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ANNEX V

to the Commission Implementing Decision on the annual action plan in favour of the Republic of Serbia for 2024

Action Document for Sector Reform Contract for Education Reform in Serbia: Towards Quality Education and Lifelong Learning for Improved Employability

ANNUAL ACTION PLAN

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

1. SYNOPSIS

1.1. Action Summary Table

Title	Sector Reform Contract for Education Reform in Serbia: Towards Quality Education and Lifelong Learning for Improved Employability Annual action plan in favour of Serbia for 2023
OPSYS	OPSYS business reference: ACT-62417
ABAC	ABAC Commitment level 1 number: JAD.1398284
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Economic and Investment Plan (EIP)	Yes Priorities: “Human Development (incl. human capital and youth)”.
EIP Flagship	No
Team Europe	No
Beneficiary(y)/(ies) of the action	The action shall be carried out in the Republic of Serbia
Programming document	IPA III Programming Framework
PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 4 – Competitiveness and Inclusive Growth, Thematic Priority 1: Education, employment, social protection and inclusion policies, and health (100 %)
Sustainable Development Goals (SDGs)	Main SDG: 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Other significant SDGs (up to 9) and, where appropriate, targets: N/A
DAC code(s)	11110 - Education policy and administrative management – 100%
Main Delivery Channel	Central Government - 12001

Targets	<input type="checkbox"/> Climate <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity			
Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	EIP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	EIP Flagship	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	Tags: Transport Energy Environment and climate resilience Digital Economic development (incl. private sector, trade and macroeconomic support) Human Development (incl. human capital and youth)	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	

Health resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Migration and mobility	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture, food security and rural development	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rule of law, governance and Public Administration reform	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tags	YES	NO
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tags	YES	NO
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>
health	<input type="checkbox"/>	<input checked="" type="checkbox"/>
education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

Amounts concerned	<p>Budget line: 15.020201</p> <p>Total estimated cost: EUR 30 000 000</p> <p>Total amount of the EU budget contribution is EUR 30 000 000 of which:</p> <p>EUR 28 500 000 for budget support</p> <p>EUR 1 500 000 for complementary support</p>
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MANAGEMENT AND IMPLEMENTATION

Implementation modalities (management mode and delivery methods)	<p>Budget Support</p> <p>Direct management through:</p> <ul style="list-style-type: none"> - Budget Support: Sector Reform Performance Contract - Procurement
Final Date for conclusion of Financing Agreement	At the latest by 31 December 2025

Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the financing agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the financing agreement

1.2. Summary of the Action

This Action aims to raise the **employability** of the Serbian labour force by improving the relevance, equity, inclusiveness and quality of the education and training system, in view to a better match to the needs of the labour market and alignment to Union standards, policy and practice. By doing so, it will contribute to progress in achieving Sustainable Development Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. In line with the overall objective of IPA III, the Action will be instrumental in the implementation of education reforms and the Strategy for Education Development in Serbia until 2030¹.

Through this Action, the **relevance** of education outcomes will be improved to meet labour market needs, with particular emphasis on key competencies for lifelong learning providing students with capabilities they need to develop, to live and learn today and in the future. Improved teaching content/curricula will better match needs for personal fulfilment and development, employability, social inclusion and active citizenship. Further development and implementation of educational programmes based on key competencies in primary and secondary general education and on qualifications standards that are developed in social partnership in vocational and higher education, will improve students' skills and competencies necessary to perform in the green economy thus enhancing employment prospect of young people and facilitate education to work transition as well as further education and personal development. By improving the relevance of education outcomes, the skills mismatch between education supply and labour market needs will be reduced whilst the students will be equipped with skills and competencies that would enable them to find employment or continue to further education, contributing to socioeconomic development.

Also, to promote and implement fairness, equal opportunities and access to education for all, this Action will improve **equity** in the education system. Through early intervention measures, tailor-made support focused on national minorities, Roma children, children with disabilities, and children from marginalised groups, will be provided thus improving education coverage and inclusiveness of the education system. Pedagogical assistants as effective inclusion policy measures will be in a systemic way introduced into education institutions and provide support to children and students with disabilities, but also to schools and parents. In addition, Resource centres for inclusive education/ assistive technologies will be fully operational and through affirmative measures access and participation in higher education of Roma students and students with disabilities will be increased.

To ensure student employability, adaptability, personal development and active citizenship, the **quality** of teaching and learning processes and outcomes will be improved. Students' under-achievement in basic skills

¹ Strategy for Education Development in Serbia until 2030. Available at: https://prosveta.gov.rs/wp-content/uploads/2021/11/1-SROVRS-2030_MASTER_0402_V1.pdf

continues to be a serious challenge that will be addressed through a support scheme for underperforming schools. The support will target schools assessed on external evaluation below level 3 and will focus on two areas: ‘teaching and learning’ and ‘support to students’, that have a direct effect on student achievements. The support scheme will consist of a comprehensive array of measures targeting all staff in selected schools and will provide continuous mentoring support that will secure improvement at the classroom level. Also, the national Matura exam will be implemented, providing access to higher education and improving transparency and mobility in the education system. Matura is an important instrument of education policy that will provide data for further quality improvement in education.

1.3 Beneficiar(y)/(ies) of the Action

The Action shall be carried out in the Republic of Serbia.

2. RATIONALE

2.1. Context

Consistent with key thematic priorities identified in **IPA III Strategic response RS**, “the proposed Action will continue to support education reform activities in line with strategic framework focusing on quality of student’s achievements, inclusive education and relevance of competencies and skills in lifelong perspective”. This Action is encompassed in the **IPA III Programming Framework**², Window 4, Thematic Priority 1: Education, employment, social protection and inclusion policies, and health. This Action is in line with the overall objective of Thematic Priority 1 to strengthen social development, through education and employment/labour policies, taking into account gender equality, reduction of inequalities and enhancement of social cohesion. Through implementation and development of inclusion and early intervention measures for students from vulnerable groups, improved curriculums so that they can provide students with competencies needed for the labour market, and are fit for a modern, digitalised, environmentally-conscious and human rights-based society, this Action will contribute to achieving the specific objective of IPA III in this area, to strengthen access to and quality of education, including vocational education and training, and lifelong learning opportunities at all levels.

This Action deliberately excludes measures directly related to the introduction of the Youth Guarantee in Serbia and is focused on initial education, to ensure a clear distinction between this Sector Budget Support and the planned Operational Programme focused more specifically on implementation of Youth Guarantee. However, care is and will be taken to ensure strong complementarity between these support modalities.

The proposed interventions draw upon key recommendations from the **EC Serbia Report 2022**³ Chapter 26. Education and Culture, which state that: Serbia should continue modernising and streamlining qualifications standards to improve VET relevance and further develop the national work-based learning model for VET; and to that end, the pace of adoption of qualification standards should be further accelerated, especially in higher education; the implementation of measures to reduce dropout rates and segregation needs to be strengthened, especially at local level; as well as remove obstacles to the engagement of teaching assistants for children with disabilities as a new service in the education system; also, further efforts are needed to develop teaching materials and empower teachers to build student competences. This Action will further develop inclusive and early intervention measures but also provide students with key, green and digital competencies and knowledge on gender equality, health, tolerance and prevention and response to all forms of gender-based violence, hence building a system that leaves no one behind. This Action will contribute to the relevance of vocational and higher education by supporting the development of curricula/study programmes based on qualification standards. The proposed Action will contribute to addressing specific issues recognised in Chapter 19: Social Policy and Employment related to youth unemployment and NEET by improving the quality of education and reducing difficulties and time needed for education-to-work

² https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-01/C_2021_8914_COMMISSION_IMPLEMENTING_DECISION_EN.pdf

³ https://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/ec-report-2022.pdf

transition. The intervention, through its actions to provide support to Roma students, is in line with recommendation under Chapter 23: Judiciary and fundamental rights related to tangible improvements across the country in the effective exercise of the rights of individuals belonging to national minorities, including reference to the targets set by the Poznan Declaration on Roma inclusion⁴ and by the future new action plan relating to national minorities.

The Action is in line with the **Economic and Investment Plan for the Western Balkans**⁵. The EU aims to support the development of human capital and address the main challenges of education in terms of governance, quality, equality and relevance, with a focus on adapting education to digital transformation and knowledge-based economies. Through this Action, special focus is on education reforms promoting the appropriate supply of relevant knowledge, skills and competencies by developing curriculums for VET profiles and study programmes based on qualification standards created in social partnership with economy (Sector Councils) to tackle the existing mismatch between skills supply and labour demand; integration and support to vulnerable children/students and their full participation in education and consequently in the labour market underpin by effort to improve quality of teaching and learning and support to students in targeted underperforming schools.

The proposed intervention responds to the key challenge in the Competitiveness and inclusive growth cluster, identified in **the Economic Reform Programme 2024 – 2026 (ERP)**⁶, contributing directly to structural reform 5: Education for Sustainable Development and Work Readiness, intended to support the development of qualifications oriented to the needs of the labour market and the improvement of the conditions for the development of knowledge and skills in the education system

The proposed intervention gives high priority to the role of education in terms of fostering greater tolerance, promoting European values and strengthening the cohesion of society, targeting socio-economic development in line with the **EU-Western Balkan Strategy**⁷. The focus is on ongoing education reform and related education and training policies, aimed at improving equity and relevance of the education system and introducing quality assurance measures, consequently improving the employability of future workforce.

This Action is founded in an education strategic framework that in Serbia consists of one overarching strategy relevant to all levels and types of education. The **Strategy for Education Development in Serbia until 2030**⁸ has two overall objectives, each linked to a specific level of education: increased quality of teaching and learning, equality and accessibility of pre-university education and strengthened the educational function of educational institutions and Improved accessibility, quality, relevance and equity of higher education. The Strategy establishes a total of 13 specific goals, targeting the development of both pre-university and university education. The Strategy is accompanied by two Action Plans (APs): the **AP for the period 2021 -2023 and the new AP for the period until 2026**, adopted in October 2023. The process of developing APs was coordinated by the Ministry of Education and had included comprehensive consultations with stakeholders, including the Ministry in charge of labour and other institutions responsible for employment. The new AP is prepared in a format which will make it easily identifiable which activities/measures would benefit most from the Sector Budget Support (SBS) mechanisms, and precisely how so, with clear quantifiers, indicators and targets, in accordance with lessons learned from the previous education SBS in Serbia (2017-2019).

Regarding **pre-university education policy**, the focus is to improve the teaching and learning process as well as improve the inclusion of children from vulnerable groups into education and quality assurance systems. Teaching methods and learning processes should focus on learning outcomes and are to be developed further based on a competency-based approach, as well as on the national standards of qualifications. The development of digital education and the digitalisation process are envisaged at both the pre-university and university level, as well as to raise the availability, access, and fairness of education for all students. Another specific objective is the enhanced quality of education and competencies of teachers and related professionals at the pre-university level, including both initial teacher education and in-service training. Higher education

⁴ Increase the enrolment and completion rate of Roma in primary education to 90 per cent and the enrolment and completion rate of Roma in secondary education to 50 per cent.

⁵ https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

⁶ <https://mfin.gov.rs/en/documents2-2/economic-reform-program-erp-2>

⁷ https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-02/enlargement-methodology_en.pdf

⁸ <https://prosveta.gov.rs/wp-content/uploads/2021/09/SROVRS-2030-1.pdf>

will be specifically targeting the quality enhancement of offer (study programmes) and its relevance, quality of human resources and outcomes.

This Action corresponds to the **Employment Strategy**⁹ Objective 1 which aims for the creation of growth of high-quality employment through cross-sectoral measures to enhance labour supply and demand by improving conditions for the development of a quality workforce. By improving education outcomes and providing students with competencies that will increase their employability and improve school-to-work transition, this Action will contribute to the development of a quality workforce.

The proposed intervention is aligned with specific objective 3 in the **National Strategy for the Social Inclusion of Roma 2030**¹⁰ concerning the development of the education system as an inclusive, intercultural, non-discriminatory and safe environment. This also is related to social inclusion which includes obligations taken by Serbia in the context of Chapter 23 negotiations. The focus of this Action will be on the increased participation of Roma children and students through affirmative measures, and support for Roma students in the education system.

This Action is in line with the **Revised Action Plan for Chapter 23: Judiciary and Fundamental Rights**, July 2020¹¹, and objectives regarding Fundamental Rights, 3.4. Principle of non-discrimination and social position of vulnerable groups through support to children with disabilities. Also, 3.6. Position of National Minorities: through improving the quality of the content of curricula at all levels of education and the elimination of discriminatory content related to national minorities along with the support to transition at all levels of education and improving the teaching quality of the elective subject Roma language with elements of national culture.

This Action contributes to achieving objective 1 in the new **Gender Equality Strategy 2030**¹² to reduce the gender gap in the economy, science, and education as a pre-condition to socio-economic development through implementing gender-sensitive public policies in the field of education, strengthening the capacity of all relevant actors and through integrating gender equality into new curriculums raising students' awareness of the importance of achieving gender equality.

In line with the **National Strategy for Improving the Position of Persons with Disabilities 2025**¹³ objective to increase social inclusion of persons with disabilities in all areas of social life, this Action will contribute to providing adequate additional support in the education system to children and students in an inclusive educational environment by introducing in the systemic way support of Pedagogical Assistants to children with disabilities and operationalisation of Resource centres for inclusive education/ assistive technologies.

Overall, the Action will contribute in maintaining of full compliance with international laws, including the **Universal Declaration for Human Rights**¹⁴; **the Convention on the Rights of a Child**¹⁵ and **the Convention on the Rights of Persons with Disabilities**.

This Action contributes to the **Sustainable Development Goal (SDG): 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**, by implementing system-level measures that will provide an enabling environment for inclusive education of children from vulnerable groups, thus securing their active participation in social and economic life.

This intervention is in line with **European Education Area (2021-2030)**¹⁶ set priorities to improve quality, equity, inclusion and success for all in education and training, enhance competencies and motivation in the education profession and support the green and digital transitions in and through education and training. The implementation of the action can namely benefit from and promote synergies with the **EEA Working**

⁹ https://www.nsz.gov.rs/live/digitalAssets/15/15855_strategija_zaposljavanja_u_rs_2021-2026.pdf

¹⁰ <https://www.minljmpdd.gov.rs/doc/Strategy-for-Social-Inclusion-of-Roma-in-the-Republic-of-Serbia2022-2030-eng.pdf>

¹¹ <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-i-strategija-razvoja-pravosudja-za-period-2020-2025-22072020.php>

¹² <https://www.rodnaravnopravnost.gov.rs/sites/default/files/2022-03/National%20Strategy%20for%20GE%202021-2030.pdf>

¹³ <https://www.minrzs.gov.rs/sr/dokumenti/predlozi-i-nacrti/sektor-za-medjunarodnu-saradnju-evropske-integracije-i-projekte/strategija-za-socijalno-ukljucivanje-roma>

¹⁴ <https://www.un.org/en/universal-declaration-human-rights>

¹⁵ <https://www.unicef.org/child-rights-convention/convention-text>

¹⁶ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021G0226\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021G0226(01)&from=EN)

Groups,¹⁷ to which Serbia takes part to, and in particular the Working Groups on Schools, Adult Learning, VET and on equality and values in education and training.

It is also coherent with the **Digital Education Action Plan 2021-2027** which, among others, stresses the key importance of the need to equip all learners with digital competences, with a particular focus on students from disadvantaged group.¹⁸

Also, this intervention is in line with the **Council Recommendation on Key competencies for lifelong learning**¹⁹ to support the development of key competencies paying special attention to raising the level of achievement of basic skills (literacy, numeracy and basic digital skills) and supporting the development of learning to learn competence as a constantly improved basis for learning and participation in society in a lifelong perspective.

This Action, which aims to ensure better educational outcomes for all learners, is well aligned with the **Council Recommendation Pathways to School Success** with its emphasis the key importance of high-quality initial education, equity in education and the continuous professional development of teachers.²⁰ It is also coherent with the **Osnabrück Declaration on vocational education and training**²¹ as an enabler of recovery and just transitions to digital and green economies and its area of Action ‘Resilience and excellence through quality, inclusive and flexible VET’.

This intervention is in line with the **Commission Communication on a European strategy for universities**²² and the **Renewed EU agenda for higher education**²³, as it addresses the priority of tackling skills mismatches and promoting excellence in skills development. Well-designed higher education programmes and curricula, centred on students’ learning needs, are crucial for effective skills development, innovation and for solving societal challenges.

Serbia actively takes part in the **Erasmus+** programme as an associated country for the period 2021-2027. The implementation of the action can benefit from the experience and expertise gathered by Serbian education stakeholders in taking part to Erasmus+ actions, for instance²⁴ thanks to projects for enhancing the quality of inclusive education in pre-schools and primary schools,²⁵ digital pedagogy for enhanced learning environment,²⁶ or on developing inclusive education practices for Roma learners.²⁷

2.2. Problem Analysis

Short problem analysis

As for the relevance of education, the education sector has been a subject of several policy-level improvements in recent years, including laws on higher education, adult education development, the introduction of dual education and a national qualifications framework. However, rapid reforms in policy and structures have not always fully resulted in envisioned changes, and some concerns about the quality, equity, and relevance of education and training in relation to the labour market remain. The period of transition from the world of education to finding the first job in the Republic of Serbia is almost two years (23.4 months) according to the research of the International Labour Organization²⁸. Students lack the practical and applicable knowledge and skills needed to work in a real work environment after graduating from vocational high school. The rate of young people (15-29) not in education, employment, or training (NEET) in 2021 was 18.8%, whereas the EU average is 13.1 %. Data on the level of education show that the majority of young NEETs have a secondary education (61.9%) - and especially a vocational education qualification (56.9%)²⁹. When

¹⁷ <https://education.ec.europa.eu/about-eea/working-groups>

¹⁸ <https://education.ec.europa.eu/focus-topics/digital-education/action-plan>

¹⁹ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0604\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0604(01))

²⁰ <https://education.ec.europa.eu/education-levels/school-education/pathways-to-school-success>

²¹ https://www.cedefop.europa.eu/files/osnabrueck_declaration_eu2020.pdf

²² <https://education.ec.europa.eu/sites/default/files/2022-01/communication-european-strategy-for-universities-graphic-version.pdf>

²³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017DC0247>

²⁴ Examples of relevant projects extracted from the Erasmus+ projects database at : <https://erasmus-plus.ec.europa.eu/projects>

²⁵ Project ID : 2022-1-SI01-KA201-083091.

²⁶ Project ID : 2022-1-HR01-KA201-081074.

²⁷ Project ID : 2021-1-BG01-KA201-082505.

²⁸ ILO, Labour Market Transitions of Young Women and Men in the Republic of Serbia, 2016

²⁹ ILO, Young people not In education, Employment or Training (NEET), Mapping and policy pointers, December 2012

looking at the National Employment Service (NES) records, unemployed youth with secondary education make up 56.1%³⁰. More than 70% of all high school students attend one of the vocational education programs³¹. The mismatch of educational offers with the needs of the labour market represents a long-term and systemic problem in the Republic of Serbia.

The modern world is characterised by a fast pace of changes, social changes, technological advances, globalisation, economic factors, research and development. Improving the relevance of education is a necessary measure to make schools' role adequate for the 21st century and to equip children with the knowledge, skills and attitudes needed for tomorrow. This measure aims to change the objectives of learning and the way learning takes place. The competence-centred curriculum aims to provide students with an integrated performance-oriented capability to reach specific achievements that would allow them to navigate through a world that is constantly changing and full of uncertainty. Integrating key competencies for lifelong learning in education curricula presents a crucial factor needed by all for personal fulfilment and development, employability, social inclusion and active citizenship. Drawing from the Key Competences for Lifelong Learning – European Reference Framework³² new achievement standards that meet the requirements of competency-based education and address deficiencies recognized in previous practice were developed. The new standards of achievement are currently being considered by the National Education Council.

Ongoing green and digital transitions put additional pressure on vocational education and training (VET) to provide learners with essential skills and enhance their employability. Although in 2013 qualification standards (QS) were introduced in the education system as a basis for the development of vocational profiles curricula and as a means to modernise curricula and bring them closer to the needs of the economy so far only 74 of vocational education profiles are based on qualification standards³³, while in Higher education there are no qualification standards nor study programmes based on QS. This process needs to be accelerated so all vocational profiles curricula are based on QS that incorporate key competencies, digital and green skills into learning outcomes and are based on social partnership thus reflecting the needs of the economy. Also, QS need to be introduced as a basis for accreditation of study programmes in higher education, consequently improving social partnership in HE, labour market relevance and introducing innovation in the study programme.

As for equity in education, although Serbia has relatively low dropout and early school leaving rates, data for children/students from vulnerable groups, especially Roma children, show there is reason for concern. The completion rate of primary education for Roma children from Roma settlements is 64% (general population 97%), and effective transition to secondary education is 55%. The completion rate of secondary education for Roma children from Roma settlements is 61% (in the general population it is 88%).

The latest data indicate a decrease in the coverage rate by primary education in Serbia, with values below 95% between 2019 - 2021³⁴. A total of 8% of Roma children living in Roma settlements were not covered by mandatory primary education while 64% of Roma children completed primary school, which is significantly below compared to the children from the overall population. Data show that measures implemented so far give results, so 85.4% of children of Roma nationality enrol in primary school (49% boys and 51% girls), out of whom 80.8% attended the preschool preparatory program, which is an increase of 15%. The gross enrolment rate for the 8th grade of primary school is 62%, while the primary school completion rate is 64%. Education drop-out decreased by 7%.

The number of primary school-age children with disabilities attending classes in mainstream schools, and schools for the education of children with disabilities, has been decreasing during recent years, while the number of children in primary schools educated using the individual education plans (IEP) for children with disabilities IEP 1 and IEP 2 has been increasing.

According to data from the Statistical Office of the Republic of Serbia, the coverage of children by secondary education is under 90% in 2021. Although there is progress compared to previous years, the difference in

³⁰ <https://publikacije.stat.gov.rs/G2022/PdFE/G20225682.pdf>

³¹ Multiple Indicator Cluster Surveys (MICS) were carried out in 2019 by the Statistical Office of the Republic of Serbia.

³² European Commission, Directorate-General for Education, Youth, Sport and Culture, Key competences for lifelong learning, Publications Office, 2019, <https://data.europa.eu/doi/10.2766/569540>

³³ <https://prosveta.gov.rs/prosveta/srednje-obrazovanje/srednje-strucno-obrazovanje/>

³⁴ National Report on Inclusive education in Serbia, from 2019 - 2021

secondary school coverage of children of Roma nationality and children from the general population is high, and this gap is not decreasing as quickly as desired. The transition rate from primary to secondary school for Roma students is 52.6%, while the completion rate is 61%. Diverse systems of support and affirmative measures gave visible results. The secondary school transition rate for students of Roma nationality is 52.6%, while the secondary school completion rate is 61%, making a 20% increase. Currently, 27% of girls of Roma nationality are enrolled on secondary schools, which is an increase of 12%³⁵.

With Government's "affirmative measures" for enrolment in secondary education, 1,894 students are enrolled in secondary schools in the school year 2020/2021. More than 65% of students enrolled through affirmative measures, who are beneficiaries of scholarships, have mentor's support, and complete secondary education more successfully. For the last seven years, in total 6,533 scholarships were granted to students of Roma nationality, out of whom 65% are girls. In total, 1,213 students received scholarships in the school year 2020/2021, and mentoring support was provided by 150 mentors.

Affirmative measures for Roma students and students with disabilities are also being implemented in higher education, with 1% of budget-funded places for study programmes reserved for Roma students and 1% for students with disabilities. In the Academic year 2021/2022, there were 98720 enrolled students on the budget out of which 472 are Roma students³⁶. Exact data on enrolled students with disabilities is not available apart from 3162 recorded needs for support when performing daily activities, but one student can express a need for two or more types of support.

Regarding the quality of education, the undertaken reform activities are still to fully produce the desired effects. According to the results of the 2022 PISA³⁷ tests, students in Serbia scored less than the OECD average in mathematics, reading and science. The results showed that the average achievement of students from Serbia on the mathematical literacy scale is 440 points (OECD: 472), on the reading literacy scale 440 (OECD: 476), and on the scientific literacy scale 447 points (OECD: 485). 43% students in Serbia are below the level of functional literacy in mathematics, and 35% for scientific literacy, meaning that over one third of 15-year-olds are considered functionally illiterate in reading, mathematics and science. Compared to 2012 and 2018 PISA testing, the scores have not changed significantly. Average 2022 results were about the same as in 2018 in mathematics, reading and science. Student performance is influenced not only by students' backgrounds, attitudes and behaviours but also by the school they attend. External evaluation of schools is an important policy measure for monitoring the overall quality of education that could contribute to improving student achievements. An external evaluation was introduced in 2012 and the first cycle (6 years) was completed in 2018. Based on the data from external evaluation of pre-university institutions, close to 30% of all primary and secondary schools in Serbia are underperforming, meaning they do not meet sufficient quality standards. The second cycle of external evaluation started in 2019 and preliminary results from the first year (school year 2019/2020) show that the number of underperforming schools are increasing.

Strategic policy objective of improving quality of education needs strong evaluation and assessment systems to detect and address areas of low and inequitable performance. This implies reliable measures on the extent to which students are meeting national learning standards. The existing practice of the final examination system at the end of secondary education is not standardized; the assessment process is subjective and higher education institutions complain about the limited knowledge and low literacy of incoming students. The introduction of final examinations in secondary education was envisaged in Strategy 2020 and Strategy 2030 as a milestone initiative. Implementation of national Matura exam by end 2026 will be a positive step toward providing much more comprehensive data on student achievement, and results can inform teaching and learning practices across the country. International testing that Serbia is participating in, along with results of the final examination at the end of primary education, show that there is a significant correlation between student achievements and social and economic characteristics and backgrounds of children and families, with important differences in achievements compared to the degree of social and economic development of the local community. Although a considerable progress has been made, it is evident that children with disabilities,

³⁵ Progress Report on the Implementation of the Sustainable Development Goals by 2030 in the Republic of Serbia, Report for 2021

³⁶ <https://publikacije.stat.gov.rs/G2022/Pdf/G20226012.pdf>

³⁷ Programme for International Student Assessment, <https://www.oecd.org/publication/pisa-2022-results/country-notes/serbia-961b99f9/>

children of Roma nationality, children from rural areas and children with lower socio-economic status are at higher risk of discrimination, drop out and low achievements.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the Action.

The ministry in charge of education is the lead institution maintaining overall responsibility for the development and implementation of education policy in Serbia. Its functions and activities include researching, planning, developing, supervising and managing the preschool, primary, secondary, higher education (HE), and adult education systems. This scope of work extends to the implementation, monitoring and supervision of inclusive principles, and the provision of training to employees in the education system. The basic units that make up the Ministry are the Sectors, and currently, there are 9 sectors. Two institutes³⁸ take active participation in the implementation of reform activities and provide advisory and expert support, as well as the Pedagogical Institute of Vojvodina. Also, responsible for the education in AP of Vojvodina there is provincial administration in the field of preschool, primary and secondary school education, ensuring the right of minority national communities to an education in their mother tongue, Provincial Secretariat for Education, Regulations, Administration and National Minorities – National Communities. In addition to the two institutes, the Government of Serbia (GoS) established the Qualification Agency, the Office for Dual Education and National Qualification Framework of Serbia (NQFS) and the National Body for Accreditation and Quality Assurance. As bodies for policy deliberation and consultation, cooperation and coordination, four education Councils were established: National Education Council, Council for Vocational and Adult Education, National Council for HE and NQF Council. In Serbia, there are 1,277 primary schools with 65 574 employees and 558 secondary schools with 35 116 employees.

The Ministry in charge of human and minority rights and social dialogue is responsible for the protection and promotion of human and minority rights, gender equality with the aim of promoting gender equality, and anti-discrimination policy, preparation and implementation of strategic documents related to the creation of a supportive environment for the development of civil society. The Coordination Body for Gender Equality is the relevant entity for ensuring consultations and infrastructure for the implementation of horizontal issues – gender equality and gender mainstreaming. Additionally, the government Council for gender equality as a mechanism involving civil society organizations ensures continuity of dialogue on gender equality and women’s empowerment. The National Councils of national minorities represents the national minority in the field of education, culture, information in the language of the national minority and the official use of the language and script, participates in the decision-making process or decides on issues from those fields.

2.3. Lessons Learned

The strategic, country-level evaluation of the European Union's cooperation with Serbia over the period 2012-2018 noted that better efficiency is achieved with increased ownership by the GoS and that the SBS modality has proven so far to be an effective means to promote and support reforms. The introduction of SBS as a modality appears to have addressed many of the issues raised in the 2011-2012 round of sector evaluations, including ownership, fragmentation, and political commitment. The modality holds the promise of greater effectiveness and if designed with realistic change pathways, of greater impact. The combination of dialogue and sector budget support contributed to institutional change in areas that were at times less prominent on the Government’s priority list, such as minority rights in education, but are fundamental to the country’s accession prospects.

The high-level dialogue established in 2017 within the first Education Sector Reform Performance Contract (SRPC) was credited with creating greater political will and understanding for education reforms within the GoS. The system-wide approach supported a change in inter-connected institutions, addressed underlying issues beyond the scope of previous project-level actions, and contributed to more significant and sustainable performance improvement.

³⁸ The Institute for Improvement of Education (IIE), and the Institute for Evaluation of Quality of Education (IEQE) - The IIE aims to monitor, ensure and improve the quality of the national education system in Serbia (preschool, primary and secondary education). The IEQE is a professional institution in charge of monitoring and evaluation of the implementation of general principles and goals of education as well as the implementation of standards of achievements.

The SBS modality, as implemented in 2017-2019, also faced some constraints, which limited the ability of the intervention to fully achieve the intended reforms within the planned timeframes. These offer some valuable lessons for future interventions: (1) Planning focused on what the SBS was intended to achieve and how to measure it. There was limited attention devoted to how exactly the work would achieve the planned goals. This led to the consequence that plans were at times over-ambitious in terms of their potential to achieve the desired reforms; (2) Design of indicators focused in some cases more on outputs rather than outcomes. Output indicators are easier to measure and have the advantage of being more objectively verifiable – helpful when it comes to making disbursement decisions. However, to a degree, this had the unintended effect of focusing efforts more on meeting targets rather than fully achieving planned reforms. One of the findings from the evaluation of the first SBS was that the focus on training half of all professional staff in schools somewhat distracted from the actual objective of changing the teaching practice in classrooms, even though the targets were met. In the field of education, where education cycles are 4 years or more, outcomes often become noticeable years following implemented interventions and produced outputs. With the new SBS design, training programmes will have a stronger focus on underperforming schools³⁹ and the two areas that have a direct impact on students’ achievements: “teaching and learning and “support to students”, and will incorporate a follow-up mechanism to ensure implementation of learned skills at the classroom level. Also, the external evaluation will be implemented to monitor the improved quality of teaching and learning in the targeted schools. With the experience and competencies gained during the previous SBS implementation, the Institute for Improvement of Education will carry out capacity-building activities to support schools in the efficient implementation of the newly developed programs based on the key competencies that will complement curriculum development activities in this SBS. EU- funded IPA 2020 project “Inclusive education for every child” objective is to enhanced equal access to and completion of pre-university education for children in need of additional support in education and aims to enhance equal access to and quality of pre-university education for children from disadvantaged groups. This Action will build upon the results achieved under this project and provide the extensive support network required to cater to the diverse needs of these children.

EU-funded IPA 2015 project “Improving the Quality of Education by Introducing Examinations at the End of Secondary Education” (State Matura Project) has prepared the education system to implement the final examinations at the end of secondary education, as a contribution to the improvement of the quality of education. This Action will build upon the results achieved under this project and implement the Matura exam in Serbia's education system. To further improve the education system, this action will rely on the Standards of Achievements for the end of primary and secondary education, which were previously developed with the support of IPA 2015 and the project IPA 2016: Support for EU education reforms in Serbia (RediS 2030). Also, this Action will establish close cooperation and coordination with the Swiss Agency for Development and Cooperation (SDC) project ‘Support to dual VET and NQFS system reform in the framework of lifelong learning in Serbia’ related to the development of qualification standards, taking into account the specifics of the process in higher education.

2.4. Additional Areas of Assessment for Budget Support Actions only

2.4.1. Pre-condition on Fundamental Values for a Sustainable Development Goals Contract only

2.4.2. Public Policy

This intervention falls within the scope of the identified area of the new strategic framework for education. Education is a national priority, as evident from the relevant national documents and political messages coming from the Government representatives. National policy in this area is outlined in the overarching **Strategy for Education Development in Serbia 2030** (SEDS 2030) and its first Action Plan until 2023, adopted in June 2021, as well as the second Action Plan until 2026, adopted in October 2023. This strategic framework was produced fully in line with provisions of the Serbian Law on Planning System (2018), and thus fully in compliance with SBS requirements, including clear linking of strategic objectives implementation

³⁹ Schools that were assessed on External evaluation at level 1 and 2 (out of 4 levels). External evaluation assess schools in 6 areas with 24 quality standards.

with the national budget planning process, ensuring sustainability of implementation, comprehensiveness of the implementation monitoring framework, credibility in terms of budget planning and execution and full compatibility with other strategic documents in Serbia, including ERP. The Ministry of Education (MoE) has appointed several Working Groups (WG) to ensure the participation of relevant stakeholders in policy formulation and has organised public consultations and discussions as part of the policy development process.

The Strategy is building upon ex-post analysis and results achieved under SEDS 2020 and is in line with national linked policies (employment, Roma inclusion, gender equality, youth strategy, etc.), legal framework and UN and EU policy guidelines, thus securing continuation and improvement of education system reforms. Related to the education policy area and accession process, Chapter 26 - Education and Culture, was successfully completed, with Chapter 26 being provisionally closed. This policy area contributes directly to the SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Mandatory environmental impact assessments have been introduced when selecting policy options within the development of the SEDS 2030. Concerning environmental and climate objectives no direct effects on the environment were observed, except for indirect effects through raising the educational level of citizens, which can indirectly affect the environment.

The development of highly digitalised knowledge economies will require different learning systems that can flexibly adjust training and education to the fast-changing needs of the labour market. The strategic framework, through two general objectives, establishes a basis for improving the quality of teaching and learning, equity and accessibility in education and providing increased opportunities for lifelong learning. Quality and improved student achievements with the integrated fundamental principle of Education for All are the focal points of this approach to deliver the digital transformation of Serbia. A vocational education and lifelong learning perspective with possibilities for re-skilling and up-skilling is crucial to maintaining and adjusting skills levels throughout a citizen's working life, especially in the view of digital transformation, sustainable development and the green economy. To bring these changes about there is a need for modernising the teaching and learning environment, with the focus on teachers, their position in the system, capacities and competencies as key factors, including key and digital competencies and quality of teacher's education and training, including both pre-service and in-service systems. Underpinning all reform activities, quality assurance systems are to be consolidated to promote consistent standards and improve the quality of education, both in pre-university and higher education, in line with the implementation of education reform, and to support the development of evidence-based policies.

In July 2022, WG was appointed to develop the AP for the period until 2026, which coincides with the implementation period of this intervention; the AP was adopted in October 2023. The AP includes indicators and target values, in line with the provisions of the Law on Planning System as well as a detailed estimate of financial resources required. The implementation of the first AP was monitored and assessed through annual reports covering period until the end of 2022; the reports have been published on the Ministry's website. According to the reports, a vast majority of targets have been achieved.

Within the MoE there is no one specific department or unit tasked with education development and providing support in coordination, monitoring and reporting on ongoing education activities, but all departments, in accordance with their defined responsibilities, contribute to the monitoring and reporting activities. This will be structured in a more official way through establishing of a Standing structure for monitoring and evaluation of education policy implementation with improved analytical support - Permanent Strategic Working Group" (PSWG) composed of all permanent operational-level decision-makers from the Ministry of Education and other relevant institutions (including the two institutes) The PSWG will be supported by both the Analytical Unit of the Ministry and the MoE Department responsible for EMIS. The PSWG will be the focal point for cooperation with donors, creditors, TA teams engaged to provide expert support etc. It will be responsible for reporting on implementation of current strategic frameworks as well as for drafting of all future strategic documents in the field of education. The establishment of an analytical unit, tasked with data analysis and building the capacities of staff for evidence-based policymaking, is also foreseen in the Public Administration Strategy and in the Decree on Principles for Organisation and Systematisation of Work Posts. Some of the major challenges during the previous SBS period have involved the quality and relevance of monitoring and reporting mechanisms, not just to satisfy the SRPC administrative requirements, but mainly to providing feedback on the success rate of implementation of concrete individual SEDS Action Plan actions, i.e. the

actual achievements in implementing the projected reforms. Education Management Information System (EMIS), has been developed since 2018, building on the experiences of the previous information system. EMIS piloting was in 2020 and its launching in full capacity was in 2021. The EMIS should be designed to be interoperable with other national databases to maximize monitoring potentials, including different aspects of the student population, such as underprivileged students, including the need for additional support measures and services. The EMIS is also expected to enable better coordination of stakeholders in data collection, ensuring the validity and reliability of data and their regular updating. The completeness level in EMIS had grown. The reason is the introduction of new functionalities and implementation of business procedures, such as the linking of EMIS with the ISKR system (Ministry of Finance), relevant to employment and financing of PA. EMIS is complementary to the rulebooks on financing, allows the control of the right to financing for employees in the Financial Department of the Ministry of Education, and also the control of data contained in the comparative report for both systems. Currently, the integration with the IFIS (Information System for Financial and Material Expenses) is ongoing so that EMIS can contain all data on financing. The legal framework necessary for the development of EMIS and the integration of student data (by introducing the Unique Educational Number/UEN) should be further complemented concerning other sectors (social welfare, healthcare, etc).

WG for Monitoring and Reporting on the Implementation of the Education Strategy 2030 has been set up by the Minister's Decision. Establishing a Strategic Working Group under the previous SRPC policy dialogue was a significant improvement and a solid basis for a future standing platform for coordination and cooperation. High-level dialogue within the education sector reform contract contributed to the development of coordination and communication with three rounds of meetings and policy discussion. However, there is solid understanding that the policy dialogue needs to be extended beyond SRPC requirements and integrated into everyday practice. Accountability, through monitoring and reporting of policy implementation, is planned to be strengthened, also in the view of the Law on Planning System.

The strategic framework including the corresponding AP until 2026 is properly costed in line with the methodological instructions provided by the Manual for Costing of Public Policies and Regulations, as well as the Methodology for Calculating Standard Costs for the Preparation of Planning Documents, developed by the Public Policy Secretariat. The costing of the AP also includes a breakdown of estimated costs according to years of implementation, specific objectives and measures, and sources of financing (budget/ potential donor support). Total cost for the implementation of the Action Plan 2023 - 2026 is approx. 255 million EUR out of which around 180 million EUR will be covered from the budget of the Republic of Serbia, whereas some 75 million EUR are projected from external sources⁴⁰.

As regards Roma integration, the MoE is responsible for the implementation of the respective components relating to education under the AP for the Roma Inclusion Strategy. The coordination over the monitoring and reporting of these documents is under the mandate of the Coordination Body with the assistance of the Ministry for Human and Minority Rights.

With the number of organisations, institutions and bodies within the education sector coordination has proven to be a challenge. The MoE is the lead institution maintaining the overall responsibility for the development and implementation of education policy reform in Serbia. Apart from the Ministry, institutional responsibilities are allocated to the Institute for Improvement of Education (IIE), which is responsible for curriculum development and professional development in pre-university education, as well as to the Pedagogical Institute of Vojvodina. The Institute for Evaluation of Quality in Education (IEQE) is responsible for monitoring and evaluation in pre-university education. Two institutes take active participation in the implementation of reform activities and provide advisory and expert support. In addition to the two institutes, in September 2018 the GoS established a Qualification Agency (QA) to support the establishment and quality assurance of the National Qualification Framework System and in November 2022, the Office for Dual Education and NQFS to provide support and coordinate between different government bodies. Based on the Law on Higher Education, the National Entity for Accreditation and Quality Assurance in Higher Education (NEAQA) was established for accreditation and quality control issues of HE Institutions, as well as the evaluation of study programs. Its duties primarily concern providing harmonization of standards in HE with

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prescribed European standards and compliance thereof by HE Institutions in Serbia. As a platform for policy deliberation and consultation, cooperation and coordination, four education Councils were established: National Education Council, Council for Vocational and Adult Education, National Council for HE and NQF Council.

Furthermore, outside of the education sector, there is a wide array of stakeholders with specific and interconnected roles, linked with the fields and issues of employment, youth, economy, industry, social protection etc. Coordination and cooperation with other stakeholders outside of the education sector is another challenge, that has been addressed through complementary support to IPA 2016 SRPC. Capacities for coordination and cooperation within the sector need to be strengthened beyond donor support and integrated into national public institution operations. It needs to be embedded into sector policy planning, and linked to public finance management, institutions, capacities, and decentralisation. Complementary support related to the new SRPC, is planned under IPA 2022 and will provide support to the institutional and human capacity of MoE to: implement, manage and coordinate the education reform throughout this decade, as well as to regularly monitor and report on the implementation; further work in securing valid education statistic, data collection and building comprehensive education information system; and support in capacity building of key institutions within and outside the education sector to apply a sector-wide approach.

In conclusion, the policy is sufficiently relevant and credible for SRPC objectives to be largely achieved. Therefore, the policy can be supported by the Commission with the proposed SRPC.

2.4.3. Macroeconomic Policy

In November 2022 the Government of Serbia and the IMF reached a staff-level agreement on the third review under the Policy Coordination Instrument (PCI) and a 24-month Stand-By Arrangement (SBA) amounting to EUR 2.4 billion. The IMF Executive Board approved the agreement in December 2022.

The IMF noted that after a strong recovery from the pandemic, Serbia is now facing challenges from the adverse global and regional environment, driven mainly by rising food and global energy prices. In addition, the IMF noted that the higher energy import costs along with shortfalls in domestic electricity production, as well as weakening external demand are expected to widen the current account deficit to about 7 percent of GDP, both in 2022 and 2023. Despite the adverse global environment, financial sector stability has been maintained and the exchange rate has remained stable.

Finally, the IMF assessed that the exposed weaknesses in Serbia's energy sector require complementary reforms to ensure energy security, put the energy sector on a sound financial footing and promote energy conservation. Meeting these goals will require further adjustment in energy tariffs as needed, while targeted support for vulnerable households should be expanded. The approach proposed is to restructure the energy sector, improve production and investment planning, and strengthen financial oversight and governance in the energy state-owned enterprises.

On 12 October, the European Commission adopted the annual enlargement package. The EC Report on Serbia stated that, as regards the two economic criteria for EU membership, Serbia is between a moderate and a good level of preparation and has made some progress in developing a functioning market economy. Serbia is moderately prepared and has also made some progress in coping with competitive pressure and market forces within the EU.

Macroeconomic developments in the past period are strongly influenced by the exit from the crisis caused by the pandemic and the entry into a new crisis due to the conflicts in Ukraine. In the past, more than a year and a half, the economy has been affected by high food and energy prices, weaker growth of the most important trading partners and tightening of financing conditions. Nevertheless, even in such circumstances, the economy has shown sufficient resilience, bearing in mind the problems and uncertainties it is faced with. According to SORS data, GDP growth in the first quarter of 2023 amounted to 0.9% y-o-y, while in the second quarter, economic growth accelerated to 1.7% y-o-y. Viewed from the production side, economic growth in the first half of the year was led by the service sector, which achieved growth of 1.2%. The increase in economic activity was recorded in the majority of service activities, and the most significant contribution came from the ICT sector, as well as from professional and technical services. The trade sector had the most significant negative contribution, partly due to the high base in the same period of the previous year due to impulse purchases by the population after the outbreak of the conflict in Ukraine, but also due to a slightly

higher year-on-year inflation rate in the first half of this year, which was reflected in lower real turnover in trade for a while. Strong construction growth in the second quarter completely offset the decline from the first quarter, resulting in a 7.4% growth in this sector in the first half of the year. In the first six months of 2023, industrial production achieved a GDP growth of 1.7%, primarily as a result of increased production in the electric power sector, while the manufacturing industry recorded a decline in physical volume of 1.0% due to slightly lower external demand but also due to the base effect. A positive contribution to GDP growth also came from agriculture, which according to the first estimates achieved yields in 2023 above the multi-year average and recorded a growth of about 10% compared to the previous, dry year. Observed by consumption aggregates, GDP growth in the first half of 2023 was entirely driven by net exports, while domestic demand had a negative contribution, primarily due to the impact of changes in inventories. The activation of new production capacities resulted in a real growth of export activity, which amounted to 5.1% despite the reduced external demand. On the other hand, the drop in the import of energy products and the lower import of raw materials resulted in a decrease in real import activity of 3.8%. Private consumption under the influence of a high base due to impulsive purchases by the population after the outbreak of the conflict in Ukraine, but also due to slightly higher inflation, recorded a real drop of 0.4%. At the same time, investments in basic funds achieved a growth of 3.1% thanks primarily to the growth of construction works. Influenced by inventory consumption in the winter months and a high base, the contribution of inventory changes was negative.

About the labour market, according to LFS data, the unemployment rate of the population aged 15 years and above totalled 9.6% in Q2-2023, followed by the employment rate at the level of 50.4%. According to administrative data, in the period January-July 2023 employment increased by 2.8% y-o-y. Annual employment growth remained positive in most sectors. Nominal net wages rose by 15.3% y-o-y in the period January-July 2023 while real net wages increased by 0.3% y-o-y.

In terms of the external sector, in the first seven months of 2023, the current account deficit narrowed substantially to EUR 597.6 million compared to EUR 2.9 billion in the same period of 2022. Over the four quarters to June 2023, the deficit stood at 2.8% of GDP as compared to 6.8% in 2022 as a whole. Net FDI inflows increased by 21.4% y-o-y in January- July covering 385.5% of the current account deficit. In the first seven months of 2023, the total volume of foreign trade of goods increased by 0.3% and amounted to EUR 38.3 billion. In this period exports of goods grew 8.2% y-o-y, while imports decreased by 5.1%. The drop in imports expressed in euros is primarily the result of lower imports of the most important energy sources (oil, electricity and natural gas) by almost 1.2 billion euros, due to the drop in prices of energy sources on the world market, as well as due to lower imported quantities and a high base effect.

In relation to monetary developments, the annual consumer price inflation reached a peak at 16.2% in March 2023, thus largely exceeding the upper bound of the central bank's target tolerance band of 3% +/-1.5 pps. Since March, the inflation rate has been gradually decreasing and amounted to 11.5% in August. Inflation continued to be particularly driven by food prices. Core inflation (excluding energy, food, alcohol and tobacco) also started to slow down from 11.2% in March to 9.0% in August 2023. The National Bank of Serbia (NBS) continued to gradually raise its key policy rate bringing it to 6.5% in July 2023. NBS foreign exchange reserves increased by 48.8% y-o-y to EUR 23.6 billion in August 2023, covering 6.3 months of imports of goods and services.

In the financial sector, in August, domestic credits of the banking sector decreased by 0.4% y-o-y. The annual growth of credit to households recorded a slowdown to 2.0% in August 2023, from 6.1 % in December 2022. The ratio of non-performing loans amounted to 3.1% in July 2023. As regards liquidity ratios, both the share of liquid assets to total assets and the share of liquid assets to total short-term liabilities increased in Q2.

In terms of fiscal developments, in 2022, total revenue growth remained strong, reaching 14.4% y-o-y. Total expenditure growth remained below the revenue increase and was driven by transfers to the energy sector, purchase of goods and services and social transfers while subsidies decreased by 22.2%. As a result, in 2022, the general government budget recorded a deficit of 3.2% of GDP, as compared to a deficit of 4.1% of GDP in 2021 and a 2022 deficit target of 3.8%. In December 2022, central government debt stood at 55.1% of GDP, down from 56.5% at end-2021, mainly as a result of high nominal GDP growth in 2022. In Q1 2023 general government deficit was 1.4% of GDP, significantly lower compared to the same period in 2022. For the first seven months, the general government surplus amounted to 58.6 billion RSD, while central government debt at the end of July stood at 50.7% of projected GDP.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.4.4. Public Financial Management

The Public Financial Management Reform Program for the period 2021-2025 (PFMRP) was adopted by the Government of the Republic of Serbia in June 2021, following the public debate process. The strategic framework for PFM reforms has been established by the PAR Strategy 2021-2030. Two major diagnostic assessments in the area of PFM were carried out in 2021– the PEFA assessment by the World Bank and the full PAR monitoring exercise, including the PFM area, by SIGMA, which were used as inputs for the preparation of a new PFM Reform Programme.

The PFMRP 2021-2025 contains key reform measures within each specific objective, while certain PFM subsystems are updated with additional planning documents and operational plans.

In 2022, progress was made in areas related to programme-based budgeting, capital project management, fiscalisation, Budget Inspection, internal audits and accounting in the public sector. Work was also conducted on further improvement in the areas of analysing the uniform structure of the programme budget for Local Self-Government Units, changing the business processes of the Tax Administration, strengthening the Medium-Term Debt Management Strategy, and regulating and strengthening the capacities of the PIFC.

Out of a total of 34 outcome indicators at the level of measures in 2022, a total of 24 have been implemented, 7 have not been implemented, while for 3 indicators⁴¹ data is not available due to the change in methodology. Observed cumulatively, the implementation of activities in the first two years amounts to 19 implemented activities out of 29 planned activities, while the implementation of the majority of unimplemented activities is ongoing.

The PFM Implementation report for 2022 was adopted on the 2nd of May 2023.

The revision of the existing Action Plan of the PFM Reform Program 2021-2025 will be completed by the end of 2023, and followed by the PFM Policy Dialogue meeting. The revised Action Plan will accordingly cover the period from 2023-2025 and will be adopted by the Government of the Republic of Serbia by the end of 2023.

Over the past years, significant improvements in the transparency of budget planning have been achieved as a result of reform measures implementation, especially regarding the legislation and institutional setup. In the area of public expenditure budgeting, the Ministry of Finance continued investing its efforts to increase the quality of programme budgeting at all levels of government. Attention was also given to the harmonisation of regulations with the normative acts of the EU regarding the budget preparation process.

The Law on the Planning System was adopted in April 2018, which established the basis for better and more transparent coordination of public policy planning and budget planning. Public Policy Secretariat intensified its efforts to develop medium-term planning and link the budgets of beneficiaries of public funds with valid planning documents, which resulted in better consideration of the long-term obligations of beneficiaries identified through planning documents, devoting attention to the performance indicators, and indicator-based reporting, better policy planning and more efficient budget implementation. During 2022, 22 institutions adopted and published their medium-term plans for the period 2022-2024. The newly adopted medium-term plans of medium-term planning reporting entities have become one of the more important management instruments of the medium-term planning reporting entities' institutions, which defined which measures and activities, established under the valid public policy documents of the institutions, will be implemented in the next three years. Public Investment Management remains one of the priorities of the Ministry of Finance. On September 14, 2023, the new Decree on Capital Projects has been adopted. This Decree enhances the Single Project Pipeline system regardless of the source of financing. In addition, the Unified Methodology for Monitoring Fiscal Risks was adopted in late 2021, to enable a comprehensive review of fiscal risks, which is crucial for the stability of public finances. The capacity of the Capital Investment Commission to rank capital

⁴¹ All 3 indicators for which we lack data refer to measure 4.1, and will be available after completing the Consolidated Annual Report on PIFC for 2022. For more information on outcome indicators, please see the table

investments based on strategic relevance, adopt a list of capital projects and further streamline the capital investment management system has been increased with the new Decree. Work on improving the functionality of the Public Investment Management Information System (PIMIS) information system was also continued.

The area of inspection control and protection of budget funds was improved by strengthening the legislative framework with the adoption of the new Law on Budget Inspection in December 2021, by-laws and three metrological guidelines in 2022, as well as by strengthening the capacity for inspection control.

In 2022, the CHU was focused on improving communication with the PFBs and providing support in the field of internal financial control in the public sector. Support is provided through training which are organized at the local level, assessment of the quality of state of financial management and control among public funds beneficiaries. During the fourth quarter of 2022, for the first time and in accordance with the Sectoral Programme for Continuous Professional Development of Employees at LSUs⁴², a cycle of regional training for financial management and control intended for all cities and municipalities was conducted. This year, great attention was paid to strengthening the capacities of internal auditors and raising awareness of the importance of this profession.

In 2022, as part of the further improvement of the accounting system in the public sector, the Treasury Administration was committed to implementing the Plan for the Improvement of Accounting in the Public Sector in phases, and by the end of 2022, in cooperation with experts, it prepared the Draft Amendments to the Rulebook on the Method of Preparation, Compilation and Submission of Financial Reports of Budget Funds Beneficiaries, Beneficiaries of Funds of Organizations for Compulsory Social Insurance and Budget Funds and the draft Rulebook on Accounting Policies for Financial Reporting in Accordance with the Cash-Based IPSAS Rules.

In terms of external control over public finances within the State Audit Institution (SAI), significant efforts were invested to optimise the organisational structure to increase the number of performance audits and the coverage of public funds by its audits in 2021. Also, in 2022, SAI started with combined audits of regularity and purposefulness of public procurement. Parliamentary oversight of public finances was further improved by holding sessions outside the headquarters. Also, the practice of organizing public hearings on the occasion of the presentation of draft Budget Law and the draft Law on the Final Account of the Budget of the Republic of Serbia was continued.

Overall, the main priority area in the PFM reform process throughout 2021 and 2022 was the digitalisation and development of ICT systems, which is observable across all specific objectives. In 2021, the Public Investment Management Information System (PIMIS) was procured, with the development of the system taking place in 2022. The system is available for data entry from 1st June, 2023. The new e-fiscalisation system which allows transmission and verification of data sent from the cash registers to the centralised platform of Tax Administration in real time, will also contribute to the improvement of public finances and the business environment and reduce the grey economy. All taxpayers in the Republic of Serbia have made a transition to a new model, which includes the use of new hardware and software solutions, starting from the 1st of May 2022. In addition, the introduction of a centralised e-Invoicing System was aimed at improving the public finances, reducing the grey economy, improving the business environment, as well as the reduction of VAT gap. The Law on Electronic Invoicing was adopted on the 29th of April 2021 and it prescribed normative conditions for the establishment of an e-Invoicing System within the Ministry of Finance and regulates issuing, sending, receiving, processing, storing, the contents and elements of electronic invoices and other issues that are relevant for electronic invoicing, in transactions between public sector entities, private sector entities and public and private sector entities. The obligation to use the e-Invoice system started for B2G and G2G on the 1st of May, followed by G2B on the 1st of July, and finally, on the 1st of January 2023, the obligation for the B2B entities came into effect.

In addition to preparing and adopting a negotiating position for Chapter 16 - Taxation, in 2021 and 2022 the operations of the Tax Administration were focused on IT system development and business process reengineering, whereby the gap analyses between the STA business model and international best practice was

⁴² Sectoral Programme within the General Training Programme for LSU Employees for 2022, available on the NAPA website: <https://www.napa.gov.rs/extfile/sr/3678/03.Op%C5%A1ti%20program%20obuka%20zaposlenih%20u%20JLS%20za2022.pdf>

made. Additionally, the Customs Administration conducted a public procurement procedure for equipment and software for the need to establish the NCTS system Phase 5.

The Tobacco Administration established a uniform system of registers, which consolidates 9 registers and 3 record lists, which enables a more efficient handling of requests and information exchange with other competent authorities. In the field of public procurement, having in mind the provisions of the Law on Public Procurement (PPL), one of the key innovations is the introduction of an e-platform. The new PPL introduced the obligation of electronic communication and electronic data exchange in public procurement procedures.

Strengthening the capacities of the Governmental Audit Office of EU Funds was one of the priorities in 2022. Also, during 2022, as part of the management of EU funds, active preparations were made as planned for the process of closing the programme based on the model of indirect/decentralized management from the perspective 2007-2013, which shall continue for the perspective 2014-2020.

Also, in the first quarter of 2021, the public procurement for management information system (MIS) was completed which will contribute to the improvement of the work processes of the institutions involved in the indirect management of EU funds, including the use of funds and implementation of contracts. The Treasury Administration has remained committed to the digitalization process, mainly through the development of the unified information system for budget accounting (SPIRI), which will take over the function of the current budget execution system ISIB. SPIRI incorporates three modules; a unified information system for budget preparation, budget execution and budget accounting and reporting. During 2022, the system was upgraded in the area of local self-governments by adding functionalities for monitoring local placements.

In conclusion, the PFM has been substantially improved and the eligibility criterion met.

2.4.5. Transparency and Oversight of the Budget

The Government of the Republic of Serbia recognises transparency and budget oversight as one of the key elements of good governance and systematically implements measures to further improve this area. The PAR and PFM strategic framework set out a series of reform measures whose implementation has contributed to greater transparency and budget oversight such as greater transparency of budget documentation, more effective process of budgeting, prioritisation and control of spending. The latest PEFA (2021) Report, recognises higher credibility and comprehensiveness of the budget documentation, compliance with the budget calendar and external audit coverage among the main improvements between PEFA assessments in 2015 and 2020. SIGMA assesses that the transparency and comprehensiveness of budget reporting and scrutiny have improved, giving greater parliamentary consideration to the annual financial statement. Budget documentation is comprehensive and this provides key fiscal information to the public. The Budget proposal is accordingly presented using all relevant budget classifications, namely economic, functional, and organisational and program classifications. As part of the budget documentation, the MoF prepares the Explanatory Note that consists of the discussion related to the general part of the budget and the program information. Transparency of budget documents has been increased by introducing a legal obligation to publish programme information, as well as drafting and publishing the annual report on the performance of budget programmes. In 2022 all budget users prepared a programme performance report. Although the quality of program information varies across institutions, the quality and structure provided by most of them adhere to the highest standards. Since the 2017 Law on Budget, project loans for financing large infrastructure projects have been integrated into the budget, which makes it more comprehensive and transparent. Expenditure and revenue execution is reported in the course of the year only by economic and program classification, but the annual financial statements are presented along the full spectrum of prescribed classifications and are directly comparable to the budget. Comprehensive budget execution report containing detailed information on expenditure and revenue from all sources of all budgetary users is compiled at year-end based on the consolidated financial data.

Most of the key fiscal and budget reports are publicly available and timely published. The budget preparation takes place in accordance with the budget calendar defined in the Law on Budget System. The budget calendar is generally respected. The Law on the Budget is adopted in a timely fashion before the end of the fiscal year and budget users have enough time to complete the budget assessment. In 2021, for the first time, a public hearing on the budget law was held, where the Budget Law of the Republic of Serbia for 2022 was presented

to representatives of the non-governmental sector and MPs before the debate in the National Assembly. All those present had the opportunity to ask questions and make comments regarding the Law on the Budget of the Republic of Serbia for 2022. This good practice was continued during the process of adopting the budget for 2023. The budget proposal and enacted budget are accessible to the public and published on the websites of the Government of Serbia and the National Assembly on the day of adoption. The Ministry of Finance recognises the importance of the citizen budget as an instrument for presenting key budget information to the general public and regularly publishes the Citizen's Guide to the Budget. The practice of public hearings on the Draft Law on the Budget of the Republic of Serbia was introduced in the National Assembly, and in this way, the public was enabled to become familiar with the law on the budget. In-year budget execution reports are consolidated and published each month within the Public Finance Bulletin prepared by the MoF. Mid-year execution reports are prepared during the year but not published, while year-end government financial reports are published usually in the second half of the previous year. The transparency of public finances at the local level has also been improved by the "Open Budgets" platform, through which over 90 units of LSG have made data on the planned budget, revenues and expenditures publicly available to the citizens.

Legislative, institutional and procedural preconditions for effective budget oversight are in place. External audit and scrutiny in Serbia are discharged by the SAI and the National Assembly. The quality of external audit and oversight is continuously improving. The SAI annually conducts a broad range of financial, regularity and performance audits, including an audit of the Final Account of the RS. The European Commission Report on Serbia (2021 and 2022) and the PEFA Report (2021) recognise the increased coverage and quality of the audit of public funds as well as the further improvement of the implementation of recommendations by audit subjects.

The latest Open Budget Index (OBI) report for Serbia refers to the process of budgeting for 2021 and provides an overview of the quality and timeline of budget documentation produced during 2020. Regarding budget transparency score, Serbia rates 46 out of 100, below its highpoint 54 in 2010 but more than a global average score of 45. The OBI report acknowledged prompt publication and content of the budget proposal, enacted budget and in-year reports, but the overall budget transparency score was downgraded due to belated publication of the Fiscal Strategy, mid-year reports prepared only for internal use and lack of year-end reporting. Since the last OBI survey year-end reports have been regularly produced and published. Accordingly, it is expected that the next OB survey will bring improvement of the budget transparency score. The budget oversight is rated 54 out of 100, with audit oversight deemed adequate while strengthening the legislative oversight represents the major room for improvement in this area.

In conclusion, the entry point is met as the relevant budget documentation (Enacted Budget for 2023) was published on 9 December 2022 on website of the National Assembly.

In conclusion, the relevant budget documentation has been published and the eligibility criterion met.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

The **Overall Objective(s)/(Impact(s))** of this Action is to implement reforms in education to raise the employability of the Serbian labour force by improving the relevance, equity, inclusiveness and quality of the education and training system, in view to achieve a better match of the needs of the labour market and alignment to Union standards, policy and practice.

The **Specific Objective(s) (Outcomes)** of this Action are to:

1. Improve the **relevance** of education outcomes to meet labour market needs, with particular emphasis on creating a lifelong learning perspective.
2. Improve **equity** in the education system to promote and implement fairness, equal opportunities and access to education for all.
3. Improve the **quality** of teaching and learning processes and outcomes to ensure student employability, adaptability, personal development and active citizenship.

The **Induced Outputs** to be delivered by this Action contributing to the corresponding Specific Objectives (Outcomes) are:

1.1 Developed innovated curriculums that align learning outcomes with changing needs of the economy, provide for skills and competencies necessary to perform in the green economy, including key competencies for lifelong learning, contributing to the Outcome 1:

2.1 Improved participation in the education of national minorities, Roma students, students that are social welfare beneficiaries, and students with disabilities by providing access and tailor-made support, contributing to Outcome 2;

3.1 Enhanced students' achievements by improving the quality of teaching and learning and support to students and implementing the national Matura exam, contributing to Outcome 3.

The **Direct Outputs** to be delivered by this Action contributing to the corresponding Induced Outputs are:

1.1.1 Strengthened institutional capacities to develop and implement results-driven education policy in line with the Law on Planning System;

2.1.1 Inter-ministerial consultation and coordination mechanisms are embedded into the implementation and monitoring of the Education Strategy and APs;

3.1.1 Continued dialogue with donors to coordinate and further align development cooperation to avoid duplication and/or overlapping of activities and relieve the Government of Serbia from multiple reporting duties;

The underlying intervention logic for this Action is that:

IF innovated curriculums that align learning outcomes with changing needs of the economy, provide for skills and competencies necessary to perform in the green economy, including developed key competencies for lifelong learning, and social partners take an active part in education policy development and implementation, THEN relevance of education outcomes will be improved to meet labour market needs, with particular emphasis on creating lifelong learning perspective and opportunities.

IF participation in the education of national minorities, Roma students, students that are social welfare beneficiaries and students with disabilities is improved by providing access and tailor-made support and different stakeholders and communities take active participation, THEN equity in the education system will be improved to promote and implement fairness, equal opportunities and access to education for all.

IF students' achievements are enhanced by improving the quality of teaching and learning and support to students and national Matura exam is implemented and continuous support is provided to schools to deliver reform activities, THEN the quality of teaching and learning processes and outcomes will be improved to ensure student employability, adaptability, personal development and active citizenship.

IF the relevance of education outcomes is improved to meet labour market needs, (with particular emphasis on creating lifelong learning perspective and opportunities), as well as equity in an education system that promotes and implements fairness, equal opportunities and access to education for all and the quality of teaching and learning processes and outcomes is improved to ensure student employability, adaptability, personal development and active citizenship, and education remains policy priority of GoS and MoE and other relevant institutions are coordinating reform activities and securing synergy, Then this Action will support the implementation of the reform in the education to raise employability of the Serbian labour force by improving relevance, equity, inclusiveness and quality of the education and training system, in view to a better match the needs of the labour market and alignment to Union standards, policy and practice.

3.2. Indicative Activities

Activities related to Output 1.1

Curriculum reform is an important and necessary measure to make schools enter the 21st century and respond to a fast-changing world. Curriculum reform is a way to equip children with the knowledge, skills and competencies needed for the future. In particular, it is recommended that curricula are learner-centred and

based on inclusive and relational pedagogies, and allow for diversified and personalised forms of teaching and learning.⁴³ Current curriculums/programs for primary and secondary general education were prepared in the period from 2017 to 2019, and their implementation began in 2018. However, there is evidence that they are not leading to the desired learning outcomes (as evidenced by PISA results). For that reason, new students' achievement standards have been developed for the end of primary and secondary general education, focusing on developing key competencies for lifelong learning, which need to be translated into new curricula. In order to make a visible and comprehensive shift new achievement standards are based on the following foundations: (1) competency approach to standards that puts in the foreground the purpose of learning and the functionality of knowledge that students acquire during their education and actively apply in numerous situations of school and everyday life, (2) development of standards that implies respect for the order of development in the process of mastering competencies, (3) vertical connection of standards for different levels of education implies making logical and functional connections between the standards at the end of primary and at the end of secondary education, (4) horizontal connection standards implies a tighter connection of different competencies within one teaching subject, as well as the approximation of the standards of related teaching subjects at a certain level of education and (5) reform potential of standards refers to the recognition of the impact that the new standards of achievement should have on educational policy. The new standards of achievement have been developed but have not yet been adopted; they are currently being considered by the the Minister in charge of education.

Curriculum development activities will cover the modernization of primary and secondary general education teaching programmes (curricula), including promoting democracy, respect for human and national minority rights and citizenship by fostering cultural diversity and competences, multi-perspective and gender equality. Programmes are for both compulsory and elective subjects. Currently there are 6 elective subjects (1. Language, media and culture; 2. Individual, group and society; 3. Health and sports; 4. Education for sustainable development; 5. Art and design; and 6. Applied sciences) in 1st grade of secondary general education, 6 elective subjects (1. Language, media and culture; 2. Individual, group and society; 3. Health and sports; 4. Education for sustainable development; 5. Art and design; and 6. Applied sciences) in 2nd grade and 9 (1. Education for sustainable development; 2. Art and design; 3. Applied Sciences 1, natural sciences oriented; 4. Applied Sciences 2, technically oriented; 5. Basics of geopolitics; 6. Economy and business; 7. Religions and civilizations; 8. Methodology of scientific research; 9. Modern technologies) in 3rd grade of secondary general education. The number of developed programmes for these subjects will depend on recommendations to reduce the number of classes for elective subjects. Curriculum development activities do not include curricula for foreign languages, Religious Education (elective subject in primary education), mother tongue subject for national minorities, and programme for Serbian language for non-native speakers (not mother tongue). New programmes will be based on learning outcomes and include key competencies for lifelong learning. The goal is to have all curricula in pre-university general education modernized by the end of 2026.

The implementation of the new curricula will start successively, one year after their adoption, allowing time to prepare schools and teachers. Curriculum reform is a part of the overall reform foreseen in the Strategy. In parallel to curriculum development, capacity-building activities will be conducted by the Institute for Improvement of Education to empower teachers in their autonomy and creativity in teaching new curriculum. The capacity-building activities will encompass 200 trainers in 17 school administrations, 3,000 heads of schools' expert councils and school principals. Also, dialogue will be carried out with the editors of publishing houses so that the textbooks are prepared as support as well as with education stakeholders to secure support and understanding of the reform.

Targets and activities	2024	2025	2026	2027	2028
Target 1.1. Developed 13 curricula for the 5th grade of primary education and 14 curricula for the 1st grade of secondary general education).	x				

⁴³ Council Recommendation of 28 November 2022 on Pathways to School Success and replacing the Council Recommendation of 28 June 2011 on policies to reduce early school leaving (Text with EEA relevance) (2022/C 469/01)

Implementation of new curricula for the 5 th grade in primary education, and 1 st grade in secondary general		x	x	x	x
Target 2.2. Developed 14 curricula for the 6 th grade and 15 curricula for the 7 th grade of primary education and 15 curricula for the 2 nd grade and 14 curricula for the 3 rd grade of secondary general education		x			
Implementation of new curricula for the 6 th grade in primary education, and 2 nd grade in secondary general			x	x	x
Implementation of new curricula for the 7 th grade in primary education, and 3 rd grade in secondary general				x	x
Target 3.1. Developed 15 curricula for the 8 th grade of primary education and 14 curricula for the 4 th grade of secondary general education			x		
Implementation of new curricula for the 8 th grade in primary education, and 4 th grade in secondary general					x
Capacity-building activities and dialogue	x	x	x	x	x

The mismatch between educational profiles/qualifications and labour market supply, on the one hand, and labour market needs, on the other, constitutes a long-term and system-wide challenge in the Republic of Serbia that will be addressed through further development of curriculums for VET profiles/qualification based on qualification standards (QS). Development of the QS is in the remit of the Qualification Agency (QA). QS is affirmed by the Sector (Skill) Councils, bodies that reinforce social partnership in education and secure the relevance of QS in labour market and for the economy. Ministry is adopting QS and they are published in NQFS Registry. The QS are the basis for the development of teaching and learning programmes (curriculum) in Vocational Education and Training.

In 2020 new Methodology for the development of the QS was adopted and since then teaching plans and programmes (curriculum) have been developed based on QS that are produced in line with this new Methodology. Relevant institutions such as the Chamber of Commerce of Serbia, the National Employment Service, the Union of Trade Unions, and prominent associations from the given field are members of Sector Councils and participate in the preparation of initiatives and qualification standards. QS is the starting point for curriculum development. The outcomes of knowledge, skills and attitudes set in the QS must be embedded in the curriculum. Teaching and learning plans and programs are created according to a new methodology, they are aimed at achieving learning outcomes, knowledge, skills and attitudes defined by the QS and by cross-curricular competencies, but also key competencies, green and digital skills. This activity encompasses/interlinks two policy area in education, by enabling further development of qualification standards as a part of NQFS and improving the relevance of VET education. It requires close coordination and planning between the Agency for Qualification and the Institute for Improvement of Education (IIE). For Institute to develop curriculums, the Agency for Qualification need to develop QS and the Ministry have to adopt them. The process of QS development and adoption lasts approximately 6 months. Before the establishment of the National Qualification Framework in Serbia (Law on NOFS was adopted in 2018) as an interim solution (from 2013 – 2020) qualification standards were published as a part of the curriculum. Currently, in the VET there are also 56 vocational profiles/qualifications (16 three-year and 40 four-year) with teaching plans and programme (curriculum) that have qualification standards published with the curriculum and are developed based on old Methodology. There are 74 curriculums (programs of teaching and learning) for vocational profiles/qualifications in secondary education, based on innovated qualification standards, of which 28 for three-year vocational profiles/qualifications and 46 for four-year vocational profiles/qualifications. Also, there are 18 vocational profiles/qualifications that are not based on QS, 5 three-year and 13 four-year and the largest number of students are enrolled in educational profiles in the field of

Health and Social Protection, which belong to regulated professions⁴⁴. The term ‘curriculum’ in Vocational Education and Training (VET) primarily refers to the corpus of teaching and learning programmes for all subjects necessary to achieve competencies required by the QS, but also may include standards/regulations for teachers⁴⁵ and standards for space and equipment⁴⁶. The objective is that all students enrolled in VET in 2026 have curriculums (programs of teaching and learning) for vocational profiles/qualifications based on innovated qualification standards that include key competencies, as well as green and digital skills.

Although Serbia established the NQFS in 2018 together with an institutional setting for its implementation⁴⁷, and a new Methodology for the development of qualification standards was adopted in 2020, so far only 102 QS have been developed and included in NQF Registry⁴⁸. All adopted QS belong to pre-university education, levels 1 to 5 of NQF. No QS were developed for levels 6-8 of NQFS that belong to Higher Education (HE). The role of QS is to provide benchmarks, agreed on by academic experts and economy representatives, to inform and guide the design, accreditation and, where required, the improvement of study programmes leading to the award of qualifications. QS provide a framework for the consistent and coherent development and design of qualifications and curricula across the higher education system. To improve the quality of higher education and meet the standards in accordance with the requirements set in the European educational area, the National Accreditation Body (NAT) in 2018 started the improvement of regulations and standards related to the accreditation of higher education institutions and study programs, ensuring and maintaining quality in higher education, improvement of standards and instructions for their application. This resulted in the set of new regulations in 2019 but did not include the introduction of QS as a basis for the accreditation of study programmes. To facilitate the introduction of QS as a part of NQFS implementation in HE, the Ministry will design a Grant scheme to support HE institutions in partnership with economy/employers to develop QS and submit the Initiative for adoption of new QS. In developing the QS grant, beneficiaries will use improved Methodology for developing qualification standards, taking into account the specifics of the process in higher education, that will be developed by the SDC project “Swiss Support to the Serbian Dual VET System” at the beginning of 2024. At least 40 initiatives for the adoption of QS for levels 6-8 of NQFS will be submitted to QA, and at least 40 QS will be adopted by the Ministry and included in Registry of QS. To secure the translation of QS into study programmes the regulatory framework in HE will be amended to accommodate the further implementation of NQFS principles in HE. Regulation changes include the Rulebook on Standards and Procedures for Accreditation of Study Programs, Rulebook on Standards for Initial Accreditation of Higher Education Institutions and Study Programs, Rulebook on Standards for self-evaluation and Quality Assessment of higher education institutions and Study Programs, Rulebook on Standards and procedure for external quality control of higher education. In parallel to this, capacity building activities will be carried out for HE institutions, reviewers as well as the development of new templates and instructions. Accreditation is done every 7th year, so in 2027 study programmes that were accredited in 2019/2020 will be due for accreditation, but this time study programmes will be based on QS developed in partnership with the economy and with defined competencies and learning outcomes reflecting level descriptors in NQFS.

Activities related to Output 2. 1:

Pedagogical Assistant (PA) is an institute of additional support for a group of children and students with developmental impairments and disabilities in preschool, elementary and high school in accordance with their needs. PA offers enhanced individualised support for learners with multifaceted complex needs, including social, emotional and mental health needs.⁴⁹ PA also assists the employees of educational institutions in order to improve their work and cooperates with parents. The support is provided to children/students to overcome physical, communication and social barriers, in accordance with their Individual Educational Plan 2 (IEP2).

⁴⁴ In September 2019, the Republic of Serbia adopted the Law on Regulated Professions and Professional Qualifications, which will enter into force only on the day of accession to the European Union. It regulates the general system of recognition and automatic system of recognition of qualifications. The adoption of this law completed the transposition of relevant Union acquis – Directive 2005/36/EC, its amended version from 2013 and Regulation 1024/2012 on administrative cooperation through the Internal Market Information System.

⁴⁵ Rulebook on the level and type of education/qualification of teachers, professional associates and assistant teachers in vocational schools in the area of work

⁴⁶ Rulebook on detailed conditions in terms of space, equipment and teaching aids for the realization of education and training curricula of the vocational subjects for educational profiles with three and four-year duration in vocational schools in the area of work

⁴⁷ Council for NQFS, Qualifications Agency and 12 Sector Councils, Office for Dual Education and NQFS.

⁴⁸ Source NQFS Registry, <https://noks.azk.gov.rs/pretraga-registara/pretraga-nacionalnih-kvalifikacija.html>

⁴⁹ Council Recommendation of 28 November 2022 on Pathways to School Success and replacing the Council Recommendation of 28 June 2011 on policies to reduce early school leaving (Text with EEA relevance) (2022/C 469/01)

In school year 2022/2023 there were 8817 children with IEP2. Additional support and assistance refer, among other things to support in learning, motivation to learn, participation in extracurricular activities, support in communication, assistance in mastering assistive technology; providing help and support when joining the educational group, especially during the transition period; help in developing a positive attitude of children and students in relation to children and students who need additional support; help to ensure the safety of children and students during their stay in the institution, etc. To acquire PA support, education institutions need to meet certain conditions, such as: not being able to receive additional support from the Resource Centre for inclusive education (school for the education of students with developmental impairments), absence of special education teacher (defectologist) engaged in the institution and having at least 10 and at most 20 students or more students who need additional support and are educated according to IEP2. Currently, there are 23 elementary schools and 5 secondary schools with more than 20 students with IEP 2 that also meet other conditions, as noted above. If the conditions are met the Ministry can approve employment of PA by the education institution. This activity will implement new policy instruments to support children with disabilities and schools to implement inclusive education by employing PA and/or increase of children and students with developmental impairments and disabilities that have been provided with Pedagogical assistant support in education institutions.

In Serbia, 10 education institutions have acquired the status of a 'Resource centre' for inclusive education. This was achieved with the support of the IPA Project "Enhanced Equal Access to and Completion of Pre-University Education for Children in Need of Additional Support in Education: We Learn Together". The project will end in 2024 and the continuation and expansion of support is to be implemented in a permanent and systemic way through this activity. They perform the tasks as a Resource centre (RC) from September 1, 2022. Resource centres have a variety of functions aimed at supporting teachers, parents and students, based on their needs for additional support. Resource centres provide effective, professional, and adequate support to schools for the implementation of inclusion education policies and practices. Resource centres provide support in access to appropriate assistive technology, based on needs assessments for children and students with developmental impairments and disabilities. The support provided to one child doesn't equate to a single service but involves multiple aspects. For a child with an IEP Level 2 needing specialized assistance, obtaining Assistive Technology (AT) often involves multiple devices like hearing aids and a laptop, essentially amounting to two services. Beyond the devices, both the child and their parents require additional training and guidance to effectively incorporate these tools into the child's education. This training results in two more services provided to child with disabilities, totalling four services per child. Additionally, each child's situation is unique, and the range of services can extend to individual or group support, specialised training for teachers, and consultations to adapt teaching methods to suit the child's needs. In this context, the total number of children receiving RC support is not a straightforward measure, as it reflects the extensive support network required to cater to the diverse needs of these children. It is estimated that there are 5000 children in education system that need support from Resource Centre. The basic, minimum package of services of the Resource Centre is holding a meeting with the Team for additional support and the Team for inclusive education of the school attended by a student with developmental impairments and disabilities who needs additional support. At the meeting, the Resource Centre team determines the need for additional support in various areas. A series of data from different sources is analysed: with the aim of adapting learning strategies and adapting the environment. Employees of the Resource Centre together with the Additional Support Team of the school define the priority areas of support/inclusion of the child or student with developmental impairments and disabilities in the additional support program, which includes determining the type of support, the frequency of support and the selection of didactic material. Depending on this assessment, further work with the school and the student is determined through additional services of the Resource Centre such as: Assistance in the development, monitoring and evaluation of the IEP or in the development and implementation of the transition plan in cooperation with the Inclusive Education Team of the school and the continuous exchange of information on the progress and development; Supporting the school through adapting the space of the institution and creating a plan for adapting the space to children/students with developmental impairments and disabilities; Assessment of adequate type of assistive technology; Student training and teacher training for the application of recommended assistive technology in teaching; Providing professional support at the request of the interdepartmental commission; Providing support to teams for professional orientation and teams for

career guidance in schools; Provision of professional orientation and career guidance and counselling services for students with developmental disabilities and disabilities.

The activities will additionally improve participation of Roma students and students with disability in higher education by providing access and tailor-made support. This activity is referring to the students in the first year of study for the first time, in public institutions, for basic vocational, basic academic, integrated academic and master academic studies. The number of enrolled students with the disability grow over the years, in academic year 2021/2022 there were 89, in 2022/2023 there were 96. Similar situation is with Roma students, in academic year 2021/2022 there were 77, in 2022/2023 there were 78. In academic year 2023/2024 there were 35723 allocated budget-funded places for enrolment in the first year of basic and master studies, out of which 349 were allocated as affirmative measure for enrolment of Roma students and 349 for students with disabilities. In academic year 2023/2024 there were 102 enrolled students with disability (in other words only 30% of the allocated places were filled) and 82 Roma students (in other words, only 23% of allocated places were filled). It will, as a first step, entail an analysis of the financial effects, i.e. the burden on higher education institutions, the burden on the Budget of Serbia, as well as the demand for faculties based on the number of applicants so far and the number of enrolled students who belong to this category, to maximize the effectiveness of the measure so that the offer is not linear by all available study programs or institutions, but that it corresponds to the demand as much as possible. Based on these analyses, the Government will officially adopt a Conclusion on the amended Program of affirmative measures for enrolment from the academic year 2025/2026 year.

The primary objective of the following measure is to enhance the educational prospects of the most vulnerable children, with a particular emphasis on the marginalized Roma students who constitute the majority of those benefiting from social welfare support. It is important to note that individuals from the Roma national community, like any other ethnic group, are not obliged to disclose their ethnicity. Segregated schools with a high number of Roma students face numerous challenges, including inadequate working conditions, low-quality educational and upbringing work, increased school dropout rates among other students, lower professional status of teaching staff within their peer groups and the local community, and insufficient support from other institutions and local authorities. These challenges significantly diminish the quality of education for Roma children. Consequently, this measure adopts a comprehensive and inclusive approach by providing support to a broader group of social welfare beneficiaries. This approach ensures that a substantial number of Roma children receive assistance, without perpetuating segregation. The support is directed towards students in the 163 underperforming schools identified through external evaluations and refers to the standard 4.3 from the External Evaluation as a quantitative measure: “The School as a support system for students from sensitive groups and students with exceptional abilities”. There are more than 2545 children in primary schools receiving social welfare, which represents a bit more than 10% of total number of children in these schools. Notably, ten primary schools have over 50% of their pupils receiving social welfare, while 27 schools have between 20% and 49% of such students, and an additional 24 schools have between 19% and 10% of students receiving social welfare. Moreover, more than 20 of these schools are situated in municipalities where Roma children (age 0-14) constitute over 10% of the total children in that age group. Currently, 20 underperforming schools have pedagogical assistants dedicated to supporting Roma students. Students that are social welfare beneficiaries, who are enrolled in these underperforming schools, grapple with even more formidable challenges compared to their peers in better-performing institutions. In terms of supporting students that are social welfare beneficiaries, the main support was provided in the past in the form of free textbooks. So far 18% of total students are eligible for free textbooks from various categories. Having in mind the paramount importance of education accessibility for all, the Ministry ensures the provision of textbooks in languages spoken by national minorities within the framework of the free textbook program. This initiative further extends its support to students hailing from socially and economically disadvantaged families. This emphasises the severity of their circumstances, necessitating targeted interventions to address their distinctive needs. Through the comprehensive assessment of their requirements and the formulation of tailored recommendations in 2024, the provision of specialized training to educators in 2025, and the implementation of other recommended activities in 2025 and 2026, this initiative strives to break the cycle of underachievement and social exclusion. The ultimate aim is to cultivate a more inclusive, culturally attuned,

and supportive educational milieu, enabling these children to realize their full potential and thereby fostering equity and social advancement within Serbia's educational landscape.

In the Republic of Serbia, 8 out of 23 national minorities⁵⁰ that is to say Albanians, Bosniaks, Bulgarians, Croats, Hungarians, Romanians, Rusyns and Slovaks exercise the right to education in the language of the national minority, whereby, during primary and secondary education, they also attend compulsory classes in Serbian as a non-native language. Monitoring the quality of teaching Serbian as a non-native language has shown that the expected results are not being achieved. Besides the right to education in one's mother tongue, pupils of national minorities who are enrolled in minority language instructed classes are also obliged to acquiring Serbian as state language as well, which is one of the most important elements of integration of national minorities in Serbia, especially when it comes to the stage when they enter the labour market. Also, equal participation in public administration and similar work places, can only be guaranteed to national minorities if they speak, read and write Serbian as well. Various national minorities have different levels of success in Serbian language acquisition depending on the mother tongue (for example Croatian, Slovak, Bosnian, Bulgarian and Ruthenian languages are very similar to Serbian, but Albanian and Hungarian are very different), and also depending on the communities where they live in (there are communities where the majority of inhabitants are Serbs, hence minorities are in touch with the Serbian language on a regular basis, but there are also communities where the majority of population are minorities, where learning Serbian can be quite a challenge, which we see with some Hungarian and Albanian communities. There are 488 teachers in primary school and 154 teachers in secondary school who teach Serbian as a non-native language (EMIS). New training programme was developed, that equip teachers to teach Serbian language as non-native language subject on two levels. Training has two modules. First module is about how to apply new programs, how to choose the appropriate program format (A or B), what are the initial tests for, how to combine A and B programs (connection of competencies, standards and prescribed outcomes for the end of the year). Second module is about functional aspects of educational work and cover following topics: 1. The structure of the program (A and B), for whom it is intended, and why the initial tests are necessary; 2. How to set the outcomes for the lesson (planning) and how to achieve them (examples); 3. Development of receptive and productive skills in teaching Serbian as non-native language (theory and practice); 4. Language culture as an area that connects all areas in teaching (examples from practice); 5. Internal linking of subject areas (Language, Literature and Language Culture); the importance of learning materials, adoption of the rule that a textbook cannot replace a teacher, nor is a textbook - a program (the most common misconception of teachers: what is written in the textbook is what I need to process); 6. Teaching grammar and its functionality (examples) and 7. Vocabulary teaching (examples of exercises). Each topic ends with a test that must be passed, and at the end second module the final test is conducted leading to certification. Even though teachers of Serbian as non-native language subject were obliged to take part in trainings, there is a significant number of teachers who lack either language or methodological competencies. Therefore, teachers are going to be trained to improve their competencies and provide better quality of education to national minority students.

Activities related to Output 3.1:

Improving the quality of the education system is one of the main strategic objectives of Serbia and in that context, several policy actions were introduced. It is also a key goal of the European Education Area,⁵¹ which identifies quality, alongside equity, inclusion and success in education and training, as one of its top priorities. External evaluation of the education institutions' quality has been introduced into the education system of the Republic of Serbia in 2012. The first cycle of external evaluation was realized in the period from 2012 to 2018. The second cycle started in 2019 but was interrupted in 2020 due to the Covid pandemic. The report on "Quality of educational institutions in the Republic of Serbia, Results of external evaluation in the school year 2019/2020" was published in 2023. The quality of the institutions is determined by assessing school performance against prescribed quality standards and is evaluated with the following grades: 1, 2, 3 and 4, where grade 4 is the highest grade. Schools that are assessed with grades 1 and 2 are considered 'underperforming'. In the second evaluation cycle, which has been implemented since 2019, external evaluation was carried out in 426 schools. Of these, 17 schools were graded 1, and 169 schools were graded 2. That makes a total of 186 schools with poor grade, or about 44% of the total number of schools evaluated.

⁵⁰ <https://www.srbija.gov.rs/tekst/en/130130/national-minorities.php>

⁵¹ <https://education.ec.europa.eu/about-eea/strategic-framework>

On external evaluation, 17 schools (12 primary and 5 secondary schools – 1 secondary general and 4 vocational schools) were assessed with grade 1. Assessed with grade 2, were 143 primary and 26 secondary schools – 7 secondary general and 19 vocational schools. It is estimated that these schools include about 43,200 students and 6,300 teachers in primary education and about 10,200 students and 1,300 teachers in secondary education. Such alarming data indicates the need to design a support program and empowerment of schools to improve work and achieve the well-being of students and employees. The quality of primary and secondary schools is assessed against 24 quality standards related to six key areas of the school's work. Every standard is assessed through several quality indicators, amounting to 124 in total. The areas for evaluation are the following: 1. Programming, planning and reporting (three standards and 16 indicators); 2. Teaching and learning (five standards and 28 indicators); 3. Educational achievements of students (two standards and 15 indicators); 4. Support for students (three standards and 16 indicators); 5. Ethos (five standards and 22 indicators); 6. Organization of schoolwork, human and material management resources (six standards and 27 indicators). Two areas that affect the most students' achievements are "Teaching and learning" and "Support to students". Activities will include the development of concept documents and training programs for teachers, directors and professional associates; development of training programs for mentors and training program for monitoring; training of school principals, professional associates, mentors and subject teachers trained to change teaching practice. Continuous support will be provided through school visits by mentors. The objective is to increase the average level of achieved quality standards in "teaching and learning" and in "support to the students" thus providing the students with quality education. In the last year of implementation, external evaluation of the schools in these two areas will be conducted. Data on the achievement of targets in 2026 will be obtained through repeated evaluation of selected areas in schools that received support. The evaluation is carried out according to a methodology that was developed with the help of experts from successful inspectorates from several European countries (Netherlands, United Kingdom (Scotland), Germany, Belgium) through the Standing International Conference of Inspectorates⁵². External evaluators are specially trained and licensed educational advisors from the Ministry of Education. The training program is defined in the Rulebook on examination and professional development of educational advisors⁵³.

A new Matura exam will resolve the existing problems and establish a coherent system linking educational goals, education standards, various forms of assessment, and evaluation. At the end of secondary education across Serbia, the standardized state-administered Matura will enable the evaluation of the quality of education to become more objective. Through this action, organisational and administrative capacities for the implementation of the Matura exam will be built, variations of examination items and collections of the Matura preparation book in the Serbian language and languages of national minorities will be developed and training of invigilators, evaluators and supervisors; members of working groups for the delivery of items and test development and other accompanying documents which are necessary for a successful implementation review and quality assurance of items and tests of the Matura exams will be trained; data on mother tongues in which Matura exams will be conducted will be collected and tests will be translated to national minority languages; test for the mock test will be designed, also for students taking the Matura exam in Braille; schools will be supported during the planned testing (mock and Matura exams) and other materials that may support schools in the process of preparing and conducting Matura exams (e.g. sets of tasks to evaluate student achievement at the beginning or at the end of the school year) will be prepared.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Based on the character of the proposed intervention, it can be concluded that there is no direct influence on the environment. The Action and the activities deriving from the Action will not have any negative impact on the environment, nor on climate and biodiversity. Although there is no direct effect on the environment, indirect positive effects through introducing green agenda and green skills into curriculums can be expected. Also, to ensure the quality of the teaching process training programme for continuous teacher training and a

⁵² <https://www.sici-inspectorates.eu/Activities/Training-Activities>

⁵³ <https://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/ministarstva/pravilnik/2020/14/8/reg>

new curriculum based on qualification standards will incorporate topics on green economy and environment protection which can indirectly affect the environment.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. The Republic of Serbia has adopted a new Gender Equality Strategy that is to be implemented until 2030 as the main strategic document for the promotion of gender equality in the Republic of Serbia, in line with EU standards and following the evaluation of the implementation of all relevant policies and practices. The institutions are committed to system-wide gender mainstreaming in the policy adoption, implementation and monitoring processes and are actively engaged in this process through EU-funded projects and have taken into account the three minimum standards the new EU Gender Action Plan III the design of all external EU-funded programmes. Gender mainstreaming was ensured through the implementation of the Gender Equality Facility II in cooperation with UN Women, within the IPA 2019 Action Programme. The project provided expert advice and enabled the organising of workshops specifically on the topic of gender mainstreaming in IPA programming.

In this Action, gender equality is integrated in indicators with disaggregated data for boys and girls, where appropriate. Also, through new curricula gender equality will be integrated into teaching and learning as per Article 37 of the Law on Gender Equality, thus contributing to the quality of the teaching process and its content.

Human Rights

Education, in addition to being a human right, is a necessary precondition for the fulfilment of many other human rights. It is a condition not only to get out of poverty, recognized as the predominant problem of the Roma minority, but also for the full social inclusion of Roma men and women. The Republic of Serbia has adopted the Strategy for Social Inclusion of Roma in the Republic of Serbia 2022–2030 which contains specific objective related to education: Developed educational system as an inclusive, intercultural, non-discriminatory and safe environment for children of Roma nationality and all other children, by ensuring full inclusion in preschool, primary, secondary and higher education, and providing support for the functional education of adult Roma and Roma women, while increasing the effectiveness and efficiency of mechanisms for the fight against discrimination contributing to the overall goal.

In this intervention, Output 2.1 is focused on Roma boys and girls, children with disabilities, minorities, and children from marginalised groups and will provide tailor-made support and early intervention measures to prevent school dropout. The Action will increase the educational system's adaptability to the specific educational needs of the Roma children.

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that under this Action support will be provided to children with disabilities to participate in the education process. Serbia has reformed its legislative, strategic and institutional framework in the field of education and anti-discrimination, as well as raising capacities to implement inclusive education at the level of educational institutions, at the local and national level. These intensive reforms have been continued through the adoption of the new Strategy for the Development of Education until 2030. The system of assessing needs and providing additional support to students and families from vulnerable groups in the education system has also been improved.

In this intervention, Output 2.1 will focus on developing and implementing appropriate support system for children with disabilities and provide support to learners with disabilities. For the education system to be accessible, fair and open, support mechanisms responsive to the specific needs of children with disabilities, will be provided including pedagogical assistants wherever necessary, i.e. developing and strengthening the network of pedagogical assistants according to needs analysis.

Democracy

N/A

Conflict sensitivity, peace and resilience

N/A

Disaster Risk Reduction

N/A

Other considerations

The Actions considers civil society organisations (CSOs) representing vulnerable groups as a partner in implementing inclusion policy in the education system. Through partnership between schools and CSOs, inclusion and prevention system-level measure will have a greater impact. Consultative opinions of civil society organisations have and will be sought throughout the planning and implementation of activities.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
People and the organisation	Risk 1: Due to the number of institutions in the education sector risk of poor coordination may hamper timely and quality implementation.	L	M	Support to the MoE to implement findings and recommendations from Complementary TA support to IPA 2016 SRC on how to improve and secure coordination. The new Standing Structure (Permanent Strategic Working Group) will optimize coordination functions.
People and the organisation	Risk 2: Due to the numerous stakeholders outside of the education sector poor coordination and involvement may hamper overall implementation and perception of education reforms.	M	M	Assist the Ministry in implementing findings and recommendations from Complementary TA support to IPA 2016 SRC and integrated coordination and participatory cooperation into national public institution operation.
Communication and information	Risk 3: Due to the complexity of the EMIS and the need to be interoperable with other national databases data	M	L	Capacity building for better coordination of stakeholders in data collection, ensuring validity and reliability of data and their regular updating.

	collection may be incomplete and the monitoring process hampered.			
People and the organisation	Risk 4: Data analysis is scattered all over the Ministry's departments which can hamper evidence-based policy making.	M	M	To support MoE in establishing an analytical unit and building the capacities of staff.

External Assumptions

To Specific Objectives: Education remains the policy priority of GoS and MoE and other relevant institutions are coordinating reform activities and securing synergy.

To Induced Output 1. Social partners take an active part in education policy development and implementation.

To Induced Output 2. Different stakeholders and communities take active participation.

To Induced Output 3. Resistance of school staff to reform activities.

3.5. Indicative Logical Framework Matrix

Results	Results chain	Indicators [max. 15]	Baselines (value and year)	Targets by the end of the budget support contract (value and year)	Sources of data [1 per indicator]
Indicative Impact of the policy	To raise the employability of the Serbian labour force by improving relevance, equity, inclusiveness and quality of the education and training system, in view to a better match of the needs of the labour market and alignment to Union standards, policy and practice	Percentage of under-performers in all three subjects in PISA.	38,1% (2022) (Math: 43,1% Reading: 36,4% Science: 35,1%)	≤ 18.6 % (2028) ⁵⁴	OECD PISA report
		Employment rate of persons aged 15 to 64 (disaggregated by gender).	64.5% Men (71% 6.2) Women (59.1%) (2022)	66.1% Men (73.1%) Women (59.1%) (2026) ⁵⁵	Labour Force Survey, Statistical Office of the Republic of Serbia http://www.stat.gov.rs/en-US/oblasti/trziste-rada/anketa-ogradnoj-snazi
Expected Outcomes of the policy	1. Improved relevance of education outcomes to meet labour market needs, with particular emphasis on creating a lifelong learning perspective.	1.1. Number of developed qualification standards aligned with the needs of the individual, the labour market and society as a whole, which include digital and green skills.	106 (2023)	184 (2026)	NQF Registry
		1.2. % of youth (15 – 29) not in education, employment or training (NEET).	15.1 (2022)	12.8 (2026) ⁵⁶	Labour Force Survey, Statistical Office of the Republic of Serbia
	2. Improved equity in the education system to promote and implement fairness, equal opportunities and access to education for all.	2.1. Primary education completion rate, and for children from Roma settlements.	2.1. Primary education completion rate - 97 % (2022)	2.1. Primary education completion rate – ≥ 98 % (2026) ⁵⁷	MICS, Multiple Indicator Cluster Survey Annual Report Education Statistics of the Statistical Office of the Republic of Serbia

⁵⁴ Education strategy 2030

⁵⁵ Employment Strategy for the period 2021 – 2026,

⁵⁶ Idem, data is not gender disaggregated.

⁵⁷ Education strategy 2030, AP 2023 - 2026

			Roma children – 64% (2019)	Roma children – ≥ 73% (2024) ⁵⁸ and 100% (2030) ⁵⁹	
		2.2. Secondary education completion rate, and for children from Roma settlements.	2.2. Secondary education completion rate 86% (2021) Roma students 64% (2019)	2.2. Secondary education completion rate ≥ 93% (2026) ⁶⁰ Roma students ≥ 98% (2030) ⁶¹	
		2.3. Dropout rate in in primary and secondary education (disaggregated for Roma children from settlements).	2.3. Primary education 0.3% Secondary education 0.8% (2022)	2.3. Primary education 0.25% Secondary education 0.7% ⁶² (2026)	
	3. Improved quality of teaching and learning processes and outcomes to ensure student employability, adaptability, personal development and active citizenship.	3.1. Reading, mathematics and science literacy scores disaggregated by sex (PISA).	3.1. 440/440/447 (Reading: F: 453, M: 428; Math: F: 434, M: 445; Science: F: 449, M: 446) (2022)	3.1. 471/474/470 (Reading: F: 491 M: 453; Math: F: 473 M: 476; Science: F: 472, M: 467)(2028)	OECD PISA report
Induced Outputs	1. Developed innovated curriculums that align learning outcomes with changing needs of the economy and provide for skills and competencies necessary to perform in the green economy, including key competencies for lifelong learning.	1.1. Percentage of curricula in primary and secondary general education modernized to reflect key competencies and learning outcomes.	1.1. (2023) 0 curricula based on key competencies and learning outcomes are adopted.	1.1. (2026) 100% curricula for the 8th grade of primary education and for 4th grade of secondary general education are adopted based on key competencies and learning outcomes	Education Gazette
		1.2. Number of curricula (programs of teaching and learning) for vocational profiles/qualification in secondary education based on innovated	1.2. (2022)74	1.2. (2026) ≥144	

⁵⁸ Strategy for social inclusion of Roma 2022-2030

⁵⁹ Strategy for social inclusion of Roma 2022-2030

⁶⁰ Education Strategy 2030, AP 2023 - 2026

⁶¹ Strategy for social inclusion of Roma 2022-2030

⁶² Education Strategy 2030, AP 2023- 2026

		qualification standards by the end of 2026.			
		1.3. National Qualification Framework is implemented in HE.	(2023) 1.3.1. Regulations in higher education introducing qualification standards as a basis for accreditation of study programmes are not adopted. 1.3.2. 0 qualification standards in higher education are adopted. (Levels 6-8 NQFS)	(2026) 1.3.1. Regulations in higher education introducing qualification standards as a basis for accreditation of study programmes are adopted. 1.3.2. 40 adopted qualification standards in higher education (levels 6-8 NQFS)	SEDS 2030 annual report Education Gazette
	2. Improved participation in the education of national minorities, Roma students and students with disabilities by providing access and tailor-made support.	2.1. Number of Pedagogical Assistants for students with disabilities employed in pre-university educational institutions	2.1. (2023) 0	2.1. (2026) ≥ 40	SEDS 2030 annual report The achievement of outputs will be tracked through a set of indicators with defined yearly targets. Education Management Information System (EMIS)
		2.2. Number of children that have received support from Resource centres for inclusive education/ assistive technologies.	2.2. (2023) 1000 (2022/2023 school year)	2.2. (2026) ≥ 2500 (2025/2026 school year)	
		2.3. Increased access to higher education for Roma students and students with disability	2.3.1 (2023) 1% of the total number of places for students in the study programmes financed from the budget of the RS is designated for Roma students and 1% is designated for students with disabilities.	2.3.1 (2026) 2% of the total number of places for students financed from the budget of the RS are filled by Roma students in line with affirmative enrolment measures and 2% is designated for students with disabilities.	

			2.3.2. (2023) 23 % of the number of designated places for Roma students, in line with affirmative enrolment measures, are filled by Roma students.	2.3.2. (2026) 70% of the number of designated places for Roma students, in line with affirmative enrolment measures offered in 2023, are filled by Roma students.		
			2.3.3.(2023) 29 % of the number of designated places for students with disabilities, in line with affirmative enrolment measures, are filled by students with disabilities.	2.3.3. (2026) 35 % of the number of designated places for students with disabilities, in line with affirmative enrolment measures offered in 2023, are filled by students with disabilities.		
			2.4. Support for Roma students and students who are social welfare beneficiaries within the underperforming schools.	2.4. (2023) 186 underperforming schools have achieved in the external evaluation the average level in the quality standard “System of support for vulnerable and talented students” of 2.58.		2.4. (2026) 186 underperforming schools have achieved in the external evaluation the average level in the quality standard “System of support for vulnerable and talented students” of $\geq 3,00$
			2.5 Improving quality of national minority education by strengthening competencies of teachers of Serbian as non-native language subject.	2.5. (2023) 0 % of teachers teaching the subject “Serbian as non-native language” have acquired the certificate language		2.5 (2026) 90 % of teachers teaching the subject “Serbian as non-native language” have acquired the certificate

	<p>3. Enhanced students' achievements by improving the quality of teaching and learning and support to students and implementing the national Matura exam.</p>	<p>3.1. Improved performance/quality of underperforming schools in "teaching and learning" and "support to students".</p>	<p>3.1. (2023) 186 underperforming schools have achieved in the external evaluation the average grade in the quality area "Teaching and Learning" of 2.63 and in the quality area "Support to the Students" of 2.64.</p>	<p>3.1. (2026) 186 underperforming schools have achieved in the external evaluation the average grade in the quality area "Teaching and Learning" and in the quality area "Support to the Students" of $\geq 3,00$ each.</p>	<p>Report of external evaluators. IEQE Summary report, https://ceo.edu.rs/vrednovanje-kvaliteta-rada-ustanova/</p>
		<p>3.2. National Matura exam implemented</p>	<p>3.2. (2023) National Matura exam is not implemented at the end of secondary education.</p>	<p>3.2. (2026) $\geq 80\%$ of students who took the Matura exam are enrolled in the first year of higher education according to criteria that include the results of the Matura exam without taking an additional entrance exam.</p>	
<p>Direct Outputs</p>	<p>1) Strengthened institutional capacities to develop and implement results-driven education policy in line with the Law on Planning System</p>	<p>1) Standing structure for monitoring and evaluation of education policy implementation with improved analytical support - Permanent Strategic Working Group" (PSWG) composed of all permanent operational-level decision-makers from the Ministry of Education and other relevant institutions (including the two institutes) The PSWG will be supported by both the Analytical Unit of the Ministry and the MoE Department responsible for EMIS. The PSWG will be the focal point for cooperation with donors, creditors, TA teams engaged to provide expert</p>	<p>1) 0 (2022)</p>	<p>1) 1 (2026)</p>	<p>The achievement of outputs will be tracked through a set of indicators with defined yearly targets. Targets are designed to ensure that there is tracking of the consistency, scope and depth of the reform processes in each area</p>

		support etc. It will be responsible for reporting on implementation of current strategic frameworks as well as for drafting of all future strategic documents in the field of education.			
	2) Inter-ministerial consultation and coordination mechanisms are embedded into the implementation, and monitoring of Education strategy and action plans	2.) Inter-ministerial WG with improved reporting - Two-level “operational structure” to streamline and optimize the execution of communication, decision-making and reporting functions of both the highest-level (political) and permanent (professional) structures governing the education development and reform.	2.) 0 (2022)	2.) 1 (2026)	
	3) Continued dialogue with donors to coordinate and further align development cooperation to avoid duplication and/or overlapping of activities and relieve the Government of Serbia from multiple reporting duties;	3) Number of policy dialogue meetings per year - the high-level policy dialogue (ministerial level) take place with increased frequency and provide to stakeholders (civil society, NGOs, special interest groups, donors, creditors etc.) a structured and direct access to highest-level decision-makers. The dialogue should not be just a formal annual event, but rather an opportunity for actual and relevant changes and improvements to be initiated.	3) 1 (2022)	3) 2 (2026)	

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

To implement this Action, it is envisaged to conclude a financing agreement with the Republic of Serbia.

4.2. Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of conclusion of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation of the Budget Support Component

4.3.1. Rationale for the Amounts Allocated to Budget Support

The Action will be subject to direct management by the European Delegation to the Republic of Serbia. A budget of EUR 30 000 000 has been allocated to this Action. The amount allocated for the budget support component is EUR 28 500 000, and for complementary support is EUR 1 500 000 (EUR 500 000 for assessment of achievement of targets and indicators and EUR 1 000 000 for complementary support for policy implementation). According to the envisaged dynamics in the implementation of Sector budget support component, EUR 28 500 000 will be disbursed through fixed and variable tranches. In line with the procedure relevant for disbursement of variable tranches, positive assessment of progress in implementation of this reform process will be precondition for disbursement of variable tranches.

This amount is based on comprehensive discussions with the stakeholders and is reflective in the financing needs of the partner country; and added value that Sector Budget Support will bring to the achievement of the partner country's targeted policy objectives; and the incentive that it will provide to introduce a more policy-driven, results-oriented, information-based management approach in public institutions.

4.3.2. Criteria for Disbursement of Budget Support

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Strategy for Education Development in Serbia until 2030 with Action Plan for the period until 2026 and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

The specific conditions as well as the tranches to which they apply are as follows:

b) The performance indicators for disbursement that may be used for variable tranches may focus on the following policy priorities presented in the section on the intervention logic (3.5: Indicative Logical Framework Matrix), in the text above.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the Action.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the Action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante or at the latest by the end of the first quarter of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3. Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into RSD will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

4.4. Implementation Modalities

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

4.4.1. Direct Management (Grants)

N/A

4.4.1.1. Grants

N/A

4.4.1.2. Twinning Grants

N/A

4.4.1.3. Grants (Participation to EU programmes)

N/A

4.4.2. Direct Management (Prize(s))

N/A

4.4.3. Direct Management (Procurement)

The support to this Education Sector Budget Support is already included as a part of the Action Document for EU for Inclusive Growth through Improved Social Service Provision and Quality Systems for Labour and Education financed under Commission the Implementing Decision on the financing of the annual action plan in favour of the Republic of Serbia for 2022, as recommended by systemic evaluations of budget support programmes.

The monitoring and evaluation framework for the measurement of the targets and indicators within this sector budget support will be implemented through a specifically dedicated contract. This component of Complementary support will ensure support for the assessment of the achievement of targets and indicators. Support for implementation of education policy in the field of vulnerable students, is planned to be implemented through a TA contract.

Therefore, this complementary support component will be directly managed by the EU Delegation to the Republic of Serbia and is going to:

1. Support the implementation of the monitoring and evaluation framework for the measurement of the specific targets and indicators under the Sector Budget Support will be implemented through one contract in the amount of EUR 500 000.
2. Support the implementation of education policies will be implemented through one contract in the amount of EUR 1 000 000.

4.4.4. Indirect Management with a pillar-assessed entity

N/A

4.4.5. Indirect Management with an IPA III beneficiary

N/A

4.4.6. Contribution to <name of the relevant Regional Investment Platform>

N/A

4.4.7. EFSD+ operations covered by budgetary guarantees

N/A

4.4.8. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

N/A

4.4.9. Other actions or expenditure

N/A

4.5. Scope of geographical eligibility for procurement and grants

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

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

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Budget support - cf. section 4.3	28 500 000
Procurement – total envelope under section 4.4.3	1 500 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision
Strategic Communication and Public Diplomacy – cf. section 6	will be covered by another Decision
Total	30 000 000

4.7. Organisational Set-up and Responsibilities

High level policy dialogue happens within Inter-ministerial Council⁶³, tasked to monitor and steer the implementation of education reforms and ensure necessary conditions and resources for a comprehensive implementation of reforms. Members of the Council are representatives of the MoE, Ministry of Finance (MoF), Ministry of Labor, Employment, Veteran and Social Affairs (MLEVSA), Ministry of European Integration (MEI), Delegation of the EU, and other relevant stakeholders. Establishing Strategic Working Group under previous SRPC Policy dialogue was a significant improvement and a solid basis for a future standing platform for coordination and cooperation. High-level dialogue within the education sector reform contract contributed to development of coordination and communication.

A level below the Inter-ministerial Council will be the standing structure for monitoring and evaluation of education policy implementation with improved analytical support - Permanent Strategic Working Group” (PSWG) composed of all permanent operational-level decision-makers from the Ministry of Education and other relevant institutions (including the two institutes) The PSWG will be supported by both the Analytical Unit of the Ministry and the MoE Department responsible for EMIS. The PSWG will be the focal point for cooperation with donors, creditors, TA teams engaged to provide expert support etc. It will be responsible for reporting on implementation of current strategic frameworks as well as for drafting of all future strategic documents in the field of education.

The MoE is responsible for development, budget planning, coordination, implementation, monitoring, and evaluation of the education policy. There is an active involvement and commitment of all relevant partners in making education more relevant in the context of labour market needs and in lifelong learning perspective. Different institutions partake in the implementation and/or monitoring of reform activities. Their involvement depends on awareness, remits and capacities. The Education Management Information System (EMIS) has been developing since 2018, building on the experiences of the previous information system. The EMIS is designed to be interoperable with other national databases to maximize monitoring potentials, including different aspects of student population, such as underprivileged students, including the need for additional support measures and services. The EMIS is also expected to continuously facilitate better coordination of stakeholders in data collection, ensuring validity and reliability of data and their regular updating.

⁶³ The Government Decision on establishing the Council, April 12, 2018.

Apart from the MoE, other independent bodies and institutions partake in the monitoring and reporting on areas of interest. Relevant for the inclusive education are Ombudsman and Commission for Equality. The Ombudsman is an independent and autonomous government body, responsible for the protection and promotion of rights and liberties, with particular focus on the protection of National minority rights, Children rights, Rights of disabled persons, Rights of people deprived of liberty, Gender rights. The Commissioner for Protection of Equality is an independent, autonomous and specialized state authority task to prevent all forms, types and cases of discrimination, to protect the equality of natural persons and legal entities in all spheres of social life, to oversee the enforcement of antidiscrimination regulations, and to improve realization and protection of equality.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action.

4.8. Pre-conditions

N/A

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

Regular monitoring of the implementation of this Action will be a continuous process. Being linked to national strategic documents in the field of education, notably the Education Strategy's Action Plan until 2026, the Action will be monitored through several institutionalized mechanisms for monitoring of implementation of policy planning documents, including those prescribed by the Law on the Planning System of Serbia.

In addition, regular monitoring of both the education policies' implementation and of all support modalities being implemented to facilitate them, will be under the responsibility of the strategic standing structures established by the Ministry of Education.

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

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

- The European Commission will monitor the Action using Result Oriented Monitoring (ROM), which includes site visits, data collection, and analysis. During these visits, independent consultants retained by the Commission will meet with Action Beneficiaries and the NIPAC Office to discuss the implementation of the intervention. Beneficiaries would assist ROM consultants, upon request from the NIPAC Office, including the provision of data and documentation, participation in interviews and meetings, and commentary on monitoring reports. This shall provide an impartial assessment of the ongoing or post-action performance of the Action, as required.
- The National IPA Coordinator (NIPAC), with the assistance of the NIPAC Office, is responsible for the overall coordination of IPA III assistance in the Republic of Serbia, including the supervision of IPA III programme implementation, as well as the establishment, coordination, and participation of stakeholders in monitoring committees (MCs). Beneficiaries of the Action will inform Policy Dialogue participants and members of the respective Sector Monitoring Committees (SMCs) of progress, while the NIPAC Office will manage data collection and analysis for monitoring the Action's implementation, including the collection of information from Beneficiaries reports for monitoring committees.

- In accordance with the respective committees' rules of procedure, the Commission will attend monitoring committee meetings and co-chair the IPA Monitoring Committee (IPA MC). Through these activities, the Commission will be kept informed of the entire IPA III progress and will participate in high-level monitoring discussions, thereby endorsing crucial decisions resulting from monitoring. Upon request, the Commission will provide the NIPAC Office with information regarding the implementation of interventions managed under direct management. This information will be used for reporting to SMCs, the IPA MC, and for preparing the Annual report on the implementation of financial assistance. Through the SMC reports and Annual IPA Report on implementation of financial assistance, the Commission will also monitor the implementation of the Action.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the Action as follows:

Review missions for the disbursement of fixed and variable tranches will take place in the third quarter of the year following the reference year, at which point the beneficiaries will have prepared a self-assessment report and will make available the materials/data defined as sources of verification in the policy matrix. The MoE will be responsible for the collection and collation of materials/data to be used in the review missions. Pre-assessment missions in the third or fourth quarter of the reference year may be deployed to provide advance information to the beneficiary and the Commission on the state of play related to the achievement of targets.

5.2. Evaluation

Having regard to the importance of the Action, a mid-term or final and/or ex-post evaluation may be carried out for this Action or its components via independent consultants contracted by the Commission.

Mid-term evaluation may be carried out for learning purposes, in particular with respect that it contains numerous components pertaining to the accession process and in terms of assessing effectiveness, sustainability, and impact. It will also serve as a basis for revising implementation strategies and activities, if necessary, and for planning potential future activities in the sectors in Serbia under IPA III.

In case a final or ex-post evaluation is envisaged, it will be carried out for accountability and learning purposes at various levels (including for policy revision).

The evaluation of this Action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

If the Commission decide to carry out evaluations, the Commission shall form a Reference Group (RG) composed of representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 6 months in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.3. Audit and Verifications

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

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

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

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

Under Complementary Support to this Education Sector Budget Support which is part of Action Document - EU for Inclusive Growth through Improved Social Service Provision and Quality Systems for Labour and Education, financed under Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Serbia for 2022, support for raising awareness and visibility of education reforms and their benefits for Serbian citizens is planned as a activity.

7. SUSTAINABILITY

The key to ensuring the sustainability of the Action lies in maintaining a stringent focus on the areas addressed, which are incorporated into Serbia's education policies and plans. The outputs of the Action are linked to national strategies and policies, demonstrating the government's commitment to addressing the problems tackled by this Action. The Beneficiaries of the Action will prioritize sustainability when approving the final outputs of the contracts financed under this Action and will ensure that the results are preserved beyond the implementation period. The Beneficiaries will confirm their dedication to respecting the objectives and utilizing the results for the intended purpose, ensuring that the results persist after the implementation period has concluded. They will make use of the tangible and intangible outputs from the contracts for the purposes specified in the contracts and will assess the results using the relevant indicators. Moreover, the Beneficiaries will ensure adherence to sustainability conditions, starting from the provisional acceptance of assets, whereby the use of tangible and intangible assets procured under IPA III programs will be granted permanently. The NIPAC and the Commission will jointly monitor the sustainability of IPA III assistance through Sectoral Monitoring Committees and within the IPA Monitoring Committee.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present Action identifies as

Action level (Budget support)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action