepare students well for the world of work, and is too often based on outdated curricula and obsolete teaching methods and environments, with little stress on the acquisition of transversal key competences. The education system also is not sufficiently responsive to the needs of the economy and does not offer enough training opportunities for workers to upgrade their skills and improve their employment prospects. The VET sector is often impervious to demographic and pedagogical changes. In the absence of a National Qualifications Framework, and without a quality assurance system, there is little incentive for the development of education and training offers outside the mainstream education system. Higher education is being reformed in line with the Bologna process, however, participation rates are a fraction of EU-27 levels.

Following the 2009 Law on the Foundations of the Education System, the recently approved **Strategy for Development of Education in Serbia by 2020** paves the way for further reform of all levels of education, including lifelong learning. The Strategy addresses the following issues: 1) the vision of possible and desirable education system in Serbia after 2020 - with the purpose to be in accordance with the needs of Serbian citizens and the whole society, 2) strategic policies, actions and measures needed for achievement of the vision, taking into consideration the current situation (2012), 3) relations and interactions between the education system and the other national systems (economy, culture, science, technological development, public services, administration etc.), and 4) how Serbian education system may become competent part of the European Education Area, attractive for international cooperation and provision of education services, especially in the field of higher education, in South-Eastern Europe (Western Balkan). The strategy further defines 4 main objectives for long-term development of the education system in Serbia:

- Improvement of the education process and outcomes up to the maximally achievable level - level that is result of overall scientific knowledge and educational practice.
- Greater involvement of Serbian citizens at all levels of education, from preschool to life-long learning
- Achieving and sustainability of the education relevance, and the structure of the education system which is in accordance with the individual development needs; economic, cultural, research, educational, public, administrative and the other systems
- Improved efficiency of the use of educational resources, i.e. finishing of education in planned time frame, with the minimal prolongation and the drop-out decrease.

One of the key challenges still facing the education system in Serbia is its poor performance with regard to children from vulnerable and disadvantaged groups, in particular, children from poor and low educated families, Roma families, rural regions and children with disabilities. Statistics show that children from those backgrounds are more likely to be left out of education, a high proportion of them never enrolling into the system or dropping out at a very early age. According to the First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia (2011), the drop-out rate in Serbia in 2010 is estimated at 30%¹¹. The most reliable data, segregated by the most vulnerable groups, age and educational level, will be available from the Census 2011 data. The Multiple Indicator Cluster Survey 4 (MICS4)¹² confirms that drop-out rates are notably more pronounced among marginalised populations. A majority of children in Serbia complete elementary school overall, compared to only 63% of Roma children, although there are also differences between Roma children from urban areas (80% completion rate) as opposed to those from rural areas (only 29% complete elementary school). MICS4 also reveals significant differences in secondary school enrolment rates, whereby the national average is 89%, while only 61% of children from poor communities and just 19% of children from the Roma population enrol in secondary school. In order to reduce the rate of drop-outs among disadvantaged groups in Serbia, it is necessary to introduce drop-out prevention measures into Serbian schools with accompanying support to teachers and staff.

The quality of pre-school education has a clear impact on a child's subsequent educational achievements and has an influence on his/her overall life prospects. However, children from vulnerable and disadvantaged groups, in particular Roma children, are often not included in pre-school education. In order to address this issue, it is necessary to build the capacity of pre-school institutions and encourage a more active involvement of local self-governments (LSGs) in supporting the development of an inclusive pre-school education.

More emphasis should be put on integrating social and education initiatives at the local level. Primary and secondary schools and LSGs should promote more actively the enrolment of children from disadvantaged backgrounds at all levels of education. The use of inclusive teaching methods and supporting initiatives to prevent drop-outs should be encouraged, as well as the continuous monitoring of educational progress among children from disadvantaged groups. Continued support is required to build the capacity of LSGs in planning and promoting inclusive education in their area and to support schools and key local stakeholders in devising and implementing measures targeting the needs of children from vulnerable and disadvantaged groups.

One of the measures identified in Europe 2020 to help alleviate poverty is to reduce the proportion of early school leavers to less than 10%. As explained in the EU Platform Against Poverty and Social Exclusion, reducing school drop-out rates over the longer term can contribute significantly to breaking the cycle of poverty and social exclusion. In Serbia, early school leavers represent 30% of the population aged 18 to 24, compared to 14.9% in the EU¹³,

¹¹ Early school leavers not in training % of persons aged 18-24 with primary education (ISCED 2) not in education or training.

¹² Multiple Indicator Cluster Survey 4, UNICEF and Republic Statistical Office, 2010.

¹³ *First National Report on Social Inclusion and Poverty Reduction in Serbia, Belgrade, 2011*. Early school leavers are defined as the proportion of the population aged 18 to 24 having completed secondary education or less, and not engaged in further education or training.

while an estimated 7% of children drop out of school before completing primary education (based on one generation from 1st to 8th grade¹⁴).

The new education strategy of the Republic of Serbia until 2020 define that all girls and boys will be included in quality basic education from which dispersal not more than 5% on national level, until 2020. This means 100% children in preschool education, especially from the sensitive categories and actively monitoring the transition of pupils from I to II cycle of primary education, especially from 4th to 5th grade of elementary education on local level. It also includes measures for optimization of the school network and modernization of education statistic, especially at the local level.

The development of integrated social services as an effective approach to the inclusion of vulnerable groups into society still represents a challenge in Serbia, and needs further support and promotion.

Despite real progress made in the last decade to decentralise **social welfare**, including a large-scale reform of Centres for Social Work, the development of a regulatory framework and the transformation of residential institutions, the range of community-based services is still insufficiently developed to respond adequately to the wide variety of needs of disadvantaged groups. Efforts towards de-institutionalisation and elaboration of community-based services need to continue.

A Law on Social Welfare was adopted in 2011, and will enable further reforms of the social welfare system. The law represents a legislative framework for the operationalization of strategic priorities that have been harmonised with international and European standards of social inclusion, social cohesion and human rights. With poverty again on the rise, social assistance benefits are playing a major role in lifting people out of extreme poverty, although it is also evident that the targeting of these benefits should be improved to ensure that beneficiaries comprise those who are most in need.

The data of the Republic Institute for Social Protection¹⁵ shows that there are in total 33 different types of community-based social services (CBSS) in the Republic of Serbia, of which:

- 14 services for children and youth;
- 9 services for adults and the elderly and
- 10 services that are equally used by all user groups (family support services, services for victims of trafficking and domestic violence victims).

Total number of CBSS is 413. Among the social services that are implemented at the local level, the day care and home care support are most common, followed by support services for independent living. When it comes to services for children and young people, the most common service is day care for children and youth with mental disabilities, provided in 64 municipalities in Serbia

Supported living for youth is provided in 19 municipalities and day care for children and young people with physical disabilities in 14 municipalities. Among the services that are

¹⁴ Percent of children who enrolled in the 2000/2001 academic year and dropped out by the end of primary education, in the 2007/2008 academic year, *Report for the Enhanced Permanent Dialogue, Ministry of Education, December 2009.*

¹⁵ www.zavodsz.gov.rs (the database contains only data on CBSS for which decision on financing is adopted by the LSG)

designed for adults and the elderly - the most common service is home care support, which is provided in 82 local communities in Serbia.

Regarding service providers, the data shows that LSG gives more advantage to public sector social welfare institutions than private sector organizations and NGOs. Although NGOs are often leaders and pioneers in the establishment of social services at the local level, the institutionalisation of these services by local governments in most municipalities is still an issue.

Social assistance benefits have typically not linked to labour market inclusion and, as such, tend to trap people into long-term social dependency. Among other things, the law introduces the concept of active inclusion for the first time in Serbia. It creates new opportunities for promoting active inclusion among beneficiaries of social welfare, and paves the way for active inclusion policies based on strong cooperation between CSWs and NES throughout the country. At present, this cooperation can be characterised as *ad hoc*, although there is recognition of the need to develop mutual cooperation due to common target groups. Despite encouraging initiatives in some areas¹⁶, the integration of people excluded from the labour market remains a real challenge.

The social policy in Serbia has been guided by the Social Welfare Development Strategy¹⁷, which advocates better social welfare for the poorest citizens through more efficient financial support and the development of a network of integrated community-based services and quality assurance. Specific strategies and action plans are dedicated to improving positions of vulnerable and disadvantaged groups including children, women, PWDs, elderly citizens, Roma, returnees and migrants. With regard to women specifically, the National Strategy for Improving the Position of Women and Promoting Gender Equality and its Action Plan identify further support that is needed in this area. Strategy for Improvement of the Position of Persons with Disabilities defines aims and activities that should be conducted to improve the situation of PWDs so they can be seen as equal citizens that enjoy full rights and responsibilities.

One of the key challenges for social inclusion policies in Serbia is the improvement of the position of disadvantaged children in society. Such groups of children are precisely those that are the focus of social services and/or the justice system. Children that are at risk of entering care or placed into care are usually those that have experienced multiple deprivations due to a range of inter-connected causes linked to extreme poverty, risk of abuse, domestic violence, child or parent disability or, for example, mental health or addiction problems of parents or teenagers. In addition, children in contact with the justice system may have experienced similar family histories, whereby the engagement of the justice system is most commonly linked to domestic violence, neglect, juvenile offending, custody disputes or a child victim/witness in court proceedings. Indeed, there is even a direct overlap in the sense that children from disadvantaged groups, such as those in-care, with learning difficulties or Roma children living in settlements, are at higher risk of juvenile offending or of being victims/witnesses of crime including violence. Nevertheless, despite the overlap in terms of children in contact with these systems, the responsibilities of each system – when it comes to securing ‘the best interests of the child’ warrant separate attention.

¹⁶ IOM, ILO, UNDP and UNICEF joint project "Support to national efforts for the promotion of youth employment and management of migration" will pilot the model of integrated employment and social services as a response to complex problems faced by particularly vulnerable groups of unemployed young people 2009/2011.

¹⁷ The new Social Welfare Strategy, covering period until 2020, is under preparation

The guiding documents in social welfare together with international conventions and their accompanying general comments, guidelines and recommendations¹⁸, were translated into legislative acts – that is the Family Law 2005 and the Social Welfare Law 2011 – that are now in the process of being implemented. What is the common thread in all of the above, when it comes to disadvantaged children and social welfare – is a move away from residential-care solutions towards family-oriented solutions and solutions that are assessed to be ‘in the best interests of the child’¹⁹. The implications for the social welfare system are substantial, because the target group of this system changes. Whereas before, the users of the social welfare system were beneficiaries in residential care and beneficiaries of financial transfers, now they are beneficiaries of community services and citizens suffering from many different forms of deprivation. In contrast to former practice, investments should be made to prevent rather than secure residential care. Given this context, Serbia has made significant progress in strengthening its fostering system and thus reducing the number of children in residential care, including children with disability. Municipal governments have developed services for families with children with disability and these have been recognized and regulated in the by-laws in process of adoption. However, where there has been a clear void in the system is the lack of services specifically targeting the prevention of placement of children in care and services that can help the process of re-unification when children return to their families from foster-care (family preservation services. It should be clear that such services are not and should not be disability-specific as the majority of children in care are not with disability, and where they are, the causes of entry into care are no longer merely the child’s disability. Clearly other risk factors are important (e.g. risk of neglect due to various underlying causes) as analysis of case files show that multiple disadvantage is at stake, thus the need for a more holistic approach to responding to the complex challenges many vulnerable families face²⁰. All this clearly points to the need for harmonized action and strengthening of the Centre for Social Work (for case management including planning, referral and monitoring with respect to deprived children) on the one hand and the need for new types of family strengthening services, on the other. Provision of services preventing entry into formal care and facilitating return to families are all the more important, because official data show that the total number of children in care is constantly on the rise – with an overall increase of 30% over the last decade²¹.

Despite efforts to prevent family separation, the need for formal care will continue. This is why it is important to ensure greater quality of care, which refers to both continued strengthening of the fostering system, on the one hand, and continued down-scaling of large-scale institutions for children – on the other. In both cases, the Centres for social work is

¹⁸ The most important are: UN Convention on the Rights of the Child (1989); UN Guidelines for the Alternative Care of Children; Council of Europe and the Rights of the Child Strategy 2012-2015; Recommendation CM/Rec (2010)2 on deinstitutionalization and community living of children with disabilities; Recommendation N° R(2005)5 of the Committee of Ministers to member states on the rights of children living in residential institutions; Council of Europe’s Policy Guidelines on Integrated National Strategies for the Protection of Children from Violence (2010); Common European Guidelines on the Transition from Institutional to Community-based Care, European Expert Group on the Transition from Institutional to Community-based Care, November 2012; General Comment of the Committee of the Rights of the Child - Article 19: The Right of the Child to Freedom from all Forms of Violence (2011);

¹⁹ Article 3 of the Convention of the Rights of the Child clearly stipulates that the ‘best interests of the child’ will be a primary consideration in “all actions concerning children whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies.” A general comment of the Committee of the Rights of the Child is currently being prepared on Article 3 and ‘the best interests of the child’.

²⁰ The draft analysis of profiles of children in care is an integral part of a study completed by the Belgrade University (Faculty of Political Science, Department of Social Work) as an integral part of a project funded by the EU – expected to be published by end 2013.

²¹ Data from Ministry of Labour, Employment and Social Policy and the Republican Institute for Social Protection

legally responsible for the wellbeing of the child and regular updates of the child's case file referring to his/her wellbeing and advising on any changes needed in the care plan, are of utmost importance. The further expansion and strengthening of the regional fostering centres, which provide support to foster-families is also key. In both cases, a strengthened system is of particular importance for children with disability in foster-care. Finally, a smooth transition to adulthood – with services focused on the transition period towards becoming independent – are currently available at level of 'good-practice example' in a few cities and are in need of up-scaling. They include provision of regular advice and counselling as well as skills-building for financial management and mediating with other services especially regarding support for the local authority in providing temporary accommodation and the employment services for securing employment. .

The contacts children have with the justice system are multifaceted and varied, depending on the circumstances and situation which the child is in.

Children mostly find themselves in contact with the justice system in criminal proceedings, either as offenders (the age of criminal responsibility is 14) or as victims/witnesses and in civil proceedings (cases concerning custody, care and protection including in cases of violence, abuse or neglect. Subject matter is regulated by the Juvenile Justice Law (the Law on Juvenile Offenders and the Protection of Minors in Criminal Procedures) and The Family Law, which outlines the principles necessary for a child-friendly justice system in civil proceedings (e.g. securing the best interests of the child including the right to participation, expression of opinion and the right to legal representation). The Juvenile Justice Law incorporates progressive measures and restorative approaches to juvenile offending in line with international and European standards²² and most importantly introduces diversionary schemes as an option for diverting cases from justice proceedings towards restorative and re-integration approach in line with social inclusion priorities and in line with what is considered to be 'in the best interests of the child'. This has been a consequence of evidence-based policy-making given that traditional penal approaches relying on prisons and correctional institutions, in too many cases do not manage to revert juveniles from re-offending. The Juvenile Justice Law also outlines special measures which need to be applied when children as victims are engaged in criminal proceedings, all with the aim to prevent secondary victimization and additional trauma. The legislation is fully in line with international standards, but its application is far from uniform across the country. Often there are no clear mechanisms which would ensure implementation of the guidelines/procedures, as well as regular monitoring and corresponding action concerning lack of implementation. Due to the fact that there is a divided jurisdiction in this area among number of other state authorities there is a number of problems burdening the process, ranging from cooperation towards division of costs, implementation gaps, lack of adequate monitoring and reporting mechanisms or even mechanisms for ensuring follow up procedures necessary in the majority of cases. There is a clear need to adjust the judicial system in a way to promote all of its aspects (infrastructural, administrative, procedural, personal and institutional) as well as

²² UN Standard Minimum Rules for the Administration of Juvenile Justice ("Beijing Rules", UNGA Res. 14/33 of 29 November 1985); Council of Europe Recommendation on Social Reactions to Juvenile Delinquency of 1987, Rec. (87) 20; UN Standard Minimum Rules for Non-custodial Measures ("Tokyo-Rules", UNGA Res. 45/110 of 14 December 1990); UN Guidelines for the Prevention of Juvenile Delinquency of 1990 ("Riyadh-Guidelines", UNGA Res. 45/112 of 14 December 1990); Council of Europe Recommendation "New Ways of Dealing with Juvenile Delinquency and the Role of Juvenile Justice" Rec 2003 (20); Council of Europe Recommendation "European Rules for Juvenile Offenders subject to Sanctions or Measures" (Rec (2008) 11); Guidelines of the Committee of Ministers of the Council of Europe on Child Friendly Justice, adopted on 17 November 2010 at the 1098th meeting of Ministers' deputies.

safeguard of the rights of the children and juveniles. Intention of the proposed SF is to ensure that judicial proceedings for all children, regardless of their status in the proceedings, when brought in contact with competent authorities and services involved in implementing criminal, civil or administrative law, and in alternatives to judicial proceedings, are adequately protecting their personal integrity and safeguarding their rights. In any such proceedings, rights such as right to information, to representation, to participation and to protection need to be fully respected with due consideration to the child's level of maturity and understanding to the circumstances of the case, without jeopardizing the rights of other parties involved.

Ministry of Justice and Public Administration has been actively involved in the work of the Juvenile Justice Council for Juveniles, formed by the Ministry of Justice and Supreme Court of Cassation, but also the Council for Rights of Child, which was established by the Serbian Government as well.

Moreover, the Ministry of Justice has, jointly with International Management Group and UNICEF been involved in the implementation of the juvenile justice reform, particularly focusing on implementation of diversionary measures and securing improvement of children's rights in the institutions. Three working groups worked on developing standards and procedures for implementation of diversion orders. The groups were inter-institutional, comprised of representatives of the judiciary, social welfare, education, health system, and the NGO sector. The first version of this document has been prepared. Piloting of the implementation of diversionary orders will be done throughout mentioned Norwegian project during 2013, and will serve as a base for proposed activities within this SF.

As per area of child care reform, the Ministry of Labour, Employment and Social Policy has, with previous support from the EU, invested its efforts in the social inclusion of children with disability, supporting the development of community services for children and families, so that now – over 50% of municipalities in the country have some services for families with children with disability. This SF expands the focus group – looking more widely at children at risk of entering formal care and those in the formal care system. Indeed the profile of children entering care has changed and the majority of the children entering the system are at risk of neglect, thus this being families usually experiencing multiple forms of disadvantage and vulnerability²³.

The EC Progress Report 2012 for Serbia notes the need for greater progress in the area of justice reform and points to the need for greater efficiency of judicial practice as well as the need greater consistency across the country. Improving precisely these two aspects of the justice system are at the core of securing better access to justice for children in line with 'the best interests of the child'. NGOs have voiced their concerns over the prolonged length of court cases, despite the fact that legislation stipulates that cases involving children have to be dealt with on an urgent basis. Indeed the prolonged durability of such cases is also due to the fact that Centres for social work do not respond to court requests in a timely manner²⁴. It should be made clear that the Centre for Social Work (more precisely the guardianship authority which is delegated to the Centres for Social Work) is engaged in every court case which involved a child in any way. Apart from the need for a psychologist/social worker to accompany the child in court when actively participating, the Guardianship authority submits

²³ A study is currently being finalized by the University of Belgrade (Faculty of Political Science)

²⁴ The Centre for Child Rights explicitly calls for greater efficiency in the cooperation between the judicial and social welfare system when it comes to securing access to justice for children. See publication: "Child-friendly justice in the Republic of Serbia" 2013, supported by Save the Children - Norway

reports as well as recommendations/opinions in cases concerning custody, concerning placement into care as well as concerning juvenile offending. Therefore, there is a need to secure greater efficiency of the Centres for Social Work – in order to secure the efficiency of the justice system itself. The problem of consistency across the country applies both the full respect to the stipulated principles for protection of the child in justice procedures as well as the application of non-custodial measures when it comes to juvenile offenders. The application of diversionary schemes is scarce²⁵ (2 to 4% of cases) despite the fact that they were introduced in 2006. This also applies to the new/diversified alternative sanctions, where there is great diversity of application depending on what part of the country the child is in²⁶. This is again, due to the fact that the application of the above measures substantially depends on other systems outside the justice system, and primarily this is the social welfare system. A juvenile offender may attend a day-centre, engage in community work (part of social welfare) - or attend a rehabilitation programme for addition (health) or be warned to regularly attend school (education), thus requiring clear lines of communication/responsibility between the systems. In addition, the Guardianship authority of the Centre for Social Work gives their opinion on which type of diversion is appropriate as well as regularly report on the offenders' fulfilment of the diversion scheme. In cases where a juvenile has been in the juvenile prison or a correctional institution, the Centre for Social Work is responsible for facilitating his re-integration in the community upon release. This clearly shows that when children are in the justice system, the system of social welfare has a key role to play with respect to securing efficiency and consistency of justice reform. In addition, for children that are under the age of criminal responsibility (under 14) and are committing offences, it is precisely the social welfare system which is responsible to respond. This shows to what extent the roles of the two systems are intertwined, when it comes to access to justice for children. It is also important to note that justice for children is also recognized in the EU Agenda for Rights of the Child, and is one of the most important standards in the area of child rights (EU Agenda for the Rights of the Child, adopted by the EC of the EU 52011, DC0060 15 February 2011).

The Roma population is one of the poorest and most vulnerable groups in Serbia, and it is severely affected by acute social problems. A majority of the Roma population lives in extreme poverty and illegal settlements, in a framework which is at the same time reinforcing discrimination, particularly as regards access to education, social protection, health care, employment and adequate housing.

The Republic of Serbia presided over the Decade of Roma Inclusion for 12 months starting in July 2008. In 2009 the government adopted the *"Strategy for Improvement of the Status of Roma in the Republic of Serbia"* and its corresponding Action Plan as part of the on-going efforts being made to alleviate the adverse social circumstances in which most members of the Roma national minority live. The Strategy creates a basis for identifying and applying affirmative action measures, primarily in the areas of education, health, employment and housing.

However, in spite of some progress, the EC Progress Report 2012 emphasizes that further efforts are necessary in order to reduce the social exclusion and improve the status and the socio-economic condition of the Roma, who continue to be the most vulnerable and marginalised minority in Serbia. The Roma community is also exposed to multiple forms of

²⁵ According to data of the Republican Institute for Statistics, 2011

²⁶ Application of newly defined alternative sanctions was reviewed by the Republican Institute for Statistics in cooperation with the Centre for Child Rights in the publication "A Step towards taking responsibility" 2012, supported by UNICEF.

exclusion which needs to be addressed through cross-sectoral support. It is therefore important to implement the integrated approach promoted by the EU Framework for National Roma Integration Strategies up to 2020.

As described in the *First National Report on Social Inclusion and Poverty Reduction of the Republic of Serbia (2011)*, the housing conditions of Roma are considerably worse than those of other vulnerable groups as well as the general population. A high proportion of illegal Roma settlements, their inadequate access to infrastructure and the poor housing fund are but a few of the characteristic problems. Additionally, a lack of access to personal documents persists for the Roma who live in illegal settlements without a registered address or who are homeless. Roma internally displaced persons (IDPs) and Roma returnees on the basis of the Readmission Agreement between the Republic of Serbia and the European Union face a particularly difficult housing situation. A big difference in all the aspects of housing (housing status, size of apartment, quality of housing, access to infrastructure, etc.) is noted between IDP Roma and other IDP households. The resettlement of informal Roma settlements, often followed by evictions or a lack of adequate alternative housing, also represents a specific challenge. Presently there are about 780 Roma settlements in Serbia of which a significant proportion are informal settlements.

The programmes to resolve the housing problems of Roma are few, the funds invested have been insufficient and there is still no organised or systematic approach to resolving the issue of housing. Notable among those efforts that have been initiated are a three-year programme for Roma inclusion funded by Sida that will conduct mapping of informal Roma settlements and a Framework Contract funded by the EU that will complete a needs assessment and feasibility study on the suitability of locations in Belgrade and other selected municipalities to which Roma families from informal settlements in Belgrade can be temporarily resettled. The needs assessments and action plans for resettlement that are planned as part of the IPA 2012 sector project will also contribute to developing feasible resettlement options. Collectively these analyses will provide the basis for developing durable solutions to improve the housing situation of the Roma population. Additionally, the government has drafted the **National Social Housing Strategy (NSHS)** which envisages specific measures relating to Roma informal settlements and homelessness. The strategy provides flexible approach in social housing development through define the different housing program models appropriate for poor households, as: obtaining apartments for housing under social protection programs; obtaining apartments in public ownership for rental housing; improvement of conditions of occupancy in one's own property through different programs of financial support; housing allowance for rent payment. Specific goal 7 of the NSHS is: "Improved conditions of living of inhabitants of sub-standard settlements", which directly relates to the sub-standard Roma settlements, and which contains two programs: Development of planning regulations for sub-standard settlements and Legal regulation of dislocation. Also, the Specific goal 6: "Established instruments for prevention and reduction of homelessness" provides the base for collection of information about inhabitants which live in extremely inadequate and unsafe housing conditions, and also who are without home (see the ETHOS of the Feantsa), which are very often inhabitants of so called "unhygienic Roma settlements".

In addition to strategies and policies mentioned above, strategic framework for the Social Development sector also includes few more strategies relevant for planning and implementation of interventions within the sector:

The **Strategy on Occupational Safety and Health** sets, as objectives, the establishment of a legal and regulatory system for occupational safety and health, to enable an overall reduction

of occupational accidents and illnesses (healthy employees at safe and productive workplaces), and awareness-raising towards development of a sound work culture.

The main objective of the **Strategy for the Development of Vocational Education and Training** is to provide youth and adults with the opportunities to gain knowledge, skills and competencies needed for work and employment, and to ensure the conditions for further education and learning in the perspective of society's sustainable development. The Strategy advocates the development of social partnership, the creation of a National Qualifications Framework and a quality assurance system, the development of career guidance and counselling, and the promotion of entrepreneurship in vocational education. **The Strategy for the Development of Adult Education** promotes adult education in the context of lifelong learning, through the establishment of partnership mechanisms with social partners, the development of quality adult education programmes in primary and vocational schools, and the reinforcement of training providers. The objective of the cross-sectoral **Strategy and Action Plan for Career Guidance and Counselling** is to better use human resources through links between the worlds of work and education. The **National Strategy on Ageing** promotes the lifelong development of individuals, the quality of life in old age, the full integration and participation of the elderly into the community, the elimination of all forms of social negligence due to the regression of functional abilities in old age and disability and inter-generational transfers, solidarity and dialogue.

The **National Youth Strategy** sets up the main principles and strategic objectives of youth policy in Serbia, to improve the position of young people in society and the quality of their lives. The Strategy for Sport Development with its Action Plan has also been adopted.

The strategic framework for improving the state of **health** and well-being of the population in Serbia includes numerous strategies. Particularly significant among them are the National Public Health Strategy, the National Mental Health Strategy, the Strategy for Development and Health of Youth, the Strategy for Continuous Improvement of the Quality of Health Care and Patients' Safety, the Strategy for Prevention and Control of Non-communicable Diseases, the Strategy for Palliative Care, the Strategy for the Fight against Drugs and the Strategy for the Fight against HIV/AIDS. The 'Health Care Development Plan' for 2010-2015 has been adopted by the Parliament.

The strategic framework for social development in Serbia is well developed in terms of the subsector policies but also in terms of addressing the needs of the vulnerable groups (Roma, women, PWD, etc.). However, the document, **Analysis of strategic documents in Serbia**, published by General Secretariat of the Government has shown that a considerable part of the strategies need to be accompanied with actions plans while in some of them the outcomes should be quantified more precisely. It also recommends integration of certain strategic documents particularly in the health subsector. However the multidisciplinary approach in the design and implementation of these strategic documents facilitates firm complementarity between each other.

2.2.2. Sector and donor coordination

The coordination and harmonisation of donor activities in Serbia, with a particular focus on country ownership over coordinating aid-funded activities, will be ensured under the leadership of the Serbian European Integration Office (SEIO) – Sector for Planning, Programming, Monitoring and Reporting on EU funds and Development Assistance.

Coordination of programming at the highest policy level is the responsibility of the Commission for Programming and Management of EU Funds and Development Assistance.

The Commission meets annually and is chaired by the National IPA Coordinator. The commission is composed of 11 ministers and the Director of the SEIO. The task of the Commission is to review draft documents that will be presented to donors, suggest priorities for use of resources of international development assistance, and consider and make proposals to the Government on other significant issues related to the use and management of EU funds and development assistance. As a monitoring tool, the EU Delegation and NIPAC have also created monthly “bottleneck meetings” between the DEU, NIPAC and line ministries to discuss the progress of IPA funded projects and to ensure their smooth implementation.

The NIPAC and NIPAC Technical Secretariat have eight Sector Working Groups (SWGs) that prepared the Needs Assessment Document (NAD) for international assistance in 2011-13, as the basis for identifying annual IPA I programmes, multi-annual IPA III-V programmes and bilateral donor projects. These SWGs comprise representatives from Line Ministries and other beneficiaries as the main actors in programming and project identification. The SWGs contribute to the identification and prioritisation of projects, ensuring co-financing and analysis of project implementation, and include an SWG for human resources development.

Within the recently improved Aid Coordination Mechanism, informal donor coordination groups (previously mostly donor driven) have been rearranged and their work formalised based on increased national leadership. In the HRD national sector, the aid coordination group for education led by the Ministry of Education and Science with the EUD, WB, UNICEF, UNDP, USAID, ADA, Japan, GTZ, and Italy as participating donors, is active and operational. In addition to sector aid coordination groups, the mechanism envisages the following four cross-sector groups: Local Development, Regional Development, Roma Integration and Gender Equality.

Aiming to include Serbian civil sector in development assistance planning in a substantial way, SEIO decided to establish a consultation mechanism with civil society organisations in the end of 2010. The so-called Sector Civil Society Organisation (SECO), where each SECO was to represent one sector, has been established in the following 7 sectors that corresponds to the NAD classification: Rule of Law, Public administration reform, Civil society, media and cultural rights, Human resources development, Agriculture and rural development, Environment and energy and Competitiveness. During 2012 SECOs as representatives of their associated networks participated in the identification phase of programming by taking part in sector working group meetings composed of line ministries and other state bodies by providing inputs for identification of the needs and development of sector (gap) analysis. SECO for human resources development covers/corresponds to the MIPD social development sector.

The action plan for programming and reporting on international assistance is prepared annually by the NIPAC Technical Secretariat to ensure synchronisation with national planning and budgeting processes and to consider IPA programming specific requirements. By defining activities, timeframes and roles and responsibilities of relevant institutions, it serves as a tool for coordination and an instrument for aligning donor activities. ISDACON, as both a website and database of development assistance and priority projects, serves as a programming, reporting and communication tool.

2.2.3. Sector budget and medium term perspective

With the aim of increasing predictability of public financing for the budget users, as well as of improving transparency of the planning process in general, the Budget system Law prescribes the obligation of presenting the medium term expenditure framework as the three-year

expenditure limits for budget users. According to the Fiscal Strategy for year 2013, with Projections for years 2014 and 2015, based on the medium-term macroeconomic projections and the targeted deficit for the respective years, the following funds are planned to be allocated from the state budget to the state institutions associated with the Social Development Sector²⁷:

Budget expenditure limits for 2013-2015 (in EUR)*

Institution	2013	2014	2015
Ministry of Labour, Employment and Social Policy	1,074,203,972	1,141,693,880	1,187,361,630
Ministry of Youth and Sport	38,434,122	39,971,488	41,570,343
Commissariat for Refugees	13,549,532	14,091,513	14,655,167
Ministry of Health	60,832,734	63,266,045	65,796,697
Ministry of Education, Science and Technological Development	1,235,535,719	1,284,957,157	1,336,355,443
Social Insurance Administration	219,189	227,960	237,074
State Agency for Peaceful Resolution of Labour Disputes	147,333	153,227	159,356

* *Converted at the agreed budgeting rate of 119.6 RSD: 1 EUR*

The **strategic goal** of the Government economic policy on the medium-term 2013-2015 as outlined in the Draft Fiscal Strategy is the ***acceleration of the European integration process*** of the Republic of Serbia, by undertaking activities leading to the initiation of accession negotiations and by implementing systemic reforms leading to the fulfilment of the Copenhagen criteria. To this end, the adoption of the necessary systemic laws shall be accelerated, as well as the implementation of the adopted legislation with the aim of establishing market economy, macroeconomic stability and suppression of the corruption and the organized crime. The document further clarifies that in order to fulfil economic and political criteria for membership to the EU, the resources shall be provided for strengthening of the administrative capacities and for the stability of institutions guaranteeing democracy, the rule of law and the protection of minorities, for the development of market economy and of its potentials to respond to the competition and market pressures from the EU, as well as for creating the stable economic and monetary surrounding.

Having in mind the above strategic goal of the country, the focus of the economic policy in the medium-term perspective shall be on the economic recovery of the country and on the creation of conditions for the sustainable and balanced economic growth based on the increase of investments and export, and leading towards the increase in employment and of the living standard. With this regards, the Fiscal Strategy outlines several *special economic policies* to be emphasized in the period 2013-2015, i.e.: proactive population policy aiming at the increase of birth rate, active employment policy, active policy of balanced regional development, responsible social policy (with the focus on measures increasing the efficiency in providing social services, protection of family, children and youth, persons with disabilities and their integration, protection of elderly people, retired persons with low incomes, employment of marginalized social groups, abolishment of violence against women and children, etc.); Likewise, the following *key sector policies* are presented: the health policy shall aim at improving public health and optimizing of the health institutions network, while the education policy will be focused on increasing the accessibility to citizens, improving the quality and efficiency of the system, promoting financing model per pupil/student, providing

²⁷ The data presented herewith originate from the Fiscal Strategy adopted by the Government of Serbia in November 2012.

equal opportunities for all and incentives for participating in higher education levels, improving the education infrastructure. From the point of view of *planned structural reforms*, significant attention is going to be dedicated to the labour market and human capital development by undertaking active employment measures to ensure matching of the job demand and offer and to increase competences, knowledge and skills desired at the market. Reforms in the pension system, health and education as well as social protection systems, are going to be pursued.

2.2.4. Sector monitoring system

Sector performance should be monitored by sector outputs and consequent impacts that will be continuously monitored based on the existing strategies and action plans. Sector monitoring is currently under development. For time being sector monitoring for HRD Sector is based on two key mechanisms: system of performance indicators which have been developed to accompany the document "*Needs of the Republic of Serbia for International Assistance 2011-2013*" and on periodical review of the implementation of strategies and action plans relevant for the sector.

Result-based system of indicators accompanying document "*Needs of the Republic of Serbia for International Assistance*" defines baseline and target values (benchmarks) for a four-year period and will be revised annually. Indicators are linked with the relevant sector priorities and measures defined in the document, and are, to the extent possible, taken from sector performance frameworks described in the first paragraph. It is intended that this system of indicators is used in planning and monitoring of EU funds and development assistance and integrated in the relevant planning/ programming documents (including sector/ project fiches).

The monitoring system under decentralised management of IPA (DIS) is defined in detail in relevant Manuals of Procedures. System is based on a set of monitoring committees examining relevant monitoring reports- IPA Monitoring Committee, Sectoral Monitoring Committees (TAIB MC being one of them) and Sectoral Monitoring Sub- Committees (SMSCs). SMSCs will be examining IPA monitoring reports on activities funded through first IPA component per sector (it is envisaged that 8 SMSCs will be functional in the following sectors: rule of law; public administration reform; civil society, media and culture; transport; energy and environment; competitiveness; human resource development and agriculture and rural development). Progress in achieving the target values per indicator set in the relevant sector / project fiches will be included in the relevant monitoring report and examined at the SMSC and TAIB MC meetings.

2.2.5. Institutional setting

The overall coordination for the delivery of projected measures in this sector fiche will be the responsibility of the Serbian European Integration Office (SEIO).

According to the Law on Ministries, the policies of social development in the Republic of Serbia are predominantly addressed by the following institutions: the Ministry of Labour, Employment and Social Policy, the Ministry of Education, Science and Technological Development, Office for Human and Minority Rights, the Ministry of Health, the Social Inclusion and Poverty Reduction Unit within the Office of the Deputy Prime Minister for European Integration, organisations in the social welfare system (the National and Provincial Institutes for Social Welfare, centres for social work), in the healthcare system (primary health centres), in the employment system (National Employment Service), etc. The main

actors in the consultation mechanism with CSOs are Sector Civil Society Organisations (SECOs). SECO is a consortium of CSOs of maximum three partners, where one is clearly defined as a lead partner. Representative Trade Unions and Union of Employers through the Secretariat of the Socio-Economic Council are also involved in the consultation mechanism of the Social Development sector.

2.2.6. Macro-economic context and Public Financial Management

According to the adopted Fiscal Strategy and the macro-economic indicators presented therein, it is obvious that at the end of the year 2012 Serbian economy is in the recession. In general, the negative tendencies started with the second wave of economic crisis in the second half of year 2011, and continued throughout 2012 (the evident slow-down of the economic activities and of export and import of goods, the increase of fiscal and current account imbalances, growth of inflation, decrease of employment, dinar deterioration, decrease of foreign exchange reserves and of crediting activities in the banking sector, the increase of the share of the non-performing loans in the dept portfolio, etc.). The stagnation of economic activities at the EU Member states, the recession in the countries of EURO-zone, and particularly in the countries of the region, strongly affected Serbian economy being heavily dependent exactly on those trade partners. This shall continue to represent major external risk for the national economy, but the comparative anticipations are such that the recession shall decelerate during 2013, while modest growth in economic activities and employment can only be foreseen in the horizon of year 2014. The adopted Fiscal Strategy forecasts a macroeconomic scenario with real GDP growth at average rate of 3.2% per year over the period 2013-2015.

The prospects of economic recovery and growth are based on the projections and expectations of the increase of export, of savings in public sector, of productivity and of competition, as well as on the anticipation of the economic recovery of the markets of EURO-zone. As presented in the Fiscal Strategy, the macro-economic stability is the key pre-condition for fulfilling the outlined **priorities of economic growth and the increase of employment and of the living standard** in the Republic of Serbia. In that sense, a strict coordination of fiscal and monetary policy in the following three years is of crucial importance for macro-economic stability and for the decrease of macro-economic imbalances (inflation, fiscal deficit, current account deficit). The prevailing orientation is therefore towards undertaking rational economic policies and on the acceleration of structural reforms. Fiscal policy shall focus on the decrease of fiscal deficit by introducing changes in tax policy and mostly through fiscal adjustments on the expenditure side in line with the rules of fiscal responsibility. Monetary policy shall aim at attaining targeted inflation and on carrying out the floating exchange rate regime. In parallel, structural policy shall promote reforms leading to increasing productivity and export capacities, improving the business environment and attracting potential foreign investors, as well as reforms in the public sector. With this regards, a particular challenge for the economic policy shall be to ensure the financial incentives for the most effective programs, particularly in agriculture, energy sector and in infrastructure. By strengthening the rule of law, suppressing the systemic corruption and with mitigation of the rigidity on the labour market, a better investment climate is to be created. Complementary special economic policies to be emphasized in the medium-term perspective are: policy of protection of competition, active population policy increasing birth-rates, balanced regional development policy, social policy (guaranteeing social rights and inclusiveness); Key sector policies towards which more substantial financial resources are going to be allocated, are again closely interlinked with the aims of economic growth and employment and presented as follows:

agricultural policy, mining and energy, transport, telecommunications, tourism, health policy, education and science.

Envisaged structural reforms of the public sector are of great influence to the efficient **management of public finances**. The principal legal bases for the public financial management in the Republic of Serbia are set out with the Budget System Law which is assessed rather positively in terms that it “provides for many of the essential components of a sound budget system²⁸”. In the recent years (2010/2011), important new institutes such as medium-term expenditure framework and fiscal responsibility rules, have been introduced to streamline the management system. However, the implementation of those new concepts has not been fully exercised, largely because of the challenges the state faced with the financial crisis, and due to incremental approach in introducing the changes in practice. In addition to this, a significant reform potential is to be seen in the recent amendments of the Budget System Law (BSL)²⁹. One of the major changes concerns the broadening of the definition of public finances, which previously referred exclusively to budget (local and central level) funds and did not encompass the totality of revenues/incomes (for example, the so-called own, or proper revenues of some public sector institutions were left out of the system of managing the public finances and of the treasury single account). The system and the Law as amended in September 2012, now provide for a more comprehensive approach in planning, spending and reporting on public funds and as such create conditions for a better control of spending in the public sector. Likewise, the amended BSL has incorporated system changes concerning the approach in establishing and charging of various taxes, levies and duties affecting particularly the private sector. Namely, the assessments carried out with this regards, revealed that much of the fiscal duties were being introduced in opaque and unpredictable manner. The amended BSL establishes fairly transparent principles in introducing such financial charges and obliges for the subsequent adjustment of other pieces of legislation not aligned with the outlined principles; Further on, in line with the recommendations of the EC DG BUDGET, the definition of the managerial accountability has been adjusted, while in anticipation of the conferral of management powers for decentralized management of EU Funds, a new budget reserve has been introduced in order for Serbia to cope with the requirements of accreditation criteria.

Notwithstanding those improvements in the budget system, the public expenditure management still remains short of a consolidated plan for reforming the public expenditure management, which would focus exactly on implementing reforms that have already been agreed and launched. In 2010 Public Financial Management in the Republic of Serbia has been reassessed in accordance with the Public Expenditure and Financial Accountability (PEFA) methodology³⁰. A basis is therefore now available for information and monitoring of PFM, for planning of the reform strategy and capacity development programme. Assessment of the PFM institutions, processes and systems, has been carried out in several important areas: budget credibility; transparency and comprehensiveness; policy-based budgeting; predictability and control in budget execution; accounting, recording and reporting; external scrutiny and audit; and donor practices. A standardised scoring system is applied in the structure (sub-elements) of each of the topics, so that weaker scoring directly signals the necessity to concentrate efforts on improvements in a medium-term perspective. The PEFA

²⁸ SIGMA Assessment for Serbia, published in March 2012.

²⁹ The Law on Amendments to the Budget System Law was adopted by the Parliament on September 25th and published in the Official Gazette No. 93/12, September 28th, 2012.

³⁰ The Republic of Serbia PEFA Assessment and PFM Performance Report 2010 has been published in November 2010

Report recognises the dependency between PFM reforms and the EU accession agenda and recommends a more systematic approach and stronger specific leadership to ensure consistency of future PFM reforms.

2.2.7. Sector assessment

The Government of Serbia is firmly committed to capacity-building within the Social Development sector, in pursuit of its national policy objectives and reform agenda, and the path to European integration and accession to the EU. The assistance needs of the Social development sector for 2011-2013 have been fully articulated by the Sectorial Working Group for Social Development, and described in the “Needs of the Republic of Serbia for International Assistance 2011-2013”, adopted by the Government in February 2011.

A sector based approach is entirely feasible to be applied within the area of Social Development. Though a single overarching strategy has not been developed yet, the existing strategic framework is strongly harmonised and complementary, and its implementation is firmly supported through the past and on-going interventions within the sector.

The needs of the sector have been articulated based upon the strategic framework for Social Development and have been prioritised accordingly, taking particularly into account the views and criteria of the EC, as expressed in the Progress Report.

3. DESCRIPTION

3.1. OVERALL OBJECTIVE OF THE IPA SECTOR SUPPORT

Reflecting the national strategies underpinning employment, labour market, education and social inclusion policies, the following overall goal can be formulated for the Social Development sector:

To contribute to smart, sustainable and inclusive growth for the Republic of Serbia by building a more knowledgeable and skilled labour force, improving social protection policies and promoting the social inclusion of vulnerable populations, enabling greater opportunities for a better standard of living in alignment with the targets set forth by the Europe 2020 Strategy.

The Overall Objective adheres to the MIPD objectives for the Social Development sector, particularly with regard to achieving closer approximation to EU standards in the fields of employment, education, social protection and social inclusion. The measures defined for this sector aim to address the general socioeconomic needs of Serbia while also endeavouring to improve the living conditions of disadvantaged and vulnerable groups.

Results and measures under this overall objective are design in a manner to reach wide outreach and deliver direct, concrete and tangible benefits for targeted final beneficiaries throughout Serbia, in the area of employment, education and social care.

Moreover, the efforts to be engaged in the implementation of proposed measures and reaching of this overall objective will further strengthen integrated approach, coordination and harmonization of key national institutions and their actions and services, at both national and local level. This will in turn ensure achieving more synergic and more sustainable effects and benefits for the community.

3.2 SPECIFIC OBJECTIVE(S) OF THE IPA SECTOR SUPPORT

Specific objective 1: To develop a system that significantly contributes to the efficient and effective matching of supply and demand and overall functioning of the labour market, with special emphasis on the inclusion of the PWDs.

Indicators:

- *% of unemployed registered at NES employed as a result of employment services*
- *% of unemployed PWDs registered at NES employed as a result of employment services*

Specific objective 2: To advance social inclusion and reintegration of marginalized and vulnerable populations through enhancing education and social welfare measures and effective community services, with particular focus on drop-out reduction, family care and access to justice for children.

Indicators:

- *Decreased number children placed in institutions*
- *Increased number of beneficiaries of social services*
- *The length of judicial proceedings that involve children/juveniles*
- *Reduced drop-out rate in primary education*
- *Reduced drop-out rate in secondary education*

Specific objective 3: To support the implementation of the Strategy for Improvement of the Status of Roma in the Republic of Serbia through the further development and realisation of sustainable and inclusive models for resolving housing and improvement of physical infrastructure in selected Roma settlements³¹.

Indicators:

- *Technical documents for 20 pilot municipalities prepared under the IPA 2012 Sector fiche for Social Development (measure 5) implemented*
- *In a further 20 pilot municipalities detailed regulation plans and technical documents for the improvement of utilities and housing prepared.*
- *Housing and physical infrastructure operations for 20 pilot municipalities prepared under IPA 2012 implemented.*

3.3 RESULTS

Results and indicators related to the specific objective 1:

Result 1: Balance between skills supply and labour market needs improved through enhanced design and delivery of trainings to unemployed

Measurable Indicators:

- Training modules based on skill gap analysis adopted and operational

Result 2: The effectiveness of Serbian employment policy for unemployed PWDs increased

³¹ Model for sustainable and inclusive Roma housing conceived under the IPA 2012 Sector fiche for Social Development (measure 5)

Measurable Indicators:

- *Number of PWDs that received professional rehabilitation and training measures from enterprises increased by 30%*
- *At least 30 professional workers of enterprises trained for designing project proposals (special focus on identifying priority interventions for national and EU funding);*
- *At least 20 enterprises for professional rehabilitation and employment of persons with disabilities developed new training curricula³² with the support of the project;*
- *Number of PWDs that received professional rehabilitation and training measures from enterprises increased by 30% during the project implementation.*

Result 3: NES employment programme supported through direct award

Measurable Indicators:

- *Share of unemployed registered at NES who entered employment relationship as a result of participation in training program at the employer request in overall number of unemployed*
- *Share of unemployed registered at the NES employed through subsidies for creation of new jobs in the overall number of unemployed*
- *Share of unemployed registered at the NES started their own business by using subsidies for self-employment in the overall number of unemployed Share of unemployed registered at the NES participated in training for LM needs in the overall number of unemployed.*

Results and indicators related to the specific objective 2:

Result 1: Support to social inclusion of the most vulnerable and multiply disadvantaged groups provided through high quality and innovative community-based social services and social business initiatives.

Measurable Indicators:

-
- *Increase in the number of children and adults who have benefited from delivered services*
- *Regulatory mechanism for quality assurance of the awarded CBSS developed and operational*
- *At least 20 projects awarded through grant scheme for the development of community-based services for social inclusion of most vulnerable groups;*
- *At least 10 projects awarded through grant scheme for the development of social economy initiatives at the local level by the end of the implementation of the measure;*

³² According to the Law on professional rehabilitation and employment of PWDs, the Enterprises for professional rehabilitation and employment of PWDs are one of the holders (besides NES and educational institutions) of professional rehabilitation of PWDs developing training curricula for PWDs that are approved by relevant institutions.

•
Result 2: Justice and Social welfare systems strengthened and mechanisms developed to ensure highest quality protection of children and guaranteeing that the two systems act ‘in the best interests of the child’

Measurable Indicators:

- *Increase in the number of services supporting families at risk of separation*
- *New standards in fostering an residential care of children adopted and operational*
- *Number of children with disability in care reflected in the downsizing of large-scale institutions decreased toward maximum 50*

Result 3: Inter-sectoral measures for decreasing early school leaving and drop-out prevention implemented at local level and capacities for monitoring increased at central and local level.

Measurable Indicators:

- *5 inter-sectoral measures for decreasing early school leaving and drop-out prevention in accordance with the needs of local community adopted and operational*
- *30 municipalities implement and regularly monitor measures for decreasing early school leaving and drop-out prevention*

Results and indicators related to the specific objective 3:

Result 1: Improved infrastructural and housing conditions in Roma settlements in 20 pilot municipalities previously selected and supported in regulatory preparations within the IPA 2012 Sector fiche for Social Development (measure 5)

Measurable Indicators:

- *In at least 20 municipalities improved basic housing and infrastructural conditions for Roma based on technical documentation prepared by IPA 2012*
- *ToR for management of sustainable housing for Roma families, including tenancy agreements and housing rules developed*

Result 2: Regulatory preparations in place for the improvement of housing conditions in a further 20 pilot municipalities building on the experience and practice from the IPA 2012 Sector fiche for Social Development (measure 5).

Measurable Indicators:

- *Needs assessment for settlements and/or resettlement action plans aiming permanent housing solutions adopted.*
- *Legal framework for resettlement actions adopted and operational*
- *10 detailed regulation plans for Roma settlements adopted*
- *Necessary documentation in place to launch tenders for housing solutions*

Result 3: Social inclusion measures in place to support the planning and realisation of sustainable housing models in a total of 40 pilot municipalities.

Measurable Indicators:

- *Joint mobile units for Roma inclusion operational in additional 20 municipalities*

- *Annual programs for joint mobile units adopted and operational in 40 municipalities (20+20)*

Result 4: Improved capacities of Roma civil society organisations to participate in planning and implementing sustainable housing models and local action plans in a total of 40 pilot municipalities.

Measurable Indicators:

- *Grants distributed to Roma CSOs in 20 pilot municipalities*
- *20 Roma CSOs involved in implementation of measures and LAPs aimed at improvement of the status of Roma*

3.4 MEASURES/OPERATIONS³³ TO ACHIEVE RESULTS

Measure 1: Increasing the effectiveness and inclusiveness of employment services through development of training system based on a “skills gap” analysis, design and delivery of tailored programmes for unemployed and particularly PWDs and employment subsidies.

This measure will lead to the achievement of specific objective 1 of the Sector Fiche.

The measure will enable development of improved training systems and training programmes needed in the labour market in order to reduce the mismatch between supply and demand, through the assessment and evaluation (performed by external expert) of the trainings that have been conducted in the previous period as a response to the labour market needs. Recommendations for reforming the process of organizing trainings in the NES will be delivered, an analysis of "skill gaps", with particular reference to the knowledge and skills identified as missing, particularly in the segment of micro, small and medium enterprises (and the necessary entrepreneurial knowledge and skills including social entrepreneurship envisaged in the NEAP 2013) and capacity building of key institutions. The focus of the measure will be on reforming of existing training system, design and delivery of the training programmes (results oriented) based on skill gap analysis while evaluations, assessments and institutional capacity building are foreseen as accompanying actions which should enable and facilitate the core intervention.

The measure will also further facilitate the implementation of the Law on Professional Rehabilitation and Employment of PWDs through action at two levels: ministerial (MoLESP as competent authority for employment), level of LM institutions: 1) NES (as the only LM institution in the Republic of Serbia which, in an organized way, provides counselling to all unemployed persons and persons in the process of changing jobs, among which are PWD) 2) enterprises for professional rehabilitation and employment of PWDs (as one of the main implementers of professional rehabilitation measures and employment of PWD). It will contribute to strengthening institutional and management structures related to promoting the inclusion of PWDs on the open labour market, developing a system for integrated employment and training services, and devising tools to guide the provision of services and programmes for jobseekers with disabilities. Trainings should contribute to sustainability and

³³ As defined in Article 6(2) of the IPA Implementing Regulation No 718/2006. IPA Component I programmes are subdivided into sectors (priorities), each of which define a global objective to attain and which shall be implemented through measures, which may be subdivided into operations, or directly through operations. Operations shall comprise a project or a group of projects (implemented by the Commission or the beneficiary country).

improved competitiveness of Companies for Employment of PwD as well as to develop partnerships with CSOs and business community (e.g. promotion of CSR, training delivery). Capacity building activities will endeavour to improve the range of services and the types of trainings available for jobseekers with disabilities (including social entrepreneurship). Training programmes will be designed and delivered to more effectively prepare PWDs for the world of work. Due to specific approach needed for targeting unemployed PWDs comparing to the rest of the unemployed, above described actions concerning design and empowerment of PWDs will be subject of separately developed and implemented. For the sake of efficiency and synergy, all the activities envisaged under this measure (in the field of skills mismatch and strengthening the institutions dealing with professional rehabilitation and employment of PWDs, for the purpose of further inclusiveness of the LM toward PWDs) are to be covered by one contract.

Through direct award, NES will be granted with additional financial recourses to increase employability and employment of persons, focusing on vulnerable groups on the labour market. This support will be given through participation of unemployed in the trainings according to the needs of the labour market and in the training programme at the employers request and by granting subsidies for the new job creation and self-employment. These measures will be implemented in a line with NES standard procedure and PRAG rules.

Measure 2: Social inclusion and poverty reduction of vulnerable and multiply disadvantaged groups with particular emphasis on children, the elderly, persons with disabilities and income support users.

The measure will lead to the achievement of specific objective 2 of the Sector Fiche.

Sector support through this measure will enable sustainable implementation of the Law on Social Welfare which prioritizes community-based life and services (i.e. introduces measures for discouraging institutionalisation), emphasizes the active participation of beneficiaries of social services and the development of their independence from social support, and introduces new regulatory mechanisms while providing grounds for the improvement of existing ones that are crucial for enhancing the quality of social welfare, particularly the efficiency and effectiveness of this system. . A grant scheme is envisaged for the development of CBSS, as well as innovative community-based social services and social business initiatives, in line with EU recommendations³⁴. Support will be provided in data analysis of the extent to which the reforms contributing to social inclusion have been implemented and have had the expected outcomes. The Ministry's capacities will be strengthened to monitor and evaluate social expenditures in order to make the best use of resources available. This measure will support the strengthening of the social welfare system in order to revise and develop

³⁴ **Social innovations** are defined by the European Commission as innovations that are social in both their ends and their means – new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society's capacity to act. Social innovations take place across boundaries between the public sector, the private sector, the third sector and the household. The European Platform against Poverty and Social Exclusion and the Innovation Union flagship initiatives identify social innovation as a powerful tool for addressing the social challenges arising from population ageing, poverty, unemployment, new work patterns and life styles, and citizens' expectations regarding social justice, education and health care. **Social business** is defined by the Commission as an enterprise: whose primary objective is to achieve social impact rather than generating profit for owners and shareholders; which operates in the market through the production of goods and services in an entrepreneurial and innovative way; which uses surpluses mainly to achieve these social goals and which is managed by social entrepreneurs in an accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activity.

procedures based on which social assistance is delivered, insure better targeting of the potential users and outreach.

As per the social inclusion of disadvantaged children this measure will support the strengthening of social welfare and justice systems so that they can act ‘in the best interests of the child’. In practice this means securing a social welfare system that is family-strengthening focused and recognizes the need to strengthen and support parents as the best possible way for supporting a disadvantaged child. This includes children victims of abuse and neglect, Roma children, trafficked children and IDP and refugee children, as these are the groups of children at higher risk of being placed into care. Centres for social work would be capacitated to improve case management and integrate a family-strengthening perspective, as well as nurture relationships with biological families for children in care and provide transitional support for those leaving care or for former offenders being re-integrated into their communities. Service providers (including residential homes in-transformation to becoming community providers) would be capacitated to provide family preservation and other family strengthening services targeting multiply disadvantaged families, whilst MoLSP would be supported to further down-scale large scale institutions for children with disability and provide appropriate alternatives (fostering for children with disability). With respect to securing access to justice for children the measure will support full application of international norms and standards for all children who come into contact with justice system as offenders, alleged offenders, victims/witnesses as well as for other reasons where judicial intervention is required especially regarding care, custody or protection. These standards are part of existing legislation, but their uniform application in practice is not taking place. Implementation of the diversion orders and non-custodial sanctions will be supported through this measure as well as improvement of the monitoring system so that it reflects application of special procedures that should be applied in cases where children are in contact with courts and prosecution. All the above calls for defining of services standards and guidelines, publication of practical handbooks that operationalize legally defined principles ensuring ‘the best interest of the child’ in proceedings and capacitating systems to apply these (both justice professionals, but also guardianship authority professionals which are located in Centres for Social Work) as well as upgrading the monitoring system so that there is an oversight system which gathers data on whether special procedures for children are applied. In addition, in order to secure access to justice for children, it is important that when violations of child-rights are made (e.g. access to health, education, social welfare etc.) families have access to support so that they use secondary complaints mechanisms and engage in administrative court procedures. For this to happen, existing free legal aid entities need to be strengthened to understand better child rights and how and where they are stipulated in law.

Sector support through this measure will further contribute to Serbia’s ability to align with the Europe 2020 target to decrease early school leaving to less than 10%. It will enable students, particularly those from disadvantaged populations, to attain higher levels of pre-university education, which in turn will help to prepare them for the world of work. The measure will enable the MoESTD to develop and introduce a range of actions aiming to contribute to reducing pre-university level drop-out rates, in particular to develop the national strategy for drop-out prevention and to introduce pro-poor education measures at national level comprising a set of operations in the field of education and social welfare for the support to the most marginalized³⁵. With the aim to provide reliable basis for the activities at local level,

³⁵ These measures will take into account the recommendations and findings of the on-going policy impact analysis Pro-poor Education Measures conducted by UNICEF and Social Inclusion and Poverty Reduction Unit.

a framework contract (FwC)³⁶ will be programmed and implemented before the commencement of the project. Based on recommendations and results of FwC appropriate measures for drop-out prevention will be identified and piloted in preschool institutions, elementary and secondary schools in 30 municipalities. Pilot municipalities will be selected in a way that the priority will be given to socially and economically underdeveloped ones, which are characterised by highest drop-out rates. Comprehensive measures will be supported at the local level targeting municipalities and educational institutions, since international practice showed that best results in drop-out prevention are obtained when parallel systematic measures are developed in the same municipality both at the level of the local community and at the level of educational institutions. Specific attention will be devoted to addressing the particular needs of marginalised populations. Capacity building of LSGs, teachers and other professionals will be conducted in the pilot municipalities, both for implementation of the drop-out prevention measures as well as for monitoring early school leaving and the children at risk of dropping out. A data collection system devised through this measure will be utilised at local levels to monitor school leaving and to revise the identified measures accordingly. Parents will play an active role in implementing drop-out prevention measures and the capacity of parents' association will be built for this purpose. Peer support mechanisms aimed at curtailing early school leaving will be developed and implemented broadly through both schools and youth organisations. For example, teams at the school and municipality level will be established. School teams could be composed of one teacher, expert associate (psychologist or pedagogue) and a representative of the Parents council. Their task will be to identify students that have problems and to help them to overcome problems and motivate them to stay in school, as well as to intensively work with parents of those students. Depending on the targeted municipalities' capacities and needs, intersectoral municipality teams will be established, comprising the representatives of educationists, social and health workers, which make evidence and have special task to inform parents on their obligations and measures that should be undertaken if their child lives education system. The measure will promote a collaborative approach among all actors involved in its implementation (e.g. inter-sectoral committees, local inclusion teams, community services, etc.).

Measure 3: Improvement of living and housing conditions among the Roma population presently residing in informal settlements.

The measure will lead to the achievement of specific objective 3 of the Sector Fiche.

The housing solutions (result 1) will target 20 existing pilot municipalities, with implementation according to the selection of settlements and technical documentation prepared under the IPA 2012 sector project. The planning assumptions for the housing solutions are based on a combination of small-scale self-construction works (roof repair, addition of toilet/bathroom etc.), new housing/substantial reconstruction of existing housing, and improvement of infrastructure.

The analysis completed through the IPA 2012 sector fiche with regard to mapping, assessment and preparation of technical documentation for Roma settlements in the Republic of Serbia constituted a solid basis to prioritise and select the informal settlements to target in the 20 pilot municipalities and to define the most feasible options for durable housing solutions, physical infrastructure improvements and accompanying measures such as

³⁶ The framework contract will include production of study on the current state regarding early school leaving (taking into consideration complementarities with the on-going analyses) and definition of comprehensive drop-out prevention measures at national level.

construction and building of playgrounds or culture centres which will benefit Roma and other communities in selected municipalities. To this end, the IPA 2012 sector fiche took account of the pilot actions funded through SIDA, and draw upon the existing lessons learnt and best practices in Serbia and the region as a whole, in the areas of social housing and the relocation of settlements, including the IPA 2009 support for the resettlement of families originating from the Belville settlement

Direct participation of the Roma households from the targeted Roma settlements, along with the wider Roma community in the respective municipalities, will be elicited to ensure that the implementation of the housing solutions under the IPA 2013 sector fiche respect a human rights based approach, respecting the principles of gender-sensitivity and the requirement for thorough and on-going consultations with the beneficiary families.

Implementation of the housing solutions will engage Roma civil society organisations in the 20 pilot municipalities (result 4), which were capacitated under the IPA 2012 sector fiche. The organisations will support the consultative process with the affected families and wider Roma community in the respective municipalities; and the planning and implementation of community development models in the settlements to benefit from housing solutions, including support for social mobilisation and self-help initiatives (management and maintenance of communal spaces, settlement clean up etc.).

In drawing on the experience and lessons learnt from the implementation of the IPA 2012 sector project, the measure will extend to an additional 20 pilot municipalities the support for the improvement of living and housing conditions among the Roma population presently residing in informal settlements (result 2). The municipalities will be selected according to an agreed criteria reflecting the size of the Roma population; living and housing conditions in the respective settlements, as defined by the spatial (GIS) database on Roma settlements created under the IPA 2012 sector fiche; and level of functioning in the respective municipalities of the Roma inclusion mechanisms of the National Employment Service's office, pedagogical assistant, health mediator, Centre for social work and Roma coordinator. The Office for Human and Minority Rights in consultation with the respective state institutions, local self-governments and Roma community representatives will define the details of the criteria and select the additional pilot municipalities.

The measure provides for the necessary preparatory activities for the improvement of living and housing conditions in the 20 additional pilot municipalities, namely the organisation of workshops and training courses for local municipal staff, practitioners from the local employment, social service and health centres, and members of the Roma community on Roma inclusion and housing issues; assistance for the preparation and adoption of detailed urban plans for regulation of settlements; preparation of necessary action plans and programs for relocation of settlements; and preparation of project documentation for improvement of infrastructure and housing.

The measure will support housing solutions in the context of broader social inclusion objectives and access to social and economic rights (result 3). Through this measure, the subsequent registration of Roma into birth registries and provision of identity documents shall be facilitated through direct legal aid to individuals who need it. The operation will be implemented through a grant scheme targeting law offices, civil society organisations and other actors capable of providing this specific type of legal aid. This will remove one of the main obstacles for Roma to obtain basic social and economic rights and enable their full integration in social and economic life.

Support shall also be provided to enhance coordinated public service delivery to Roma settlements and access to education, health and social services for Roma families, through further strengthening and expanding the scheme of joint mobile units, introduced under the IPA 2012 Sector project³⁷. The existing mobile units in 20 pilot municipalities will benefit from further training and mentoring, as part of a programme of professional development defined by the respective state institutions and local self-governments; and technical assistance will be provided to establish new mobile units in the 20 additional pilot municipalities. The technical assistance will build upon the experience and lessons learnt from the IPA 2012 sector fiche, including extending to the additional 20 pilot municipalities the protocols on working, training and mentoring programmes and information system relating to the mobile units. Leading members of the pre-existing mobile units will mentor the newly established units in the 20 additional pilot municipalities.

Furthermore, the measure aims to capacitate Roma civil society organisations in the 20 additional pilot municipalities to engage in the planning and future implementation of housing solutions in the municipalities, including community development (result 4). The support to the organizations will draw on the experience and lessons learnt from the IPA 2012 sector project by providing training to support development of local action plans (LAPs) with regard to improvement of access to education, employment and health as well as the monitoring and reporting on Roma inclusion measures' implementation.

Besides the actions foreseen under this measure, concrete measures oriented toward improving the access to employment, education and social services are embodied in the design of **measure 1** and **measure 2** (active employment policy measures, community based social services and drop-out prevention and reduction measures) targeting different vulnerable groups of which Roma represent considerable percentage.

3.5 OVERVIEW OF PAST OR ONGOING ASSISTANCE, LESSONS LEARNED, MECHANISMS FOR DONOR COORDINATION/SECTOR WORKING GROUP AND/OR POLICY DIALOGUE

According to Serbia's Inter Sectoral Development and Aid Coordination Network (ISDACON) database, it is estimated that a total amount of €371.05 million was actually disbursed in assistance from the international donor community to the HRD sector in Serbia, in the period 2007-2011. Out of the total disbursement of international assistance within the HRD sector, the highest level was recorded in health (35.7%), followed by education (27.4%), social welfare (25.2%), labour and employment (9.2%), and recreation and sport (2.5%).

In the four annual programmes 2007-2011, IPA component I is financing projects in the HRD sector worth over €125 million (including national co-financing). In the area of education, assistance under IPA I has been focused on strengthening institutional capacities and support to VET reforms and development of the National Qualifications Framework, design and implementation of quality assurance systems in primary and secondary education (and VET),

³⁷ Basic terms of reference for the joint mobile units as defined by the IPA 2012 Sector fiche for Social Development: Members of the mobile units will enter Roma settlements jointly on a regular basis, implementing the integrated and holistic approach on the ground and assisting each other by sharing information and experience from their own mandate and competences. The essential benefits of this multidimensional joint outreach facility are that: 1) more Roma will be informed about their rights in the relevant four fields (the members of the joint mobile units will distribute leaflets and other materials to Roma about their rights); 2) more Roma will gain access to their rights (the members of the joint mobile units will perform all the regular activities possible which are part of their daily work in each respective institution); 3) effective synergy between the members of the joint mobile units will lead to strengthening the links between their systems.

support to early inclusion of vulnerable children in the education system, establishment of a system of “second chance” – functional elementary education for adults, and improvement of the quality of higher education teaching and infrastructure. In the area of social inclusion, assistance under IPA I has been directed to support the integration of refugees, internally displaced persons (IDPs) and returnees through housing and income generation support and legal aid. The assistance has also targeted the social inclusion of vulnerable groups by strengthening national and local institutions that oversee and provide community-based social services for different target groups (including children and persons with mental illness and mental disability). IPA I assistance has provided support to health care reforms in Serbia through support to the development of quality standards for health care, improvement of Emergency Medical Service, support to the implementation of the hospital information system, design of the treatment of infectious waste in the primary health care, implementation of organised screening programmes for breast cancer, cervical cancer and colorectal cancer, development of palliative care and improvement of the system for prevention of drug abuse in line with EU standards. For employment and labour market policy, assistance under IPA I has supported the National Employment Service (NES) to upgrade analysis and forecasting of labour market trends and monitoring and evaluation of active labour market programmes.

Through IPA 2012, the HRD sector has been supported in the amount of €24.1 million while its measures and operations strongly complement the actions proposed under this SF. The main portion of 2012 assistance was allocated on implementation of active labour market programs to facilitate transition from unemployment to work and their continuation will be ensured through 2013 support. Likewise, in the field of community-based social services, Norwegian and UK bilateral aid supported the analysis and policy-making which is now being carried forward through grant schemes under IPA 2012 to develop new social services at the local level, accompanied by TA to help these innovations to be accredited, mainstreamed and rolled out at the national level. Continuation in this area will also be ensured through this SF. In the area of Roma inclusion, through introduction of mobile teams, strengthening Roma civil society and preparation of documentation for housing, 2012 support also set the ground for activities foreseen under measure 3 of this SF.

The reforms in the HRD area have been supported by other donors, namely the World Bank, EIB, UN organisations (UNDP, ILO, UNICEF, IOM, etc.) and bilateral aid from Austria, Canada, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom. Synergies among donors are apparent in the design and coordination of assistance. VET reform is complemented by bilateral support from the German government and Austrian government, while the establishment of the teacher training system is supported by the Swiss government. Next to IPA, the Norwegian government supports the improvement of regulatory mechanisms in social welfare.

Several projects are implemented with the ILO, UNDP and the support of the Spanish and Italian governments, which will build the capacity of labour market institutions in designing, monitoring, implementing and evaluating active policies on youth employment and to establish a Youth Employment Fund. The World Bank’s Delivery of Improved Local Services programme, worth \$46.4 million, will increase the capacity of institutional actors and beneficiaries to improve access to health, education and social protection services in a decentralizing environment, while improving the efficiency, equity and quality of local delivery.

3.6 SUSTAINABILITY

Sustainability of results to be achieved under measure 1:

The National Employment Policy is a key plank of the government to achieve its goals regarding economic growth and social inclusion. The greater relevance of ALMPs to the needs of unemployed and especially disadvantaged groups is one of the priorities of the National Employment Strategy 2011-2020 and the adopted NEAP for 2013. In this respect, the NES will continue to strengthen the capacity of its branch offices in identifying needs and formulating adequate responses. During the process of preparation of the Fiscal Strategy for 2013 with projection for 2014 and 2015, Employment department of the MoLESP expressed the need for allocation of 7 billion RSD in 2014 and 8 billion RSD in 2015 for the active employment policy measures and programmes. As defined in the Fiscal Strategy for 2013 with projections for 2014 and 2015, an increase of the budget fund for the MoLESP is forecasted. MoLESP and the NES will continue to implement activities aimed in increasing the budget allocation resources for active employment policy that will contribute to the extension of the number of unemployed persons participating in various employment measures and programmes.

Sustainability of results to be achieved under measure 2:

By pursuing the objectives of the Law on Social Welfare, the measure will contribute to a greater social inclusion in Serbia. It will support the development and mainstreaming of community-based services, in particular to respond to the needs of vulnerable groups without or with insufficient support at present. The integrated models of service delivery will be encouraged to address social exclusion in a more holistic manner across institutional boundaries (social, education, health care and housing). Strong partnerships between LSGs, service providers (including civil society organisations) and the private sector will be encouraged to facilitate the emergence of sustainable models of community-based social services. By helping LSGs to translate their commitment to social inclusion into concrete initiatives anchored in local budgets, the sustainability of community-based services will be ensured.

By strengthening the regulatory, monitoring and coordinating roles of the Ministry of Labour, Employment and Social Policy, a better governance of the sector and more uniformity in the quality of service provision will be ensured.

Legal and strategic framework in Serbia provides solid foundation for sustainability of project results due to the fact that early school leavers prevention and drop out intervention programs are recognized as one of the key strategic issue. The Law on Foundations of the Education System as well as the newly adopted Education Strategy and the First National Report on Social Inclusion and Poverty Reduction define this issue as one of the national priorities for human capital development. In the mentioned documents, lack of systematic measures to support poor children in education and to prevent drop-out is recognized as one of the major issue.

One of the major targets in Serbia is in accordance with the EU Strategy 2020 and is to decrease number of early school leavers until 2020 to less than 10%. According to defined objective, early school leavers prevention is already defined one of the priorities of the revised Action Plan for the Implementation of the National Roma Strategy and it will be one of the priorities of Action Plan for the Implementation of Education Strategy to be adopted in 2013. That will ensure budgeting of the proposed mechanisms and commitment of the Ministry of Education, Science and Technological Development to implement proposed measures in the most effective way after the project completion.

Program itself will provide base for piloting the best possible mechanisms and to introduce the most effective measures into the system. Project implementation will provide clear

evidence of the most effective approaches related to the specific problems and needs of different socially excluded groups (Roma, children with disabilities, children from rural areas, poor children). Education measures based on clear evidence are one of the preconditions for the sustainability of the project results. The other key factor is comprehensive approach considering the poor support measures from different systems: education and social as well as maximizing the efforts and better coordination of different national and international partners active in this area.

Sustainability of results to be achieved under measure 3:

The Office for Human and Minority Rights is in charge of the monitoring of the national Strategy for the improvement of the status of Roma and the Action plan for its implementation. All other direct beneficiaries of the Measure 3 are public bodies participating in the Government Council for Improvement of the Status of Roma and the Decade of Roma Inclusion Implementation. This project will add additional resources to the existing strategic framework implementation and create synergy and links that will make the integrated approach to Roma inclusion become the basis for further implementation of the Strategy thus leading to sustainable improvement of the status of Roma in Serbia, in line with EU documents and specific recommendations to the Government of Serbia.

The housing solutions will be planned and implemented with the participation of the affected families, wider Roma community and respective local self-governments, in order to ensure their appropriateness and reinforce a sense of local ownership. The sustainability of the housing solutions will also be enhanced by the self-construction component, which will be accompanied by basic vocational training in construction, whereby the families will be capacitated to undertake certain building maintenance works in the future. The sustainability of the housing solutions and local ownership will be further supported through community development.

The sustainability of the scheme of mobile units will be underpinned by the joint planning and commitment of the State institutions at the national and local levels, as defined through a joint protocol adopted by the institutions, and ensuring the appropriateness of the scheme according to the future available resources and the institutional setting. The mobile units will comprise of civil servants, who will undertake the required functions as a part of their regular duties, without the requirement for additional financial incentives. The training and mentoring of mobile units to be provided under the IPA 2013 sector fiche will promote local ownership and a commitment to the scheme among the civil servants, through exploring and underlining the benefits of the scheme in terms of the efficiency and time saving arising from information sharing and joint casework.

The further successful strengthening of the integrated service delivery will create positive practice for inter-sector cooperation in the field of Roma inclusion and other fields. The integrated service delivery, together with the participation of civil society organisations will play a central role in the realisation of sustainable housing options for the Roma families.

The effective participation of the Roma civil society in the implementation of the measure 3 would add to legitimacy and relevance of the actions and sense of ownership by the Roma community, thus to more sustainable results. This would be evident in the process of developing the management models for social housing, where the actual developer would be the Roma community.

3.7 ASSUMPTIONS AND PRECONDITIONS³⁸

Assumptions and preconditions related to Specific Objective 1:

The main precondition to be fulfilled with regard to Specific Objective 1 is the allocation of adequate personnel in NES and MoLESP to manage the operations foreseen under Objective 1. A PIU unit that will be established within IPA 2012 Social Development and receive training and support from TA should have enough experience to manage successfully the DA. Also the technical assistance foreseen under the measure will help these staff make up for any gaps in their knowledge and skills. The effectiveness of design and delivery of training to unemployed is dependent on the quality of skills gap analysis and available data as well as on sufficient number of quality training providers in charge of designing and conducting training programmes for the unemployed based on the specifications developed by NES. Another main assumption is sufficient level of openness and motivation of enterprises for professional rehabilitation and employment of PWD and their staff for reforming and delivering new training programmes. Also, employer's interest for applying for subsidies will be one of the preconditions for successful implementation of measures foreseen under Specific Objective 1. Past experience showed that employers are attracted by this kind of ALMP and that demand for subsidised employment was always higher than financial resources. Moreover the employers' awareness and readiness to accept PWDs as a regular part of the workforce in accordance with their abilities and the skills that they have attained through trainings is also considered as an assumption,

Assumptions and preconditions related to Specific objective 2:

With regard to further development of CBSS, the main assumption is commitment by the Ministry of Labour, Employment and Social Policy and efficient cooperation between all relevant line ministries, in particular regarding the joint development of standards for services. Likewise, efficient and effective cooperation is needed among various stakeholders at national and local levels as well as among state and non-state service providers. For the sustainable and successful implementation of the measure, the commitment of LSGs is also required.

Similarly, commitment from all stakeholders is vital to implement drop-out prevention measures successfully and to sustain program results. There should be genuine willingness among schools, local communities, national institutions and organizations as well as international partners to collaborate and maximize all resources towards the same goal. Effective management and horizontal and vertical coordination is essential, especially cooperation between Ministry of Education, Science and Technological Development and Ministry of Labour, Employment and Social Policy. Already implemented and initiated activities should be considered as an important foundation: implementation and results of DILS project; researches and analyses such as Drop-out Study initiated by Ministry of Education, Science and Technological development; relevant analyses and drop out pilot programs implemented by UNICEF and other partners; intersectoral committees formed at the local level; Joint Coordination Body for coordination of intersectoral committees at the

³⁸ Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

national level. Results and lessons learned as well as human, physical and technical capacities from the mentioned initiatives will be incorporated in the project. Also, additional capacities should be developed especially within the Ministry of Education, Science and Technological development, schools and local communities. Relevant experiences from neighbouring and EU countries should be gained and system of horizontal learning will be incorporated in project design.

Assumptions and preconditions related to Specific objective 3:

The main preconditions to be fulfilled with regard to the timely planning and implementation of the durable housing solutions, is the existence of appropriate regulatory frameworks and project planning/tendering documents, to be created mostly under the IPA 2012 sector program. The planning and implementation of the self-construction works will be complex and technically demanding, and will require well-established and close working relations with the respective families and communities, along with the local self-governments.

Regarding the Result 2, the 20 joint mobile units shall be established, become fully functional and provide services to the Roma settlements under the IPA 2012 sector program. The lessons learnt from this process shall be available and serve as the basis for the further strengthening of the existing mobile units and expansion of the scheme to an additional 20 pilot municipalities. Additionally, the main focal points for the Roma inclusion (employment counsellors, pedagogical assistants, health mediators and case managers within Centres for social work) should exist or be introduced in the additional 20 pilot municipalities.

4 IMPLEMENTATION ISSUES

4.3 INDICATIVE BUDGET

Indicative budget (amounts in EUR) (for decentralised management)

SECTOR TITLE			SOURCES OF FUNDING										
			TOTAL EXPENDITURE	TOTAL PUBLIC EXPENDITURE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Measure 1			7,000,000	7,000,000	6,300,000	90%	700,000	10%	700,000				
Operation 1.1-TA - employment policy	X		2,000,000	2,000,000	1,800,000	90%	200,000	10%	200,000				
Operation 1.2-direct award to NES		X	5,000,000	5,000,000	4,500,000	90%	500,000	10%	500,000				
Measure 2			8,500,000	8,500,000	7,880,000	93%	620,000	7%	70,000	550,000			
Operation 2.1-TA -social welfare	X		700,000	700,000	630,000	90%	70,000	10%	70,000				
Operation 2.2-Grant scheme-CBSS		X	5,500,000	5,500,000	4,950,000	90%	550,000	10%		550,000			
Operation 2.3-Direct award to UNICEF-child protection	X		2,300,000	2,300,000	2,300,000	100%	0	0%					
Measure 3			11,000,000	11,000,000	9,425,000	85.7%	1,575,000	14.3%	1,575,000				
Operation 3.1-TA Roma inclusion-	X		1,500,000	1,500,000	1,350,000	90%	150,000	10%	150,000				
Operation 3.2-Works-Roma housing		X	9,500,000	9,500,000	8,075,000	85%	1,425,000	15%	1,425,000				
TOTAL IB			6,500,000	6,500,000	6,080,000	93,5%	420,000	6.5%					
TOTAL INV			20,000,000	20,000,000	17,525,000	87,6%	2,475,000	12.4%					
TOTAL SECTOR SUPPORT			26,500,000	26,500,000	23,605,000	89%	2,895,000	11%	2,345,000	550,000			

NOTE: DO NOT MIX IB AND INV IN THE SAME OPERATION ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Operation row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Public** Expenditure (column (b))

(3) Expressed in % of the **Total** Expenditure (column (a))

4.4 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN PER QUARTER)

Operations	Start of Tendering/ Call(s) for proposals	Signature of contract(s)	Activity Completion
Operation 1.1 TA to build capacity in employment policy	T+1Q	T+3Q	T+12Q
Operation 1.2 Direct grant to support ALMPs in Serbia	N/A	T+4Q	T+12Q
Operation 2.1 TA to support social welfare development	T+2Q	T+5Q	T+14Q
Operation 2.2 Grant scheme-community services in the area of education and social welfare	T+3Q	T+6Q	T+13Q
Operation 2.3 Direct award to support strengthening social welfare and justice systems with regard to children protection	N/A	T+1Q	T+12Q
Operation 3.1 TA to strengthen and expand the scheme for joint mobile units, prepare additional settlement for durable housing solutions and support Roma civil society in community development initiatives.	T+1Q	T+3Q	T+12Q
Operation 3.2 Grant scheme -implementation of durable housing solutions, accompanying measures at hosting communities and physical infrastructure improvements	T+3Q	T+6Q	T+11Q

Procurement related to Measure 1:

Operation 1.1 *Development of a system that significantly contributes to the efficient and effective matching of supply and demand and overall functioning of the labour market, with special emphasis on the inclusion of the PWDs* will be implemented through a service contract. Terms of reference will be developed by MOELSP and NES in close cooperation with SEIO and EUD.

Operation 1.2 *Support to the NES employment programme* is to be implemented wholly by the NES under a grant contract signed with the European Commission. The grant contract will be concluded using the direct award procedure. The use of this procedure is justified on the grounds that NES has a *de jure* monopoly with regard to the implementation of active employment policy in Serbia,¹ as stipulated by the Law on Employment and Unemployment Insurance (see Articles 6, 7, 8, 20 and 43);² as such, it “has exclusive competence in the field of activity to which the grant relates”.³

NES consists of the head office, two Provincial Offices and a network of 34 Branch offices (which include services and offices as a smaller scale organisational unit). The NES head office with all the branch offices makes a single legal entity with one central account in the head office. According to the adopted programmes and in line with approved activities, funds are then transferred from the head office to the subaccounts of the branch offices. The grant will be signed between EUD and NES (if the implementing mode is under the centralised management) and the financial recourses will be used for secondary procurements to finance active labour market programmes. With these additional funds, NES will be able to enhance training programs for unemployed persons in order to better match supply and demand on the labour

¹ See Regulation (EC, Euratom) No 2342/2002 (the Implementing Rules of the EU’s Financial Regulation), Article 168(1)(c); consolidated version (i.e. including all amendments) can be found at

http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm#rf_modex

² See www.zso.gov.rs for an English version of this law.

³ See PRAG, 6.3.2.

market, improve the quality of employment services toward PWDs and to expand coverage of subsidies user, consequently increasing employment.

Procurement related to Specific Objective 2:

Measure 2 will be delivered through one service contracts (Operation 2.1), one grant scheme (Operation 2.2) and one Direct Award (Operation 2.3).

Other service contract (Operation 2.1) will perform the capacity building and piloting of innovative instruments for the improvement of social welfare service standards and further development of community based services, as well as introduction of new regulatory mechanisms of the MoLESP. Furthermore, it will also manage implementation of the grants scheme foreseen in Operation 2.2.

One grant scheme (Operation 2.2) leading to works, service and supply contracts with the purpose of development and delivery of community-based services, social innovation services, social business initiatives for the most vulnerable groups (e.g. Roma, children, women, PWDs, elderly citizens, returnees and migrants) and intersectoral measures for decreasing early school leaving.

Operation 2.3 will be implemented by means of a contribution agreement. Given the complex and inter-sectoral nature of the operation tackling multi-faceted social exclusion of children in Serbia, the most appropriate model for its implementation would be a contribution agreement with the UNICEF. A full justification for making use of this award procedure is given in Annex 6.

Procurement procedures for the service contract can be launched as soon as the FA is concluded. Tendering documents, ToRs and GfA will be prepared by the Ministry of Labour, Employment and Social Policy with the external assistance and in close cooperation with SEIO and EUD. It can be expected that external expert support will be required in finalising ToR and especially GfA.

Procurement related to Specific Objective 3:

Measure 3 will be delivered through one service contract (Operation 3.1) and one grant scheme (Operation 3.2)

A service contract (Operation 3.1) will support finalisation of planning phase for the housing solutions based on the results and recommendations regarding mapping of settlements, assessments and feasibility studies and preparation of technical documentation, from the IPA 2012 program and lessons learned from IPA 2009 and pilot actions funded by SIDA. This operation also foresees further provision of housing assistance, in terms of necessary regulatory and social inclusion measures providing basis for further successful planning and implementation of durable housing solutions. Thus, it will enable the assessment of settlements and preparation of project documentation to be continued in additional 20 municipalities. Sustainable approach to coordinated public service delivery will be also provided under this service contract through strengthening and expanding the scheme of joint mobile unites, piloted under IPA 2012 program. Further strengthening of Roma civil society and community development will be also supported under this operation.

One grant scheme (Operation 3.2) will support works and supply contracts for self-construction, new construction and infrastructure improvements as well as service contracts for the accompanying measures targeting local host communities.

Procurement procedures for the service contract can be launched as soon as the FA is concluded. Tendering documents, ToRs and GfA will be prepared jointly by the Office for Human and Minority Rights and the Ministry of Construction and Urbanism with the external assistance and in close cooperation with SEIO and EUD. It can be expected that external expert support will be required in finalising ToR and especially GfA.

4.5 CROSS CUTTING ISSUES

4.5.1 Equal Opportunities and non-discrimination

The concept of equal opportunity is strongly embedded in the sector design. By developing employment and social services, the sector assistance supports local vulnerable and disadvantaged population by helping them to overcome their social problems, to take an equal role and become productive members of their families, communities and country as a whole. ALMPs will be designed to enable successful integration into the labour market of all vulnerable categories of unemployed. Women are particularly at risk of exclusion. Gender issues shall be actively mainstreamed throughout the program within both target institutions/organizations and activities/outputs. Special criteria for beneficiary selection shall be developed to take into account different gender needs and help boost gender equality in local communities. Indicators of achievement will measure the participation of women in all measures funded under this project.

Likewise, equal opportunity and non-discrimination is one of the general principles on which education system is based. This principle means that all have equal right and opportunities for education without discrimination based on gender, language, religion, social and cultural background, etc. The Law on the Foundations of the Education System (adopted 2009) defined that all forms of discrimination are prohibited in institutions of education.

4.5.2 Environment and climate change

The measures under this sector do not have a direct impact to the protection of the environment. However, whenever possible, all environmentally friendly technologies and environmental policies will be strongly promoted in all tender documentations developed as part of the implementation of the measures.

4.5.3 Minorities and vulnerable groups

The main focus of the sector as whole is poverty reduction among and social inclusion of the vulnerable and minority groups who are often faced with multiple factors of exclusion. Measures under the sector are designed to strongly support improvement of the quality of life of vulnerable and minority populations through different initiatives in the employment, education, social and housing areas.

Minority and vulnerable groups experience difficulties in accessing the labour market due to their lack of qualifications and cultural/language barriers. On the other hand, there is a shortage of training opportunities to help them make up for their educational gaps. The measure within the employment area will help develop ALMPs targeting specifically the needs of the most disadvantaged populations including those of minorities through training opportunities, job counselling and brokerage. Indicators of achievement will measure the participation of minorities in ALMPs and assess the impact of implemented measures on their labour market situation. Special emphasis will be given to the PWDs.

The measure linked to specific objective in education will help improve the drop-out prevention and, as such, can be a powerful force of the inclusion of students in the risk into the society. It also supports inclusive education practices, with special consideration being given to children from minority groups, such as Roma, children with disabilities, etc. By raising and developing drop-out prevention programmes at school level, more and better opportunities for all to join the education system and reach higher levels of education are facilitated.

4.5.4 Civil Society/Stakeholders involvement

Civil society organizations and other stakeholders have been already engaged in the different partner consultations organized by the SEIO in designing the measures. The active involvement of civil society will be encouraged through the opportunity for social partners and NGOs to participate as individual grant applicants in delivery of the community-based social services but also as providers of the training and re-training programmes.

4.6 SECTOR MONITORING, EVALUATION AND AUDIT (*only decentralised management*)

Monitoring of the progress in sector support implementation will be done in accordance with the rules and procedures for monitoring under Decentralized Management (DM), as specified in the DM Decree and DM Manuals of Procedures. Manuals of procedures include detailed procedure for monitoring on different levels (contract, sector support/ project, IPA TAIB Sub-Committees, IPA TAIB Committee, IPA MC), with clear responsibilities and deadlines in the monitoring process. Specifically, it is envisaged that on the spot checks (monitoring visits, verification checks and supervisory checks) will be performed throughout the implementation process by the SPO and CFCU, as part of the contract management activities, while regular monitoring of the implementation will be done through the Steering Committee meetings and regular reporting by the Contractor. In addition, IPA monitoring process organized and lead by the NIPAC/ NIPAC TS includes regular meetings of Monitoring Committees on different levels, examining relevant monitoring reports and providing recommendations for ensuring delivery of planned results, as well as follow up of their implementation. With regards to the monitoring of sector support, it is envisaged that responsible SPO submits a Sector Support Monitoring Report to NIPAC twice a year, in a prescribed template. After quality check, NIPAC TS prepares the TAIB Sub-Sector Monitoring Report to be examined by the relevant Sector Monitoring Sub-Committee (SMSC), in this case- SMSC for Social Development sector. Report examined by the SMSC is envisaged to include information on status and progress in implementation of all relevant sector support/ projects in that respective sector. Depending on the issues/ problems identified, conclusions and recommendations of the SMSC may be taken forward to the TAIB MC and ultimately, the IPA MC. Monitoring process envisages participation of various stakeholders such as EC/EUD, NIPAC/ NIPAC TS, SPO/IPA Unit, CFCU, NF, AA and other institutions and civil society organizations per need.

Evaluation and audit of sector support will be done in accordance with the Decentralized Management rules and procedures, defined in the DM Decree and DM Manuals of procedures. In line with IPA IR, Manuals of procedures envisage responsibility of the national authorities to provide for the IPA Interim evaluation, while other types of evaluation (ex ante, ex post, thematic, etc.) may be initiated by national institutions on ad hoc basis and per need. With regards to the audit, procedures on internal controls under decentralized management regulate in detail various types of audit to be performed (internal and external), audit planning, carrying out of audits, following up on audit recommendations and reporting on follow up activities.

