



**External Review: Support to Improve
Social Inclusion in Serbia**
Final Report

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External Review: Support to Improve Social Inclusion in Serbia

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Final Report

National Programme Officer: Lidia Vujičić
Swiss Cooperation Office for Serbia-Embassy of Switzerland
Swiss Agency for Development and Cooperation, SDC
Kneza Mihaila 10/IV, 11000 Belgrade, Serbia
Phone: +381 11 328 22 20, 328 16 69, E-Mail: Lidia.Vujicic@sdc.net

Evaluator / Team Leader: Harald Meier
B,S,S. Economic Consultants, Steinenberg 5, CH-4051 Basel
Phone: +41 61 263 05 58, E-Mail: harald.meier@bss-basel.ch

Evaluator: Marija Šijan
DT Fundraising d.o.o., Ruzveltova 1a, SRB-11060 Belgrade
Phone: +381 11 3370950, E-Mail: maja.sijan@gmail.com

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Abbreviations

CHF	Swiss Franc
DAC	Development Assistance Committee
DFID	Department for International Development
EC	European Commission
EIDHR	European Instrument for Democracy and Human Rights
ESF	European Social Fund
EU	European Union
EUR	Euro
HBS	Household Budget Survey
HRD	Human Resource Development
IPA	Instrument for Pre-accession Assistance
JIM	Joint Inclusion Memorandum
LFS	Labour Force Survey
MICS	Multiple Indicator Cluster Survey
MIPD	Multi-annual Indicative Planning Document
MDG	Millennium Development Goal
MoE	Ministry of Education
MoU	Memorandum of Understanding
NMFA	Norwegian Ministry of Foreign Affairs
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
OSCE	Organisation for Security and Cooperation in Europe

OV	Objectively Verifiable Indicator
ProDoc	Project Document
PROGRESS	Community Programme for Employment and Social Solidarity
PRS	Poverty Reduction Strategy
PRS IFP	Poverty Reduction Strategy Implementation Focal Point
SC	Steering Committee
SCO-S	Swiss Cooperation Office in Serbia
SDC	Swiss Agency for Development and Cooperation
SIPRU	Social Inclusion and Poverty Reduction Unit
SORS	Statistical Office of the Republic of Serbia
TEMPUS	EC Programme to Support Modernisation of Higher Education
ToR	Terms of Reference
UNICEF	United Nations Children's Fund
WHO	World Health Organisation

Management Summary

Background

The Social Inclusion and Poverty Reduction Unit in the Office of the Prime Minister of the Government of the Republic of Serbia (SIPRU) is tasked to disseminate and anchor the concepts of social inclusion and poverty reduction in Serbia. It employs a variety of instruments that range from policy coordination and capacity building at central government level and line ministries to improving Serbia's statistical system of monitoring social inclusion indicators, and from intergovernmental cooperation across all levels of government to interaction with civil society and members of the academia. The support of the Swiss Agency for Development and Cooperation (SDC) aims at mainstreaming social inclusion policies into national and sector strategies and consequently at minimising poverty and marginalisation. It also contributes to Serbia's European integration efforts in the context of which social inclusion has re-emerged as a matter of priority.

Methodology

SDC commissioned the authors of this report to design and perform an external review of the performance and impact of SIPRU's work to date and to provide recommendations for SIPRU's future mandate and institutional set-up. The evaluation is based on the OECD-DAC methodological framework and employs qualitative methods. Following an in-depth document review we performed a series of semi-structured interviews (personal and telephone interviews) with different stakeholders (donor representatives, senior public officials, civil society representatives, members of academia, contractors of SIPRU) to triangulate the responses so as to increase their credibility and validity.

Findings and Lessons Learned

The evaluation team considers that the programme achieved remarkable results, though it is difficult to gauge the actual impact of the interventions. It was successful in policy making and coordination, creating a social inclusion oriented legal and institutional framework and building up the necessary preconditions for successfully supporting policy implementation with, *inter alia*, the definition of indicators and development of sound project proposals. SIPRU enjoys the reputation of being a truly unique organisation that displays immense service quality. The factors we believe contributed to this success include the Unit's position in the centre of the government as well as neutrality, transparent and interactive cooperation with all stakeholders, flexibility to respond to different interests and priorities, and a team composition that mirrors these qualities. In future, SIPRU should par-

ticularly focus on supporting local level authorities in their social inclusion policy implementation efforts and optimise its scope of *activities* so as to concentrate on those, which have most leverage.

Recommendations

In the following we summarise our key recommendations (shortened version) for the design and the implementation of an eventual forthcoming phase; for the full set of the recommendations we refer to Chapter 6.

- *Continue funding of a follow-up programme phase:* Overall, we recommend **continuing funding** of this programme for a three to four year term. We specifically recommend that SIPRU is placed at **central government level**, preferably in the office of the Prime or Deputy Prime Minister and not in any of the line ministries.
- *Determine the future institutional set-up (“form”) following a functional review:* We believe that a decision on SIPRU’s institutional set-up at this stage (as required by the ToR) would be **premature** for several reasons (e.g. impending change of government, forthcoming feasibility study of a social inclusion fund). We believe that the institutional set-up of SIPRU must follow its functions (“*form follows functions*”) and thus recommend carrying out a rigorous **functional review** of SIPRU by the mid-term of a forthcoming programme phase, based upon which a decision should be made regarding SIPRU’s future institutional set-up.
- *Continue performing horizontal and vertical functions:* The programme should continue performing **horizontal functions** (i.e. policy making, policy coordination across government) but focus more on the **vertical function** of supporting implementation at local level.
- *Foster and/or systemise collaboration with strategic partners, SCTM in particular:* The evaluators are of the opinion that the full potential of SIPRU-SCTM collaboration has not been exploited yet. We recommend that the two organisations enter into a **strategic dialogue** to define a joint vision and corresponding priority areas of collaboration, to determine **concrete actions** and to plan the respective **resources** for their implementation.
- *Focus on capacity building in the field of programming:* SIPRU’s work in terms of programming is of particular importance because of its mid- and long-term leverage effect. The IPA financial perspective 2014-2020, in which social inclusion features prominently, calls for strong national

ownership in terms of planning. Also, building up the structures, processes and capacity in the line ministries for better planning is essential for the future use and absorption of means of the European Social Fund (ESF) and other EU structural funds. We therefore recommend that more efforts be made to **address the apparent shortcomings** in terms of **programming** in the line ministries more systematically.

- *Increase staff of the SIPRU team:* The evaluators suggest **enlarging** the SIPRU team by **three to four recruits** to enhance resources in key areas such as monitoring and evaluation and EU funds programming and management. Options that warrant to be explored or enhanced include **secondments** of staff from other government institutions and **internships and assignments** for graduates and **young researchers**. Any increase of staff needs to be done carefully in order not to affect what we deem as strengths of SIPRU.
- *Explore the possibilities of a co-financing commitment by the government of Serbia:* While there is ownership by the Serbian government, exemplified recently for instance by the explicit decision to move SIPRU to the office of the Prime Minister, the government's contribution to the programme is limited to providing office space and covering (part of) the programme's overheads. To underline its commitment the government should assume responsibility in shouldering a part of the programme's costs.
- *Ensure quality and topicality of the programme's performance indicators:* We recommend investing time into formulating **clear performance indicators** and adjusting the latter if the programme environment significantly changes so as to facilitate the monitoring of the programme's progress and the evaluation of its achievements.
- *Enhance visibility of SDC's support to SIPRU:* We recommend that SDC and SIPRU **enhance visibility** of SDC's support in the field of social inclusion.
- *Consider a non-cost extension of the programme:* It is realistic that on the basis of the current budget commitment not all of the available funds will be utilised by the end of December 2012. Given that negotiations with the incoming government about the next programme phase might take longer than December 2012, we recommend preparing the ground for an eventual two-three month **non-cost extension** to be financed with the unused resources.

- *Explore the possibilities of synergies between SDC's support to SIPRU and SECO's advisory services for public finance reform:* Starting 2015 Serbia's line ministries shall apply the method of **programme budgeting** for the planning and spending of future expenditure. This is a complex undertaking, requiring knowledge in public finance (management). In addition to SDC's on-going efforts to identify synergies among its programmes and projects in Serbia, the evaluators recommend exploring synergies also with SECO's public finance management reform support programme.

Acknowledgements

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The views expressed by the evaluators do not necessarily represent the opinions of the Swiss Agency for Development and Cooperation or the Social Inclusion and Poverty Reduction Unit. The conclusions, recommendations and eventual remaining errors are ours.

Harald Meier and Marija Šijan

1. Introduction

Social inclusion is a concept that has been embraced by various governments and organisations over the past decades. It is an evolving concept and while there are varying definitions, it is commonly accepted that social exclusion, as the opposite of social inclusion, goes beyond poverty, which is merely defined as a lack of financial means to cover for basic needs.

The European Commission defines social inclusion as “*a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have a greater participation in decision making which affects their lives and access to their fundamental rights.*”¹ In the European Union’s (EU) growth strategy for this decade – *Europe 2020*² – social inclusion and poverty reduction have re-emerged as political priorities, correspondingly mirrored in policies of its member states.

Also Serbia’s national policies are experiencing a shift from poverty reduction to the more comprehensive, multidimensional concept of social inclusion. SDC is contributing to this change with its *Support to Social Inclusion Programme* under which support is provided to the Social Inclusion and Poverty Reduction Unit (SIPRU, the Unit) at the Office of the Prime Minister.³ SIPRU is mandated to contribute to and coordinate, monitor and report on the implementation of social inclusion and poverty reduction policies across all levels of government in Serbia.

In view of the end of the programme in December 2012, SDC commissioned a team of two evaluators, the authors of this report, to design and carry out an external review, the aim of which is to assess particularly effectiveness and efficiency of the programme and to provide recommendations on the future strategic orientation and institutional anchorage.

This report presents our evaluation results. Chapter 2 explains the methodology we used for the evaluation. In Chapter 3 we provide an overview of the programme context. Chapter 4 presents the main findings of the evaluation on the basis of the

¹ *Joint Report on Social Inclusion*, European Commission, Brussels, March 2004, {COM(2003)773 final}.

² *Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth*, European Commission, 2010, COM(2010)2020 final.

³ SDC’s support came in response to an explicit request by the government of Serbia. The Norwegian Ministry of Foreign Affairs (NMFA) and the Department for International Development (DFID) were also supporting SIPRU until 2011 and 2009 respectively.

desk study and the field mission. We translate our findings into conclusions and lessons learned in Chapter 5 and formulate our recommendations for an eventual follow-up in Chapter 6. More information, including a separate table that responds to the specific questions contained in the Terms of Reference, is annexed to this report.

2. Methodology

The evaluation is based on the OECD-DAC methodological framework for evaluating development co-operation and the specific evaluation criteria included therein: relevance, effectiveness, efficiency, impact and sustainability.

We decided to use a *qualitative* evaluation design since we are of the opinion that the functions of SIPRU – policy coordination, analysis, planning, etc. – are qualitative in nature, which are very difficult to measure quantitatively. There are, however, important additional reasons for this decision: The logical framework that is part of the Programme Document (ProDoc) has – despite changing realities – not been updated ever since the programme design phase and several assumptions valid at that time turned out not to hold true. As a result several performance indicators in the logical framework are no longer applicable and assessing the programme along these indicators may consequently lead to wrong conclusions. The reason for not updating the logical framework is reportedly administrative in nature: every change to the programme documents would have required a government decision, which would have carried the risk of hindering the programme's implementation. While this is understandable, it has impeded to structure the evaluation along the logical framework. Lastly, the quality of some of the indicators in the logical framework⁴ does not allow for a systematic quantitative evaluation with the resources made available for this review.

We carried out a comprehensive analysis of various documents and performed a series of open ended, semi-structured interviews. To this purpose a mission was fielded to Serbia between 14 and 23 March 2012. Additional phone interviews were performed before and after the field mission. In total we had 40 interviews and 53 respondents. With a view to eliminating distortion of the results that may

⁴ Several indicators do not meet the quality of being SMART criteria; SMART being a mnemonic for specific, measurable, attainable, relevant, and time bound used to set objectives for example for project and performance management. Others are formulated ambiguously and in the absence of a specific definition could be achieved fairly easily by the programme without contributing substantially to the achievement (e.g. "social inclusion policies reflected in...", "social inclusion high on the agenda...").

result from specific vantage points we interviewed a variety of project stakeholders, including for instance SDC and SIPRU representatives, senior officials at central and local government institutions, civil society representatives and members of the academia. The interviews were discursive and yielded qualitative information about the effectiveness and significance of the programme. We finally compared this data and analysed it against other reports and contextual documentation (e.g. EU Progress Reports).

3. Background and Context

3.1. Project Context

The aftermath of the 2009 financial crisis and the ensuing recession reversed the positive trend in poverty reduction seen in Serbia in the preceding years. The poverty rate, for instance, increased to above 9 % from 6.1 % in 2008 and the deterioration in living standards affected vulnerable groups particularly hard. The highest poverty rates were accounted, *inter alia*, in non-urban areas, among unemployed and low educated persons as well as children.⁵ Over the past years Serbia already started to shift its policies towards social inclusion. A comparison of the progress reports of 2009-2011 reveals that the European Commission noted the efforts Serbia had undertaken in this regard⁶ and yet, in its recent opinion on Serbia's EU membership application, the European Commission repeated the necessity of additional efforts "*to ensure social inclusion of vulnerable groups, such as Roma, disabled persons, young people, elderly persons and other socially and economically disadvantaged.*"⁷

3.2. Project Background

Serbia embarked on working on its Poverty Reduction Strategy (PRS) about a decade ago. It is widely accepted that the implementation process was very successful, a showcase of translating a strategy into concrete actions.⁸ The process was managed by the PRS Implementation Focal Point (IFP) with support of DFID

⁵ Budget Household Survey (2009); accessed through <http://webrzs.stat.gov.rs>.

⁶ See, for instance: "Active social inclusion measures have been taken, in particular in the fields of health, education and housing." *Commission Opinion on Serbia's application for membership of the European Union*, European Commission, Brussels, 12.10.2011, {COM(2011) 668}.

⁷ *Analytical Report accompanying the Commission Opinion on Serbia's application for membership of the European Union*, European Commission, Brussels, 12.10.2011, {COM(2011) 668}, p. 93.

⁸ See, for instance, the presentation *Evaluation of DFID's Support to the Implementation of Serbia's Poverty Reduction Strategy*, Anne Evans, June 2009.

and the World Bank. Towards the end of the process, which formally ended on 31 March 2009, and upon the express invitation by the then Deputy Prime Minister for European Integration, SDC decided to finance, together with the Norwegian Ministry of Foreign Affairs, a follow up to the PRS implementation that would build up on the experience, results and contacts established through the latter.

Following a programme design phase to which members of the previous PRS IFP significantly contributed, the resultant SIPRU was established in July 2009 in the Office of the Deputy Prime Minister for European Integration.⁹ In December 2011, following the resignation of the Deputy Prime Minister, SIPRU was transferred to the Office of the Prime Minister where it has been operating since.

The programme is planned for a period of 3.5 years and ends in December 2012. It is co-funded by SDC (CHF 2.430.000) and the Norwegian Ministry of Foreign Affairs (CHF 925.000) with a total budget of CHF 3.355.000.¹⁰

4. Review of Implementation

Our findings are summarised under the main headings relevance, effectiveness, efficiency, impact and sustainability. These headings correspond to the OECD-DAC evaluation criteria and constitute the framework of the evaluation.

4.1. Relevance

In this chapter we undertake to assess the relevance of the project, which is defined as the extent to which its objectives are consistent with and aligned to the needs and priorities of Serbia on the one hand and SDC's donor policies on the other hand. In accordance with the contracting agency's request we will limit our reflections regarding the programme's relevance to a few key points.

Relevance in light of Serbia's political priorities: In assessing the relevance of the programme it is important to recall the context within which the programme was designed. At that time the Serbian government was pursuing three major public sector reform projects to which the ProDoc makes implicit and explicit reference: the Annual Operational Plan (GOP; *godišnje operativno planiranje*) that envisaged to enhance planning, budgeting, monitoring and reporting systems of the government; the transformation of the annual budget towards a programme

⁹ Decision of the Government of the Republic of Serbia on the Implementation of the Project „Support to Improve Social Inclusion in Serbia”, Government session of 23 July 2009.

¹⁰ We refrain from a more detailed recount of the programme but refer to additional information that is provided in the assignment Terms of Reference that are annexed to this report.

budget;¹¹ and overall public administration reform as umbrella process, which was also supposed to improve policy coordination. The social inclusion programme was thought to contribute to and build up on these reform processes. Meanwhile, however, these three processes came virtually to a halt; the reasons that led to this situation include the economic crisis¹² and lack of political vision. With the reform processes faltering, SIPRU was swift to respond and to chance and adapt its work. SIPRU manages essentially to fill certain voids in terms of planning, programming and coordination in the social inclusion domain (or, as one of the interviewees argued “SIPRU keeps up the flame” for these processes). In the views of the evaluators this even enhanced the programme’s relevance.

Social inclusion is reflected in several key national and sector-specific policy documents, action plans and other strategic documents, including¹³:

- *National Programme for Integration of the Republic of Serbia into the EU* (October 2008);
- *Needs of the Republic of Serbia for International Assistance in the Period 2011-2013* (February 2011);
- *Strategic Coherence Framework of the Republic of Serbia 2012-2013* (September 2011);
- Sector-specific strategies, e.g. on employment, education children, Roma, youth, persons with disabilities, gender equality and other;
- *First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia* (March 2011).

With EU candidate country status received at the beginning of March 2012, social inclusion and poverty reduction have become *mandatory* components in Serbia’s EU integration process. Looking ahead, the government is committed to meet the requirements set forth following the Lisbon and Copenhagen summits as well as decisions following the adoption of the *Europe 2020* growth strategy. In order to live up to these requirements, Serbia needs to invest in analysis of the root causes

¹¹ Programme budgets shall be introduced as of 2015, according to the respective law on budget system. Five line ministries are applying programme budgets in a pilot phase. The results of this pilot phase are, based on information we received, at best mixed.

¹² The economic crisis necessitated, for instance, an IMF stand-by arrangement under which Serbia had to commit not to exceed certain spending limits – which in turn had ramifications on the reform projects.

¹³ Many of the documents produced after mid-2009 were include social inclusion elements as a result of SIPRU’s efforts.

of social exclusion and poverty, the development and advancement of policies and the institutional framework that address these causes as well as in systematic monitoring. Social inclusion and poverty have thus been priorities on the political agenda and will very likely remain for several years to come.

Relevance in light of SDC development priorities: SDC's decision to support SIPRU is directly linked to its policy to support Serbia's European integration and to improve social inclusion and reduce poverty as defined in the current *Cooperation Strategy Serbia 2010-2013*. The programme is part of the Rule of Law and Democracy domain and complements strategically SDC's efforts in the fields of education (aiming to enhance quality of education and inclusion of the vulnerable population into the education system) and municipal development. The programme offers an excellent opportunity for SDC to translate its priorities into action at central government level in a systemic fashion.

Relevance in light of beneficiary needs: By aiming to mitigate social exclusion and poverty with adequate responses by all levels of government the programme is clearly relevant from the point of view of beneficiaries.

Overall, both our desk review and the interview feedback lead us to the conclusion that the project is **highly relevant** to contribute to address social exclusion and poverty in Serbia.

4.2. Effectiveness

Effectiveness measures the extent to which the programme attained the planned outputs, results or specific objectives that are important elements of any project or programme strategy.

For the reasons explained further above, we decided not to anchor the evaluation to the logical framework but to apply a different approach. Our assessment of the programme's effectiveness is structured along what we believe are the core functions of the SIPRU: policy making and coordination, analysis and planning; programming; monitoring and evaluation; support to implementation; and cross-functional tasks.

The Unit rendered a wide range of services and was involved in an impressive amount of activities. Each of the functions would thus merit, in principle, an in-depth assessment. Nevertheless, we believe that for the purposes of this evaluation such a detailed analysis is not necessary. We thus opt, following deliberations with the contracting agency, to discuss a select group of key activities and

achievements¹⁴ in the seven project Components under a specific function as shown below.

Policy making and coordination	←	Component 1, 2, 5
Analysis and planning	←	Component 7, 3
Programming	←	Component 4, 5
Monitoring and Evaluation	←	Component 3
Implementation	←	Component 4
Cross-functional tasks	←	Component 5, 6

We discuss particularly those activities and results that were most commonly mentioned during the interviews. Our approach to select a few key activities is plausible and adequate to assess the extent of output and purpose achievement.

The Chapter concludes with additional findings and general remarks.

4.2.1. Policy Making and Policy Coordination

Background

Social inclusion is a multidimensional and multisectoral challenge that calls for adequate responses by different institutions. Policy making and coordination are core tasks of SIPRU that are mainly described in Components 1, 2 and 5 of the programme.

Activities

While there have been notable developments as regards policy making and policy coordination over the past years, both are generally still considered to be weak.¹⁵ Against this background, the establishment of the **Working Group on Social Inclusion** in 2010, which is composed of a variety of senior government officials and decision-makers, is considered by many interviewees to be a key achievement in this regard. The majority of the interviewees stated that SIPRU is the “driving force” of the Working Group and instrumental for its operations. The Working Group is considered to be an important platform in which decision makers regularly discuss and decide upon social inclusion issues.

¹⁴ The classification is based on looking at the key activities or majority of activities in a given Component. There might thus be single activities of, for instance, policy making and coordination in other Components too.

¹⁵ See, for instance, *Support for Improvement in Governance and Management, Assessment Report Serbia*, OECD and EU, April 2011.

Other examples of policy coordination efforts include: SIPRU's support of the operations of the National Roma Council; facilitation of the working group that brought the Ministries of Health and Labour and Social Affairs onto a table for purposes of the law on social service to name but a very few. The Joint Body for local-level inter-sector committees, which brings together the competent line ministries in charge of education, social affairs and health, is discussed further below (see 4.2.5).

We make reference here to the SIPRU's coordination with and support to international agencies, including internationally funded projects, with the aim of mainstreaming social inclusion (which was, understandably, not much discussed during the interviews).

The **Office for Civil Society Cooperation** is another milestone that warrants specific mention. The need to establish a contact point within the government had been regularly discussed among different NGOs and the donor community alike. The Unit eventually developed a concept note of the future Office (system, tasks, budget requirements etc.), lobbied extensively within the government for its establishment and negotiated with DFID to provide funding for the first years of its operations. Following its adoption in April 2010 the Office became eventually operational in early 2011. Led by a former SIPRU staff, it is now composed of 15 staff and a yearly budget amounting to CHF 350.000. Many of the interlocutors remain inconclusive regarding the Office, yet some interlocutors voiced concern that established direct contacts with line ministries could be disrupted if in future each and any communication intended with a line ministry is channelled through the Office. Whether the potential of the cooperation between the government and civil society can be fully exploited with the support of the Office will largely depend on the leadership and staff of the Office and the acceptance of the Office as a valued partner.

Considerable efforts were invested by SIPRU in terms of mainstreaming social inclusion through the **legislative framework**. An estimated 30-40% of all staff time is dedicated to pertinent activities. Table 1 provides a summary of primary and secondary legislation, strategies and action plans etc. to which SIPRU contributed and a self-assessment by SIPRU to what extent its inputs were included into the respective piece of legislation. Activities of SIPRU included e.g. participating in legal working groups, providing opinions and comments, liaising with respective commissions in the National Parliament, commissioning external consultants to conduct research and analysis (e.g. law on social welfare, law on adult education, law on cooperatives), organising focus groups and consultation

processes, public debates (e.g. law on social housing, law on adult education), liaising with topical NGO and generally facilitating inter-ministerial cooperation. A detailed review of the concrete inputs into the different documents is beyond the scope of this assignment.

Table 1: SIPRU involvement policy / strategy / legal framework development

	Status	SIPRU input adopted	External assistance
Laws			
Law on Social Protection	Implemented	Yes	Yes
Law on Free Legal Assistance - working document	Not yet adopted	to be determined	AZC
Law on Adult Education	Not yet adopted	Partially	SIPRU + External consultant
Law on the Foundations of the Educational System	Implemented		
Draft Law on Secondary Education	Not yet adopted	to be determined	No
Law on Employment and Unemployment Insurance	Adopted	Yes	Yes
Public Procurement Law	Not yet adopted	No	External consultant
Draft Law on Cooperatives	Not yet adopted	Yes	
Law on Youth	Implemented	Partially	
Draft Law on Microcredit Organisations	drafting	Yes	No
Bylaws			
Rules on transfers designated for the development of social protection services	Under preparation	Yes	No
Rules on Social Healthcare Services	Under preparation	to be determined	Yes
Rules on the Universal Service	Not yet adopted	to be determined	No
Rules on Detailed Conditions, Criteria and Standards for Implementing Vocational Rehabilitation Measures and Activities	Adopted	Yes	No
Rules on the Minimum Standards for Provision of Advisory Therapeutic Services and Social-Educational Services	Not yet adopted	to be determined	Yes
Strategies			
EU Strategy for the Danube region	Not yet adopted	to be determined	No
National Employment Strategies 2005-2010	Adopted	Yes	Yes
Fiscal Strategy 2011	Adopted	to be determined	No
National Employment Strategy 2011-2020	Implemented	Partially	Ex-ante analysis by Fren
Directions for Educational Development (2010-2020) draft	Adopted	Yes	Yes
Strategy of rural development 2010–2013	of adoption	Yes	Yes
Draft Strategy for Development of Public Procurement	Adopted	Yes	Yes
Strategy of Socially Responsible Business	Implemented	Yes	No
National Strategy for Social Housing	Implemented	Partially	No
National Strategy for the Roma Population	Adopted	Yes	No
National Rural Development Programme 2011-2013	Adopted	Yes	Yes
Action plans			
Action Plan for the Roma 2012-2014	of adoption	Yes	No
Action plan for socially responsible business	of adoption	Yes	No
National Employment Action Plan 2012	Implemented	Partially	No
National Employment Action Plan 2011	Implemented	Partially	No
National Employment Action Plan 2010	Implemented	Partially	No
Other			
Serbia's answers to EC Questionnaire	Adopted	Yes	No
Statement of compliance of the Law on Social Protection with the EU	Adopted	Yes	No
Report on the implementation of the Convention on the rights of Persons with disabilities	In progress	to be determined	No

Source: SIPRU, April 2012.

SIPRU has secured itself a strong footing in the legislative process and became a valued partner to line ministries (working groups) for its technical expertise.

Issues

The ProDoc envisioned that SIPRU would support the **General Secretariat** in building up its competence with regard to coordination and monitoring of social inclusion. This approach was also part of the programme's exit strategy that foresaw that the General Secretariat would, within a three to four year term, “*take*

over responsibility for driving the Social Inclusion Agenda” (ProDoc, 12). While there is formal and informal cooperation between SIPRU and the General Secretariat, the evaluators assess that the programme fell short of empowering the General Secretariat. The field data lead us to conclude that there is little, if any, *strategic* collaboration between SIPRU and the General Secretariat in terms of joint programmes, capacity building and training, or technical support. At the same time it is doubtful whether the General Secretariat is at this stage at all equipped to absorb additional tasks. The evaluators are thus hesitant that a future project phase should work towards the “merging” of SIPRU with the General Secretariat.

4.2.2. Analysis and Planning

Background

Evidence based policy making is a key feature of SIPRU’s approach to social inclusion and poverty reduction. This necessitates the use of studies to identify actions that are capable of ensuring and improving policy relevant outcomes. It is worth recalling at this stage that the programme plays the important role of continuing the previous PRS process and GOP initiative, which both included analysis and planning, but came to an end. In the following paragraphs we specifically discuss activities under Component 7.

Activities

Serbia has been regularly reporting on poverty reduction in the past. In March 2011 SIPRU published the **First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia**. It is considered to be the most prominent document produced during the programme’s implementation period thus far and, based on the feedback received during the interviews, a very good example of a fruitful consultation process. Covering the period of 2008-2010 it provides a comprehensive overview of the current situation and trends of social inclusion and poverty related issues. The report includes information on the relevant institutional and legislative framework, presents main interventions and policies as well as a set of recommendations for further reform. Most notably, the report was adopted by the government in March 2011. By this virtue it became a reference document for social inclusion, next to being a baseline study against which future developments and progress can be measured.

Building up on the previous PRS process SIPRU launched a series of *ex-ante* and *ex-post policy impact assessments* with a view to contribute to designing and implementing evidence-based social inclusion policies. The specific issues, measures and strategies to be reviewed during 2012 are: inactivity and

opportunities for raising activity and employment, with a focus on youth who are neither employed nor in school or training; development of social economy and social entrepreneurship; long-term care primarily for the elderly population; possible introduction of new poverty reduction instruments for the elderly population; state measures aimed at supporting pre-university education of students from poor families; and review of the instruments of legal incapacity and their impact on the employment of persons with disabilities. Five of the six topics respond directly to recommendations featured in the First National Report. Also here, the Unit is collaborating with different local partner organisations thereby contributing to building up experience and expertise in research, analysis and consulting.

Both the First National Report and the policy impact assessments are produced to eventually feed into the development of the **Joint Inclusion Memorandum (JIM)** – a document to analyse the situation of social exclusion, identify key challenges, review the effectiveness of existing policies and identify key priorities for the future required to be produced in the context of EU pre-accession. At this stage it is unclear whether Serbia will have to prepare a JIM since changes to this process are currently under way.¹⁶ However, the documents are likely to be utilised for the forthcoming EU reporting mechanism on social inclusion that will commence now on the basis of Serbia's candidate country status.

A more recent initiative relates to SIPRU's role as Focal Point for the **Cluster Evidence Based Policy Making in Education**. This initiative falls within the Joint Cluster of Knowledge of the Task Force Fostering and Building Human Capital and the Education Reform Initiative of South Eastern Europe. The initiative has multiple objectives that relate to improved regional communication and cooperation between the research community and policy-makers, advanced research in education policy (development) and more efficient utilisation of EU funds for evidence based policy making in education. As of yet coordination meetings were held in Belgrade and Vienna, project proposals were developed and a study mapping capacities for evidence based policy making in SEE was authored. It remains to be seen at this moment how the initiative will further develop but it underlines the Unit's commitment to improve policy making and to learn from best practice.

¹⁶ Correspondingly, a part of the activities under Component 7 of the programme is currently suspended.

In addition, SIPRU's regular collaboration with members of the academia has contributed to establish better collaboration with policy makers (a case in point is the field of education in the context of the secondary analysis of the PISA 2009 results; considerations of inclusion and equity in education have become one of three priorities of the Ministry of Education and National Education Council).

4.2.3. Programming

Background

In this report we subsume under programming any work that SIPRU undertook to enhance capacity in the context of accessing and managing donor funds, the EU Instrument for Pre-accession Assistance (IPA) in particular. This includes work to support building up the operational framework that Serbia requires for managing IPA, e.g. by contributing to drafting the Operational Programmes (OPs), and assisting line ministries and civil society organisations in the preparation of project proposals.

Activities

SIPRU's work in the field of **project preparation** has been repeatedly mentioned as one of the efforts that yielded most direct results. Both public and civil society representatives stated that the support they received – in the form of e.g. formulation of the project proposal, technical input as regards indicators, coordination and facilitation between project partners, or engagement of SIPRU as an “associate / informal” project partner – was in many instances instrumental to secure funding. Examples include but are not limited to: a project on social dialogue on behalf of the Ministry of Labour and Social Affairs (budget: € 3.2m, approved) as well as a project on de-institutionalisation of persons with disabilities; on local policies against unemployment and social inclusion (budget: € 12m, approved) for the Ministry of Economy and Regional Development/Ministry of Labour and Social Affairs; on life-long learning and equal opportunities in education (budget: € 5.8m, pending) for the Ministry of Education and Science; various PROGRESS projects e.g. on anti-discrimination and equality (budget: € 0.15m) and a cross-border-cooperation project (CBC) on youth in disadvantaged situations for the municipality of Ada (€ 0.3m); a TEMPUS project on higher education reform for the University of Niš (budget: € 1.05m); a Social Experimentation project (PROGRESS) for social inclusion of young people leaving social welfare institutions (budget: € 1.05m). The Unit also assisted line ministries in tapping other funds such as the EU Programme Daphne III.

Furthermore, SIPRU was involved in the development of several major **programming documents** such as the OP Human Resource Development, the social development sector fiche and the Strategic Coherence Framework. Our interview partners were of the opinion that SIPRU significantly contributed to enhancing the *quality* of the programming documents (for example with regard to Measure 5 of the social development sector fiche), which has not been the case for other sector fiches such as the one on public administration and public finance reform, in which a coordinating body was reportedly badly missed. Furthermore, the EC accepted the Unit's propositions on social inclusion in the Multi-annual Indicative Planning Document 2011-2013 (MIPD).

As shown above SIPRU has been offering support invariably and many line ministries have benefitted from this. One line ministry estimated that SIPRU supported a third of all IPA project preparations in the past two years. Four of the seven line ministries that we consulted during the field mission stated that SIPRU significantly increased the *quality* of the respective product (project proposal, response to EC Questionnaire), which would otherwise have required the mobilisation of considerable more internal and/or external resources. A vast majority of our respondents opined that SIPRU could best leverage its technical expertise, ability to form partnerships and skill to craft sound projects in the area of programming.

4.2.4. Monitoring & Evaluation

Background

In this sub-chapter we assess particularly the activities that are part of Component 3 of the project. They aim at strengthening the statistical system of Serbia by developing specific social inclusion indicators and improving monitoring of and reporting on these indicators. SIPRU's activities are wide ranging and much has been done in achieving the specific component objectives.

The collaboration with the Statistical Office of the Republic of Serbia (SORS) is by many interviewees considered to have brought about major improvements in terms of statistics. Not only is the SORS considered to be more service oriented by making data more easily available (*supply*) but there generally also appears to be a higher *demand* by the public sector as well as the academia for data. The SORS itself opines that it greatly enhanced its capacities with either direct or indirect (external experts) support from SIPRU.

Activities

From the inception of the programme, SIPRU focused on improving the **system of indicators** related to social inclusion. A gap analysis and a corresponding plan for improvement were developed. Social inclusion indicators found entry into strategic documents for example the Employment Strategy, the National Action Plan for Children or the Education Information System as well as operational documents such as in the context of benefit and service schemes in the social protection system.

Since 2009, the SORS and SIPRU have been jointly working on tailoring the **EU Laeken indicators** to the specific needs of Serbia. In addition to the four core dimensions – income inequality, unemployment, education and health – two new dimensions were added, namely deprivation of basic needs and social participation. Two comprehensive **annual reports on social inclusion** indicators have been produced by SORS and SIPRU with support of external consultants; a third report is forthcoming in mid-2012. The reports were widely consulted among different stakeholders and benefited from their input and data.

A major achievement relates to the preparations of the forthcoming **Survey on Income and Living Conditions** (SILC) during 2011 and 2012 to be financed by the European Commission. SILC is the standardised main source for the compilation of statistics on income, social inclusion and living conditions in the European Union. It complements the current main sources for the computation of social inclusion data in Serbia – the Household Budget Survey (HBS) and the Labour Force Survey (LFS) – and will provide additional quality to design, benchmark and monitor current and future social inclusion actions. In this context SIPRU entered into close cooperation with SORS and other partners, supported the preparations of a respective proposal to the EU, commissioned a data gaps analysis and supported an EU funded expert study visit.

Other activities relate to the fourth national **Multi-Indicator Cluster Survey** (MICS) to which the Unit contributed with specific questions relevant to monitor social inclusion and poverty. Also in collaboration with SORS and UNICEF the Unit facilitated the upgrading of the **DevInfo** – a database system endorsed by the United Nations Development Group for monitoring human development – with specific indicators in different areas at the local level (economic development, social protection, digital inclusion, education, health etc).

4.2.5. Implementation

Background

Social exclusion is fundamentally a local phenomenon, implying a critical role for local governments. Contributing to local governments' capacities to implement social inclusion and poverty reduction policies is the fifth function that can be attributed to SIPRU. Component 4 of the programme, which defines the responsibilities of SIPRU in this regard, was designed in light of SDC's approach to ensure that the programme would not only focus on the central government level but have a close link with the local level.

Activities

One of the more recent initiatives of SIPRU at local level are the so-called “**peer reviews**”, in which municipalities exchange experiences and good practices in terms of implementation of social inclusion and poverty reduction programmes.¹⁷ The feedback received by the interviewees for the three peer reviews that have been organised thus far (evidence based policy making at local level; long-term (home) care of elderly persons; local services for Roma) is very positive and suggests that participating municipalities were able to benefit from this innovative approach. In order to mainstream the experiences and conclusions, a corresponding publication is planned to be developed and shared across municipalities in Serbia. It is noteworthy that the initiative inspired UNICEF to apply the “peer review” approach in its own projects.

Following a mapping exercise of local strategic documents conducted in the PRS implementation stage, the SCTM undertook to develop a second edition of the **database of municipal strategies and plans** in cooperation with SIPRU. The database shall provide a resource tool both for municipalities and towns as well as development partners. The evaluators were, however, unable to assess the extent to which the database is used so as to realise its envisaged purpose of assisting institutions at local level. The database is accessible online on SCTM's website (<http://strategije.skgo.org/>).

Particularly positive has been the feedback regarding SIPRU's work in the preparation of **project proposals for IPA funding**. This has been the case, for instance, for the municipality of Ada (youth-at-risk related project) and for the

¹⁷ Similar type mechanisms exist in EU member states.

municipalities of Negotin, Novi Pazar and Sombor whose project proposals are pending the decisions within the respective CBC programmes. In other instances the Unit acted as associate partners to strengthen the respective project applications.

Other activities included the publication of a **short-version of the First National Report recommendations** tailor-made for local governments and the organisation of five **national debates** and workshops.

In an effort to improve policy coordination at local level as well as the interplay between central and local level SIPRU initiated the setting-up of a **Joint Body** consisting of three ministries – education, health, labour and social affairs – with a view to plan, organise and improve monitoring of the local inter-sector committees for children. SIPRU provides initial support to the operations of the Joint Body, the development of amendments to relevant by-laws and the setup of adequate reporting mechanisms on the local level. Still at infant stage it remains to be seen to what extent the initiative can assist the local committees, whose functionality is put into question by key respondents.

Issues

Despite the positive assessment above it is the function (Component) which several key interviewees believe has received lesser attention and mainly in the second half of the programme. The latter also argue that SIPRU lacks, given its focus on the central level, full understanding of the needs of and realities in municipalities that are faced with social inclusion challenges.

It must be acknowledged, however, that the Unit succeeded in involving local level stakeholders in the “strategic” planning stage – e.g. through national debates, collaboration with SCTM and NGOs active at the local level and other network partners – following which SIPRU focused on activities targeting the institutional and legal framework in order to enable implementation. Now that many of the laws are being implemented it is time to shift the attention back again to the local level.

4.2.6. Cross-functional tasks

Background

Activities of awareness raising and capacity building feature in different Components of the programme. We summarise them as cross-functional tasks, since they service the entirety of the programme.

Activities

The **public awareness and visibility efforts** of SIPRU have gradually expanded since July 2009 and both traditional and innovative methods are utilised so as to address and appeal to a wide audience. This includes the resourceful programme website¹⁸ (by December 2011 SIPRU reported an average of 250 visitors per day of this website), the recently launched social inclusion blog¹⁹, social media such as Facebook²⁰, YouTube or twitter; information is also disseminated to thousands through a regular newsletter; furthermore, the organisation of national debates as well as organisation of and participation in social inclusion related events (with members of parliament, with civil society organisations with private sector institutions) are important instruments to enhance public awareness. It is also observed that SIPRU and social inclusion topics are increasingly featured in print and electronic media. Our interviewees invariably stated that SIPRU is a key source of information for public administration and civil society representatives alike. Civil society organisation representatives stated to make use of the resources particularly for their advocacy and lobbying efforts whereas civil servants seem to be more interested in getting the latest news and developments on social inclusion in the European Union and utilising the resources for their work assignments as well as for training purposes. One municipality estimated that in the absence of the vast resource pool of SIPRU it would have to finance at least one staff at full capacity to cater its information needs.

Another activity that featured during the interviews is the design of a seven-module **online-course on social inclusion**²¹ that targets civil servants, consultants, members of civil society organisations as well as researchers and students and interested public. The course, which was developed with support of local consultants, aims at mainstreaming social inclusion by improving knowledge and competencies of different actors on social inclusion. The online-course found dissemination through civil society networks active in South-East Europe and the Macedonian outfit of a reputed human rights research institute plans to launch a similar type course. More than 200 persons have thus far completed the course and close to 600 registered. Furthermore, the course is accredited and is part of the official civil servants' training programme.

¹⁸ <http://www.inkluzija.gov.rs>

¹⁹ <http://www.inkluzija.gov.rs/blog>

²⁰ <http://www.facebook.com/SIPRUnit>

²¹ <http://www.inkluzijakurs.info/onlinekurs.php>

Generally speaking, SIPRU's approach to **share information across** government and civil society organisations alike in utmost transparency is instrumental for its image of an impartial, non-partisan and service-oriented organisation that is solely interested in advancing its mission of furthering social inclusion.

The **capacity building** efforts were equally diverse and extended to both governmental and non-governmental staff. Municipal representatives in particular commended SIPRU for the possibilities to participate in conferences, workshops and similar type events, which are also used for staff training purposes and qualify this as invaluable support. (This is easily understandable in light of an annual training budget of € 600 for a municipal office with a dozen staff members, as one respondent explained.)

4.2.7. Additional Remarks

Overall the project has been working towards the purposes, outputs and results as determined in the project documents.

In light of the changes in the project environment SIPRU interpreted its mandate broadly and the team expanded the range of services and topics to include for instance “social entrepreneurship” and “digital inclusion”, which reflect trends on the EU level. This is principally commendable. At the same time, this approach of adding new activities bears the risk of losing focus and stretching the resources to unsustainable levels.

It also became evident through the interviews that the team took over responsibilities on behalf of several line ministries (e.g. in the definition and development of project ideas), further straining the existing resources. This shows equally that there is a high demand by line ministries for technical expertise in social inclusion.

The interviewees commonly opined that SIPRU's approach to work is a key determinant of the effectiveness of the programme. Professionalism, flexibility, relentlessness, neutrality, curiosity and willingness to learn as well as ability to listen and communicate are only a few of the qualities that are attributed to SIPRU. A majority of the interviewees, including senior government officials, qualify SIPRU as a *unique* organisation in Serbia's government and many wished their own organisations would operate as convincingly as SIPRU. Other factors that were repeatedly mentioned as being instrumental for its performance include the Unit's place “in the heart of government”, its supportive leadership, and the attractive working environment that the Unit offers, particularly the staff salaries. Furthermore, it appears that the Unit benefits from the fact that it is not subject of

political influence and that it “does not jeopardise the existence and functioning of its clients”, as one respondent explained.

The evidence that we collected during the interviews reveals that the programme is very well recognised among central government representatives. Most striking in this context is that the vast majority of them, including senior officials, are of the opinion that SIPRU is an “official” government institution rather than a donor funded “programme”. It is also telling that SIPRU was able to keep its operations despite changes in government and of its own leadership.

We wish to note that Unit’s internal relationships appear to be exemplary. As far as the evaluators could observe there is a very good understanding of the roles and responsibilities of all team members, a willingness to render support to each other and good team spirit. Furthermore, senior management and leadership appear to be well respected and SIPRU seems to offer an environment that allows staff to assume new responsibilities and grow into new roles.

Overall, both our desk review and the interview feedback lead us to the conclusion that the project is **very effective** and contributes to promote social inclusion and lessen poverty in Serbia. We conclude that the programme established the prerequisites to tackle implementation at local level.

4.3. Efficiency

In general, efficiency measures the outputs and results of a programme in relation to the inputs that were invested. It assesses the extent to which the least costly resources possible were used in order to achieve the planned results.

SDC and NFMA funded the 3.5 year programme with a total budget amounting to CHF 3.353.000. The Swiss contribution amounts to approximately CHF 2.4m. By end of March 2012 slightly more than 70 % all Swiss funds were committed; the NFMA funds were utilised by end of December 2011. Staff costs make up about a third of the total budget and administrative costs a little less than 5 %. Even though staff salaries are relatively high at first sight, it has been argued by many interviewees that the salaries are instrumental in SIPRU’s human resource management. Cutting back on cost might bring about the risk of resignations and “brain drain”.

There is no co-financing by the Serbian government but office costs and part of the programme’s operational costs (heating, electricity, etc.) are covered by the government. Applying a rough estimate these costs amount to approximately CHF 220.000 in total.

In order to draw our conclusions in terms of efficiency, we identified a set of processes and actions that should illustrate the extent to which SIPRU undertook to achieve the planned results with a sound use of the programme's resources. Also here we base our assessment on the document review and the information that was obtained by the interviewees.²²

- *Flexible and result oriented management approach:* Our information suggests that SIPRU has applied a highly flexible yet result oriented management in its operations of the programme. The Unit responded to requests of support within the shortest delays.
- *Flexibility to react to changing environment:* Despite significant changes of the project environment SIPRU was able to respond with flexibility and to shift priorities or re-interpret tasks (e.g. shifting attention from JIM preparation to policy impact assessments, see also below). The programme did not experience significant delays that would have had ramifications on the performance of the programme.
- *Spending has been diligent, aligned with priorities and at market rates:* Our review of the project financial report suggests that the available resources were spent diligently and, as far as external consultants are concerned, at market rates. Despite the apparent growing demand for support by different line ministries, the headcount did not increase. Quite to the contrary, following the recent resignation of a team member, SIPRU took the decision not to immediately fill the vacant position but to re-assign responsibilities within the team. SIPRU has proven its vigilance to monitor the use of resources and at the same time to reallocate available resources to more efficient activities. A case in point is the budget for the preparation of the Joint Inclusion Memorandum, which was reassigned to cover for the policy impact assessments (which will eventually be utilised for a JIM or whatever document will be required by that time by the EU). SDC has shown the necessary flexibility for such strategic use of budget resources.

Other examples that lead us to assess that there has been diligent resource use are: employment of volunteers, searching for staff training by the participation in training events of the EU, international organisations etc. (rather than through formal training or coaches); procedures that prevented

²² The correctness and appropriateness of the use of funds was subject of external audits. It is not part of this evaluation assignment.

more efficient project implementation, such as the initial procurement procedures, were ceased and replaced with more optimised ones.

- *SIPRU – in its function as a local expert project management unit – is cost efficient and entails little backstopping costs for SDC (and its associated donors):* The programme's management is almost entirely in the responsibility of the SIPRU team whereas the financial administration rests mainly with the Deposit Insurance Agency (DIA). The interview feedback suggests that only little backstopping effort was required ever since the programme's start and SDC experienced thus only little internal cost. Any alternative programme management set-up (contractor or backstopper) would not only be costlier but inadequate for the purposes of this project.

In light of the above indicators we conclude that the resources – financial and human resources alike – were utilised strategically and **efficiently**. The range of activities, quality and quantity of outputs produced by SIPRU is high compared with the resources that were invested.

4.4. Impact

Impact measures the success of a programme in realising its overall objective, i.e. whether and to what extent a project has brought about overall long-term changes. This is not a conclusive impact assessment, the programme is still on-going and the impact of e.g. laws and strategies will become perceptible until much later, yet we highlight selected issues that we deem are of particular interest:

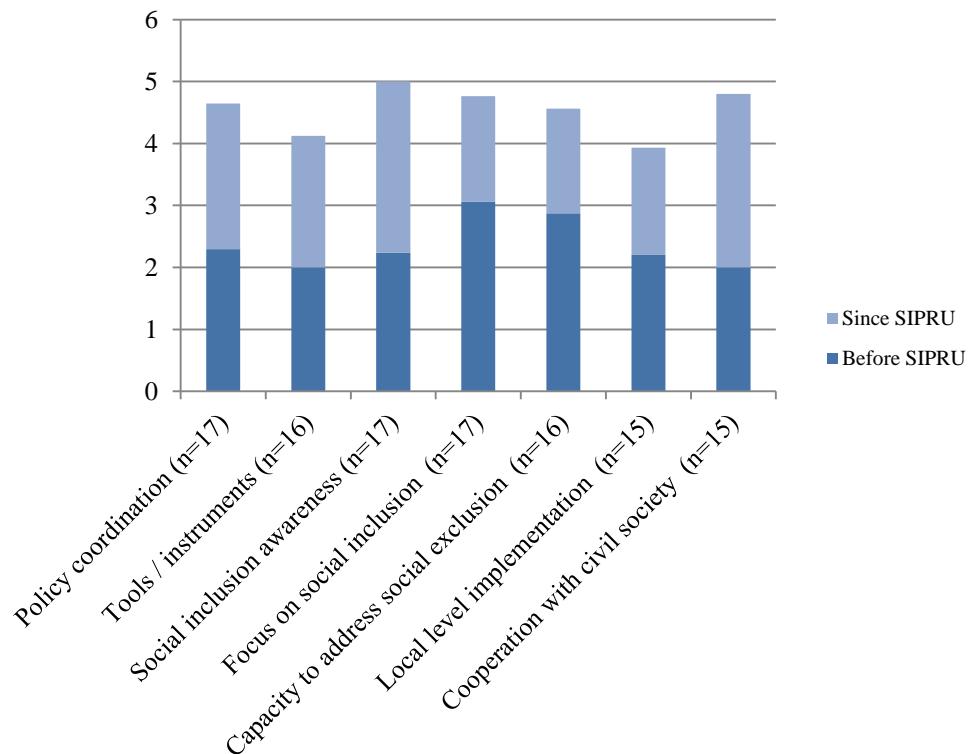
- Our document review and our discussions with different stakeholders confirm that social inclusion is recognised as a real priority among policy makers in Serbia and it is commonly accepted that reducing social exclusion and poverty, also of the most vulnerable groups, is in the long-term political, economic and social interest of Serbia. Awareness of the social inclusion concept has risen and its specificities are increasingly understood across government at central government level. Furthermore, behavioural change among policy makers at the top level is observed – in public statements and daily operations alike.
- Social inclusion has been successfully translated into Serbia's institutional and legal framework and, most notably, within a fairly short period of time against Serbian reform experience. Implementation of these laws commenced across all levels of government and in different topical fields,

from education to employment, from social welfare to anti-discrimination. The programme preserved and further developed the outcomes of the previous poverty reduction strategy processes. These achievements are recognised both nationally as well as internationally.

- Social inclusion oriented programmes and projects have been designed and successfully submitted for funding. Even though the impact of these successes cannot be measured – qualitatively and quantitatively – at this stage, they have the potential to bring about real impact in the mid- and long-term.
- The establishment of the Office for Cooperation with Civil Society provides a strong framework to enhance and foster cooperation between the governmental and non-governmental sectors in the design and implementation of relevant policies. It should offer civil society a good means to contribute with their expertise and insights to better policy making and implementation.
- SIPRU's focus on evidenced based policy necessitated to collaborating regularly with members of the academia and consulting and business sectors in Serbia. Through this collaboration a cadre of specialists was built up that is both more interested in and better qualified to carry out research on equity issues.

We asked interviewees for a scoring with a view to assess change that SIPRU brought about in different dimensions (see Annex 6). The following Table 2 shows the aggregate scores. We are mindful that the scoring can only give but a tendency of the impact; the sample is neither meant to be representative nor is the underlying questionnaire considered to be methodologically sophisticated (for instance as far as attribution or contribution are concerned, selection bias). We merely wish to supplement our findings with the perception of the interviewees.

Table 2: Impact of SIPRU activities across dimensions (scoring results)



Note: Scoring scale 1-6 where 6 is best.

All respondents opine that there has been a positive change across all the dimensions, albeit of different scale. The most apparent change can be observed with regard to “cooperation with civil society” and “social inclusion awareness”. The lowest change is perceived in the area of “capacity” though it has been assessed to be relatively high also before SIPRU’s existence. It might also imply that SIPRU should do more in terms of training, yet we cannot confirm.

Finally, it is opportune here to make reference to what might be qualified as unintended impact (yet not to be negatively imputed to SIPRU): In several instances line ministry representatives stated that they would often resort to SIPRU first when questions of EU funds arise, prior to contacting SEIO, since quality and timeliness of their responses would frequently be “better”.

4.5. Sustainability

Sustainability looks at the longer-term effects of the programme and assesses the extent to which the effects continue over time after the end of the donor support for the programme. With regard to sustainability the evaluators believe that the following factors are relevant, whereby we differentiate between SIPRU's sustainability as an organisation on the one side and the sustainability of its results on the other.

- *Social inclusion policies adopted in laws and strategies enjoy good sustainability prospects:* Amidst an economic crisis with critical levels of unemployment and increasing poverty, any possible government is unlikely to push back policies from the top places of the political agenda measures, which put vulnerable and poor groups first. It is thus reasonable to assume that the incoming government will not radically alter laws and strategies that are relevant for social inclusion and that have been adopted and amended in the recent past. The results and achievements of the current programme implementation (e.g. in the law on social welfare, in the field of Roma inclusion, in terms of social entrepreneurship, as regards improved education statistics and many more) are thus likely to sustain in the short- to mid-term.
- *Sustainability of impact at beneficiary level:* Sustainability of the programme's results at beneficiary level necessitates that social inclusion and poverty reduction policies are translated into concrete actions for a long period of time.
- *Statistical data and indicators in strategies and laws can contribute to increasing sustainability of results:* Many policy documents and laws include specific social inclusion indicators. The availability of statistical data and indicators will contribute to assess the impact of past and current action aimed at social inclusion and poverty reduction and lead to improved quality in policy making and increased accountability of policy makers.

It was stated above that ownership of and participation in the programme by the national authorities at central and local levels alike has been secured. It became evident that SIPRU enjoys a very good reputation and is perceived as a genuine body of the government. However, it is at this stage not assured that an incoming government would commit to finance SIPRU (or a similar type body) in the event that donor funding would be withdrawn. And yet we are of the opinion that the challenge of SIPRU's sustainability is not financial in nature but organisational. It

is important that SIPRU remains in place also under the incoming government. It is of even greater importance that the Unit is positioned at the centre of government. As long as this precondition is secured it is our strong assumption that the Unit will be sustained and financed to some extent (at least to the level of the public servants' salaries. The problem evolving is whether these salary levels would be sufficient to preserve the human resources of SIPRU).

5. Conclusions and Lessons Learned

In the course of this external review we formulate the following conclusions and, general, lessons learned:

- The evaluation team considers that the programme achieved remarkable results, whereas it is difficult to gauge its actual impact of the interventions. It was successful in policy making and coordination, creating of social inclusion oriented legal and institutional framework and building up the necessary preconditions for successfully supporting policy implementation with, *inter alia*, the definition of indicators and development of sound project proposals.
- In the current phase of creating a social inclusion oriented legal and institutional framework, the process was focused on the central level. In the stage of the implementation thereof, more focus should be placed on the local level, with more comprehensive engagement and further development of the already existing networks, comprising members of the public, private, civil society and academia alike.
- SIPRU built up the reputation of a truly unique organisation displaying immense service quality. The Unit's approach of interpreting the scope of its work widely fits principally with the multisectoral characteristic of social inclusion. By the same token, SIPRU added to and expanded its scope of activities invariably. In future, SIPRU needs to optimise its scope of *activities* and work on a select number of tasks where it can deliver most long-term leverage.
- Programmes that aim at improving social inclusion and reducing poverty require multisectoral interventions. Furthermore, change and reform in these fields require time to be achieved and a long-term perspective to project implementation.

- Positioning a project or programme with horizontal and vertical functions in the centre of the government is a significant factor for systemic involvement and systemic change. Equally important are a neutral position, transparent and interactive cooperation with all stakeholders, flexibility to respond to different interests and priorities as well as a team composition that mirrors these qualities.

6. Recommendations

The following recommendations suggest action that the evaluators recommend should be taken into consideration in the forthcoming programme phase.

- *Continue funding of a follow-up programme phase:* This has been a successful programme and in light of the challenges it faced (changes of leadership, political environment etc.), the results it has achieved are impressive. Virtually all of our interlocutors commend SIPRU for the quality and quantity of their work and perceive them as a *unique* “government body” that provides invaluable support. The programme is relevant, aligned to national, international and SDC priorities and the implementing team showed its commitment to deliver its services effectively and efficiently. Furthermore, the programme provides SDC with an ideal platform to engage in a strategic partnership with the top-level government in Serbia and to contribute to social inclusion at system-level.

Overall, we thus recommend **continuing funding** of this programme for a three to four year term. Hereafter we provide our specific recommendations for the programme design and roll-out.

- *Determine the future institutional set-up (“form”) following a functional review:* A specific question of this mandate has been to come up with recommendations as regards the future institutional set-up of SIPRU. However, we believe that any such decision would be **premature** at this stage for several reasons, including:
 - there is a new incoming government and one can only speculate about its composition and priorities; recommendation on the form of SIPRU at this stage might not be politically feasible with the incoming government;

- the future role of SIPRU – which could range from a government internal think-tank to a social inclusion fund manager – needs to be defined more concretely (particularly with the incoming government);
- SIPRU needs to define more concretely its role and the respective structures and processes in terms of supporting local governments in the implementation of social inclusion and poverty reduction policies;
- the feasibility study of a social inclusion fund adjacent to / managed by SIPRU is pending and its findings will significantly influence the future role of SIPRU.²³

Consequently, more time is required for a decision regarding the form of its institutionalisation.

We believe that the institutional set-up of SIPRU must follow its functions (“*form follows functions*”) and thus recommend carrying out a rigorous **functional review** of SIPRU by the mid-term of a forthcoming programme phase. Based on the results of the functional review a decision should be made regarding SIPRU’s future institutional set-up. An outline of the advantages and disadvantages of different options is shown in the comparison tables in Annex 2.

As a result we recommend continuing support to SIPRU in its current form as a donor funded programme, based on a bilateral agreement between the Swiss and Serbian governments and a decision by the Serbian government regarding the programme’s establishment or continuation. To the extent possible, it could also be continued on the basis of an addendum to the current bilateral agreement.

We specifically recommend that SIPRU is placed at **central government level**, preferably in the office of the Prime or Deputy Prime Minister and not in any of the line ministries. Only this position, we opine, allows SIPRU to play its critical role in policy making and coordination; it is furthermore following international best practice and the preferred option by all but one of the interview partners of this review.

- *Continue performing horizontal and vertical functions:* The programme should continue performing **horizontal functions** (i.e. policy making,

²³ The feasibility study is scheduled for mid-2012.

policy coordination across government) but focus more on the **vertical function** of supporting implementation at local level.

- *Foster and/or systemise collaboration with strategic partners, SCTM in particular:* There has been regular collaboration between SIPRU and the SCTM over past years, which is generally qualified as very positive and constructive, and both organisations seem to understand their complementarity. However, the collaboration often occurred in the context of a specific project and has occasionally been considered being *ad hoc*. Briefly: cooperation is perceived patchy and the partnership falls short of being strategic. Consequently, the evaluators believe that the full potential of SIPRU-SCTM collaboration has not been exploited yet. The evaluators thus recommend that the two organisations enter into a **strategic dialogue** to define a joint vision and corresponding priority areas of collaboration, to determine **concrete actions** and to plan the respective **resources** for their implementation. This dialogue should already take place prior to the design of the next programme phase. The possibility of involving SCTM closely in the design phase should also be thoroughly assessed.
- *Focus on capacity building in the field of programming:* SIPRU's work in terms of programming is of particular importance because of its mid- and long-term leverage effect. Enhanced quality as regards project identification, formulation, implementation and monitoring will likely result in a higher amount of funding, better designed and implemented projects and – consequently – more impact prospects for the final beneficiaries. The IPA financial perspective 2014-2020, in which social inclusion features prominently, calls for strong national ownership in terms of planning. Also, building up the structures, processes and capacity in the line ministries for better planning is essential for the future use and absorption of means of the European Social Fund (ESF) and other EU structural funds.

We therefore recommend that more efforts be made to **address the apparent shortcomings** in terms of **programming** in the line ministries more systematically. This will require a concerted effort by SIPRU and relevant partners such as SEIO, the Office for Civil Society Cooperation, the European Union and the Human Resource Management Service.

- *Increase staff of the SIPRU team:* The evaluators suggest **enlarging** the SIPRU team by **three to four recruits** to enhance resources in key areas such as monitoring and evaluation and EU funds programming and

management. At the same time any increase of staff needs to be done carefully in order not to affect what we deem as strengths of SIPRU (tightly knit team, flexible staff, staff that is not only focused on its specific mandate, good team spirit, flat management / hierarchy).

An option that we believe should be explored is **secondments** of staff from other government institutions (e.g. line ministries, municipalities, SCTM) to SIPRU to work, for example, on selected key initiatives. Such seconded staff would be financed by the respective seconding institution. Such an approach might reinforce institutional collaboration and might also inspire the seconded staff to bring back into her/his institution the work approach of SIPRU (social inclusion focus, evidence orientation, result orientation etc.).

Closely related to the above we recommend continuing with the practice of offering **internships** and to expanding the opportunities to involve graduates and **young researchers** – all with a view to contribute to gradually developing a growing cadre of social inclusion specialists in Serbia.

- *Explore the possibilities of a co-financing commitment by the government of Serbia:* The programme has been fully financed by SDC and the NMFA. While there is ownership by the Serbian government, exemplified recently for instance by the explicit decision to move SIPRU to the office of the Prime Minister, the government's contribution to the programme is limited to providing office space and covering (part of) the programme's overheads. To underline its commitment the government should assume responsibility in shouldering a part of the programme's costs. The negotiations should foresee a yearly increase of the **government's co-financing** so as to allow for sufficient budget preparation and to mitigate the financial impact for the government.
- *Ensure quality and topicality of the programme's performance indicators:* Carrying out this evaluation has been hampered by the weaknesses of the logical framework (see above 2. Methodology). We recommend investing time into formulating **clear performance indicators** and adjusting the latter if the programme environment significantly changes so as to facilitate the monitoring of the programme's progress and the evaluation of its achievements. This might require finding a compromise with the government of Serbia in order to circumvent protracted procedures that

eventually resulted in not updating the basic programme documents of the current phase.

- *Enhance visibility of SDC's support to SIPRU:* We mentioned further above that our interview partners regularly perceived SIPRU as a genuine government body. Principally, this is an interesting development and is also proof of SIPRU's acceptance across government. At the same time many were not aware that SIPRU is a donor funded programme – let alone a Swiss funded one. One reason for this might be that SDC's support is not uniformly mentioned in SIPRU's visibility tools (the website, for instance, does not make reference to Swiss funding and does not feature the Swiss logo; the link to SDC's website is only one among many; the Country Strategy 2010-2013 is not available for download) and in its products / reports. We thus recommend that SDC and SIPRU **enhance visibility** of SDC's support in the field of social inclusion.
- *Consider a non-cost extension of the programme:* It is realistic that on the basis of the current budget commitment not all of the available funds will be utilised by the end of December 2012. Given that negotiations with the incoming government about the next programme phase might take longer than December 2012, we recommend preparing the ground for an eventual two-three month **non-cost extension** to be financed with the unused resources.
- *Explore the possibilities of synergies between SDC's support to SIPRU and SECO's advisory services for public finance reform:* Starting 2015 Serbia's line ministries shall apply the method of **programme budgeting** for the planning and spending of future expenditure. This is a complex undertaking, requiring knowledge in public finance (management). In addition to SDC's on-going efforts to identify synergies among its programmes and projects in Serbia, the evaluators recommend exploring synergies also with SECO's public finance management reform support programme.

Literature

First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia – The Status of Social Exclusion and Poverty Trends in the Period 2008-2010 and Future Priorities, Government of the Republic of Serbia, March 2011

Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth, European Commission, 2010, {COM(2010)2020 final}

Joint Report on Social Inclusion, European Commission, Brussels, March 2004, {COM(2003)773 final}

Commission Opinion on Serbia's application for membership of the European Union, European Commission, Brussels, 12.10.2011, {COM(2011) 668}

Analytical Report accompanying the Commission Opinion on Serbia's application for membership of the European Union, European Commission, Brussels, 12.10.2011, {COM(2011) 668}

Serbia 2009 Progress Report, European Commission, Brussels, 14.10.2009, {COM(2009) 533}

Serbia 2010 Progress Report, European Commission, Brussels, 9.11.2010, {COM(2010) 660}

Evaluation of DFID's Support to the Implementation of Serbia's Poverty Reduction Strategy, Presentation prepared by Anne Evans, June 2009

Support for Improvement in Governance and Management, Assessment Report Serbia, OECD and EU, April 2011

Beyond Transition: Towards Inclusive Societies, United Nations Development Programme, Bratislava 2011

In addition: Project Document, Logical Framework, 6 Month Reports and 6 Month Work Plans, Steering Committee Minutes, Workshop Minutes, and several other project related documents provided to the evaluators by SDC and SIPRU.

Annex 1: Specific Questions

In the following we summarise our responses to the specific questions, which were contained in the assignment Terms of Reference. The questions have also been covered and addressed in the body of the text and the Annexes, to which we thus also refer.

Assess progress of the social inclusion policy agenda (national context) and identify the contributions of the programme to the national/local achievements

Assess the relevance of the programme, its ownership and support by the relevant public institutions as well as direct participation and involvement of the national/public structures in the programme realisation;

- The programme is highly relevant and aligned to national and international priorities and fits well into SDC's entire programme and project portfolio in Serbia. For more information please see Chapter 4.1 above.
- Desk review and interviews reveal good ownership and recognition of the programme. The government's financial contribution is limited, however, to provide office space and covering (part of) the programme's overhead cost. A cautious and indicative estimation of the government's support amounts to CHF 220.000, which is approximately equivalent to 6 % of the programme's total cost or 10 % of SDC's funding.
- Participation of public structures – national and international – alike has been strong and growing over time. Ministries – education, labour and social affairs, health, economy and regional development, human and minority rights – and SORS are main clients; local governments are also increasingly involved. SIPRU benefits from the successful PRS process, during which participation was strong too.

Assess the technical and financial contributions of the programme to the relevant national social inclusion reform activities;	<ul style="list-style-type: none"> ▪ SIPRU has been providing a range of technical inputs to line ministries and civil society organisations alike. The interviewees regularly expressed satisfaction – at times admiration – of the <i>quality, pertinence and timeliness</i> of the inputs. ▪ Quantifying the financial contribution of the programme is a daunting task. Most leverage we believe has been achieved by securing funding for programmes and projects financed under IPA, though we cannot quantify the amount. Other examples of contributions that have a monetary value include: <ul style="list-style-type: none"> – identification of and remedy for ineffective practices (e.g. in the context of social welfare payments); – capacity building of a variety of stakeholders; – information platform for government and non-governmental partners;
Assess the risks and potentials of the institutional set up (risks of long term substitution of public responsibilities, sustainability, potentials for efficient support to the social inclusion agenda, etc.).	<ul style="list-style-type: none"> ▪ Potentials: Serbia's EU candidate country status makes social inclusion a mandatory component of EU integration. In the years to come the Serbian government will need to undertake measures to fully align its social inclusion policies and standards to EU exigencies. Efforts will be buttressed with access to sizable EU funding.

Assess the programme results, implementation set up and sustainability

Review the strengths, weaknesses and value	<ul style="list-style-type: none"> ▪ The current programme set-up builds up on successful experience of the previous PRS
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<p>added of the current programme set up, performance of the direct (contracting) and implementing partners (national and local level);</p>	<p>process. It has the elements for a successful programme, including: capable management and programme team, supportive leadership, position in the central government, hardly contested topic aligned with national and international priorities.</p> <ul style="list-style-type: none">▪ The disadvantage of the central position is that it makes link to local level more challenging; hence our recommendation of a stronger, more strategic partnership with SCTM.▪ SIPRU itself is perceived as a genuine government body by many senior civil servants. The downside is that Swiss involvement is not as visible as the evaluators believe it should be the case.▪ The programme set-up – with SIPRU being responsible for project management and DIA for financial administration – is cost efficient and entails little backstopping effort for SDC. The implementing partners of SIPRU – i.e. consulting agencies, members of the academia, NGOs – belong to the most known and reputed in Serbia. Contracted at market rates they are known to render quality services.▪ Please also see the comparison tables in Annex 2.
<p>Assess the cooperation of the Programme with other SDC supported projects – Professional Development Programme PDP, Inclusive education, municipal development programmes: in which way social inclusion</p>	<ul style="list-style-type: none">▪ The Social Inclusion Programme complements SDC's programme portfolio at a strategic / systemic level. Conversely, at local/beneficiary level, the employment and education programmes have a social inclusion orientation and are aligned to national priorities / social inclusion priority axes.▪ SIPRU contributes indirectly to the programmes, through participation in the design

elements have been integrated in those programmes; in which way SIPRU contributed to these programmes;	<p>phase and in Steering Committees, peer-reviews (as has been the case in the <i>Joint Programme for Roma and Marginalised Groups Inclusion through Education</i>) or coordination meetings (pre-school education).</p> <ul style="list-style-type: none">■ Coordination meetings are held between the Swiss funded projects; the latest in April 2012.■ Synergies should be explored of closer SIPRU-SECO cooperation with regard to programme budgeting and reflection of social inclusion priorities in the latter.
Assess the Programme implementation structures (organisation, administration, finances, and activities) with reference to its efficiency effectiveness, sustainability and complementarity with other donor financed activities.	<p>Please refer to the body of the report, Chapter 4, on organisation, administration, finances and activities.</p> <ul style="list-style-type: none">■ Complementarity: SDC is presently the only funding agency of SIPRU and one of the few focusing on social inclusion at central government level. The programme complements many of the local / beneficiary level projects in support of e.g. Roma, persons with disabilities, children and youth at risk, unemployed persons, and elderly population.
Provide recommendations for the future policy orientation, institutional set up and sustainability of SIPRU	
Are the strategic approaches chosen by SIPRU still adequate in the frame of the national social inclusion reform agenda and the EU integration process (alignment);	<ul style="list-style-type: none">■ SIPRU's approach – evidence based, multidimensional and multi-faceted, participative, result oriented etc. – are both adequate and fully aligned with EU integration processes.

<p>Improvement of the effectiveness and efficiency of SIPRU and its implementation of activities (implementation set-up, institutional anchorage, financial situation, mainstreaming of knowledge/practise among national and local stakeholders, knowledge/information management);</p>	<ul style="list-style-type: none">▪ Enhancing effectiveness and efficiency by means of:<ul style="list-style-type: none">– increasing headcount by three to four recruits in order to cater for the high demand of SIPRU support;– engaging into strategic partnerships with SCTM in terms of supporting implementation of social inclusion oriented policies at local level;– focusing on key activities that potentially yield most return in the mid- to long-run, including programming and legislative and institutional development, implementation.
<p>Investigate possibilities/need for an improved coordination between SIPRU and the implementing public institutions at the national and local level, civil society organizations, international partners;</p>	<ul style="list-style-type: none">▪ SIPRU has been exemplary in its coordination efforts. Improving the latter could potentially be realised by making better use of multiplier agencies such as SCTM (implementation) or the Office for Civil Society Cooperation (civil society cooperation) as well as SEIO (programming), General Secretariat and Human Resource Management Service (training).
<p>Give recommendations on how to increase the sustainability of SIPRU programme achievements.</p>	<ul style="list-style-type: none">▪ The programme achievements as regards the social inclusion orientation of the legislative framework are very likely to sustain. Increasing sustainability requires implementation of the policies (at local level) and further systemic efforts to enable policy makers to design better policies (= capacity building of approach, processes and methods).▪ See also above on effectiveness and efficiency.

In addition to these specific questions in the Terms of Reference, SDC asked the evaluators to comment on the conclusions that were formulated during a two-day SIPRU internal workshop that was held on 17-18 May 2011 (page 2 and 3 of the workshop notes). We are happy to respond to this request and comment on selected conclusions in the following table. We generally agree with the general findings, conclusions and recommendations of the workshop.

Provide comments on the conclusions of a SIPRU internal workshop of May 2011

Consider carefully what could be lost from the process of institutionalisation of SIPRU	<ul style="list-style-type: none"> ▪ Apart from the body of the text, we provide in Annex 2 specifically a general comparison of the pros and cons of different options to institutionalise SIPRU.
SIPRU should stay at the centre of government	<ul style="list-style-type: none"> ▪ The evaluators share this conclusion in principle but we do not see that SIPRU should be part of the General Secretariat or SEIO – as discussed further above.
SIPRU should retain its coordination function rather than become a direct implementer	<ul style="list-style-type: none"> ▪ We generally concur with this conclusion. SIPRU's policy making and policy coordination function has been of great value. In the event that a social inclusion fund is created adjacent to SIPRU, caution is recommended that SIPRU has sufficient capacities to manage the fund next to its core functions, one of which we believe is policy making and policy coordination (see also below Annex 2).
Need to better highlight the role SIPRU plays with local partners ... better report and communicate on SIPRU work ... identify relevant local stakeholders and build up good	<ul style="list-style-type: none"> ▪ We argue further above that in a forthcoming programme phase SIPRU should focus more on assisting local level authorities in their implementation efforts of the social inclusion policy framework. This could include continuing the successful “peer-review initiative” that the evaluators believe warrants to be continued or building up capacities of local level institutions – to name but a very few. Against this background, reporting

local practices	on SIPRU's work for and with local partners will be very important.
Need to better promote social inclusion ... through extensive campaigns with the media	<ul style="list-style-type: none">▪ Field data suggests that SIPRU contributed to raising awareness of different stakeholders, including government officials in particular, of social inclusion issues. Rather than “extensive media campaigns” – which are costly and impact of which is challenging to assess – we argue that SIPRU should continue with a mix of public awareness measures, ranging from publishing analytical reports to organising national debates as well as utilising social media to reach out to and cater for the information needs of as many different stakeholders, actors and interest groups as possible.

Annex 2: Options for SIPRU Institutionalisation

The following comparison tables shall provide a swift overview of advantages and disadvantages of different options for SIPRU's future form of institutionalisation.

Option: SIPRU continues to operate as a donor funded programme / project that is recognised by a decision by the government of Serbia

Advantages / Opportunities / Strengths	Disadvantages / Risks / Weaknesses
<ul style="list-style-type: none"> ▪ Little administrative effort to continue the programme ▪ Little financial impact for the Serbian government (enhances the prospect of finding agreement with the incoming government) but possibility for a step-by-step co-financing by the government ▪ Possibility to offer attractive salary packages and consequently to attract high quality staff (salaries have been identified as a key contributor to SIPRU's human resource management) ▪ SDC has direct access to top-government levels and a strategic social inclusion programme in its portfolio ▪ Position is relatively stable given the underlying bilateral agreement and corresponding government decision on the programme 	<ul style="list-style-type: none"> ▪ Financial responsibility rests solely on SDC (unless there is a co-financing commitment by the Serbian government or another donor) ▪ Impedes a government initiative to establish the Unit by its own (such as the Office for Cooperation Civil Society) ▪ Risk of dissolution of the Unit once funding is withdrawn

Option: SIPRU operates as an independent agency established by law, with executive functions, yet answerable to the Serbian Parliament

Advantages / Opportunities / Strengths	Disadvantages / Risks / Weaknesses
<ul style="list-style-type: none"> ▪ Clear mandate and processes defined by corresponding primary and secondary legislation ▪ Independent and autonomous position ▪ No risk that government / leadership changes might lead to dissolution of the Unit 	<ul style="list-style-type: none"> ▪ Requires the preparation and passing of a respective law (window of opportunity will close after government has been sworn in) that might necessitate political compromises ▪ Risk of losing the instrumental position within the centre of government ▪ Implies cost for the Serbian government and might contravene the Stand-by Agreement with the IMF ▪ Current political sentiment is against establishing new government bodies but rather cutting back administration ▪ Current perception of the institution “agency” as such seems to be negative (there has been a proliferation of agencies in Serbia, many of which have a very low profile) ▪ SIPRU team members might resign for better paid opportunities ▪ Minimum one to two year preparatory time required (example: making operational the recently appointed Commissioner for Equality took more than twelve months from the time of its establishment; more than three years elapsed between the adoption and the actual establishing of the Republic Broadcasting Agency and its Council) ▪ Independency is not instrumental for SIPRU’s (current) functions but autonomy is important ▪ SIPRU might be bogged down by procedures and red-tape

Option: SIPRU operates as an office established by the government of Serbia

Advantages / Opportunities / Strengths	Disadvantages / Risks / Weaknesses
<ul style="list-style-type: none"> ▪ Solid grounding based on a government decision, decree or law with little risk of the office being dissolved in the short-to mid-term ▪ Clear mandate and processes defined by the respective decision ▪ Little risk that government / leadership changes might lead to dissolution of the Unit 	<ul style="list-style-type: none"> ▪ Implies cost for the Serbian government and might contravene the Stand-by Agreement with the IMF ▪ Current political sentiment is against establishing new government bodies but rather cutting back administration ▪ SIPRU team members might resign for better paid opportunities ▪ SIPRU might be bogged down by procedures and red-tape

Option: SIPRU operates as part of / adjacent to a social inclusion fund

Advantages / Opportunities / Strengths	Disadvantages / Risks / Weaknesses
<ul style="list-style-type: none"> ▪ Independence from the executive branch – yet the <i>functions</i> of SIPRU – as defined in this report – do not necessitate independence but mere <i>autonomy</i>) ▪ Clear mandate and processes defined by corresponding primary and secondary legislation ▪ Little risk that government / leadership changes might lead to dissolution of the Unit ▪ Possibility to design policies and finance their implementation is a powerful tool and should enhance interest in and compliance with social inclusion policies at local level 	<ul style="list-style-type: none"> ▪ SIPRU might become a mere “<i>fund manager</i>” rather than expert body to advance the social inclusion institutional and legal framework in Serbia ▪ Prone to political influence in light of the fund’s resources ▪ Resentment by line ministries who feel deprived of their funds (and associated power) ▪ SIPRU team members might resign for better paid opportunities

Annex 3: Terms of Reference

**Terms of Reference
for the
External Review of the
Support to Improve Social Inclusion in Serbia,
Phase 1**

March 2012

1. Background

Since July 2009, SDC has been funding the “Support to Improve Social Inclusion in Serbia”, implemented by the Social Inclusion and Poverty Reduction Unit (SIPRU) of the Office of the Deputy Prime Minister for European Integration (DPM E) in the Government of Serbia (GoS). In December 2011, after the European Union’s postponement of the decision regarding Serbia’s candidacy status, the Deputy Prime Minister for European Integration, Mr. B. Đelić, resigned and SIPRU has been affiliated to the Prime Minister’s Office.

The programme aims to support the Government of Serbia in shifting from the successfully implemented Poverty Reduction Strategy towards a more comprehensive social inclusion concept. Social inclusion is seen as one of the most important reform efforts of the GoS, especially in the context of the European integration process. Social inclusion addresses issues as poverty, discrimination, exclusion in a coordinated way, ensuring that all social groups enjoy the benefits of economic growth and improved competitiveness. The overarching goals of social inclusion are social cohesion, equality but also good governance, transparency and consultation (e.g. with civil society). The GoS has already undertaken a number of activities to ensure the shift towards the EU’s concept of Social Inclusion and Poverty Reduction, as well as to establish the necessary implementation and monitoring system for this policy: Laeken indicators¹ have been analyzed, as well as the options for their implementation in Serbia; national indicators of social inclusion have been developed and the first “National Report on Social Inclusion” has been produced.

After becoming an EU candidate country, Serbia will be obliged to present its Social inclusion and poverty reduction policies in the so-called Joint Inclusion Memorandum (JIM) in order to provide comparable information. Social inclusion priorities will be reflected in the Government’s regular planning and budgeting process. The Social Inclusion Policy programme provides essential support to the GoS by leading the process of defining and creating JIM in the following period of 4 years.

Social inclusion policies are developed by the programme and mainstreamed into sector strategies and national policy frameworks like the Strategic Coherence Framework for IPA Programming. Reporting on social inclusion is to become aligned with EU standards and integrated in the regular Report of the Work of the

¹ The set of basic indicators used to monitor the situation of social inclusion in the EU defined on joint objectives in combating poverty and social exclusion adopted at the European Council summit in Nice in 2000. The basic set of common Laeken indicators is open for reconsideration and improvement and the data of social inclusion are collected by SILC (Statistics on Income and Living Conditions) survey standardised for all EU Member States.

Government, which will be the base for reporting to the EU on progress in social inclusion.

SIPRU is supported jointly by SDC, as well as the Norwegian Ministry of Foreign Affairs (NMFA) which ended towards the end of 2011, and in 2009 also by the British DFID, in line with the principles of the Paris Declaration and Accra Agenda on aid effectiveness. There is one programme document with common planning, reporting and evaluation system. The budget shows the cost sharing between both donors². The national ownership is underlined by national co-financing and the steering through the DPM EI, in the coming period through the Prime Minister's Office.

2. Programme approach

The programme is based on the following approaches and methods:

- Participatory policy development process utilizing expertise in Government, academia, think tanks and civil society, including NGOs;
- Extensive consultations during the policy development process to ensure national ownership;
- Mainstreaming planning and implementation into regular activities of relevant partners and institutions within and outside Government;
- Improve cooperation and coordination between central and local level and strengthen local level implementation;
- Build partnerships both within and outside the Government to create synergy and complementarities;
- Provide regular analytical reports to strengthen leverage and accountability both within Government and in civil society;
- Strengthen the statistical system of Serbia to provide accurate and timely data needed to monitor and report on the social and economic situation in Serbia;
- Ensure flexible support that will enable timely mobilization of national and internal technical assistance and other forms of capacity building and learning.

3. Scope of the external review

The aim of the external review will be:

a) To assess the effectiveness of the programme:

- Evaluate the programme results and lessons learnt taking into consideration the relevant national strategic documents, legislative practices and orientation priorities:
 - "Did the programme do the right things?" and "Did the programme do the things in the right way?"
- Evaluate the mainstreaming of knowledge/practise at the national and the local level.

b) To assess the efficiency of the programme:

- Evaluate the institutional set-up - resources, inputs, time, position, mandate, networking (according to the specific components in the logframe (with focus on central policy level, line ministry level, regional and international level);
- Evaluate achievements in relation to inter-sector cooperation (line ministries, government agencies, civil society, social partners, etc);
- Evaluate achievements of social inclusion practices among different stakeholders and in strategies/policies.

c) To provide recommendation to:

² The Norwegian contribution amounts approx. € 600'000.--

- Future strategic orientation and institutional anchorage (set up, partners) of the programme and its specific objectives, as well as of the operational unit.

The review will cover programme components for the time period from July 2009 to March 2012.

4. Key questions

4.1. Assess the progress of the social inclusion policy agenda (national context) and identify the contributions of the Programme to the national/local achievements:

- Assess the relevance of the programme, its ownership and support by the relevant public institutions as well as direct participation and involvement of the national/public structures in the programme realisation;
- Assess the technical and financial contributions of the programme to the relevant national social inclusion reform activities;
- Assess the risks and potentials of the institutional set up (risks of long term substitution of public responsibilities, sustainability, potentials for efficient support to the social inclusion agenda, etc).

4.2. Assess the programme results, implementation set up and sustainability:

- Review the strengths, weaknesses and value added of the current programme set up, performance of the direct (contracting) and implementing partners (national and local level);
- Assess the cooperation of the Programme with other SDC supported projects – Professional Development Programme PDP, Inclusive education, municipal development programmes: in which way social inclusion elements have been integrated in those programmes; in which way SIPRU contributed to these programmes;
- Assess the Programme implementation structures (organization, administration, finances, activities) with reference to its efficiency effectiveness, sustainability and complementarity with other donor financed activities.

4.3. Recommendations for the future policy orientation, institutional set up and sustainability of SIPRU

The evaluators are expected to provide recommendations with regard to the following issues:

- a) Whether the chosen SIPRU strategic approaches are still adequate in the frame of the national social inclusion reform agenda and the EU integration process (alignment);
- b) Improvement of the effectiveness and efficiency of SIPRU and its implementation of activities (implementation set-up, institutional anchorage, financial situation, mainstreaming of knowledge/practise among national and local stakeholders, knowledge/information management);
- c) Investigate possibilities/need for an improved coordination between SIPRU and the implementing public institutions at the national and local level, civil society organizations, international partners;
- d) Give recommendations on how to increase the sustainability of SIPRU programme achievements.

5. Responsibilities

The external review will be conducted by two evaluators – one team leader and one associate. SDC will contract both evaluators.

The SDC Belgrade and SIPRU will logistically support the organization of the mission.

6. Methodology

The evaluators are expected to:

- a) develop in more detail the methodology for conducting evaluation, in cooperation with the SDC and the SIPRU;
- b) identify the interviewees/stakeholders on the national and local level in cooperation with the SDC and the SIPRU;
- c) review the relevant programme documentation, including the inception phase report and biannual reports.
- d) conduct a briefing with the SDC Country Director and the Programme Manager in Belgrade
- e) conduct interviews with programme management and key staff in charge of all programme components, consultants and experts, representatives of other development projects/agencies, representatives of relevant Ministries, GOS and other national/local authorities of interest
- f) conduct individual and/or group discussions with the key programme partners/beneficiaries
- g) conduct field visits to at least two regions/towns in Serbia
- h) conduct a debriefing session in Belgrade: present preliminary findings and conclusions, and discuss it with the key staff of the programme, GOS and SDC.

7. Reporting

The evaluators will provide a final report with the findings and recommendations of the review. The report will not be more than 20 pages, plus annexes and an executive summary. An overview/summary of the findings and recommendations will be provided latest 1 day prior to the debriefing, while the final report will be delivered to SDC not later than two weeks after the debriefing.

8. Documentation to be provided

SCD and programme teams shall submit the following documents (in electronic form) to the evaluators:

- Programme document with logframe/budget
- Relevant Agreements
- SDC Cooperation Strategy Serbia 2010 - 2013
- Interim and other reports
- Key documents prepared by the programme (studies, analysis etc)
- National Needs Assessment for International Assistance
- First National Report on Social Inclusion
- NPI, MIPD 2011-2013,
- Strategic Coherence Framework,
- EC Analytical Report 2011,
- SIGMA Assessment – Serbia (2011).
- Relevant national strategies and policies on inclusion
- Relevant laws/regulations supported by the programme
- Other documents upon request

9. Schedule

Deadline	Specification	In Charge
Feb 2012	Selection process and contracting of Review Team	SDC Belgrade
20/24.02.2012	Submission of documentation to the Review Team	SDC Belgrade/SIPRU
27/29.02.2012	Review guidelines preparation and instruction to the partners provided	Evaluators – team leader
06.03.2012	Necessary documents first drafts provided to evaluators	SIPRU
12.03.2012	Final documents prepared and provided to evaluators	SIPRU
15.03.-23.03.2012	Review of projects in Serbia (according to schedule elaborated by the evaluators with support of programme managers)	Review Team
23.03.2012	Preliminary results and debriefing workshop with main partners in Serbia of the review	Review Team
18.04.2012	Draft report circulation to main partners	Review Team/SDC Belgrade
30.04.2012	Final report to SDC and MoE	Review Team Leader
07.05.2012	Management response to the report	SDC

10. Review Work Schedule (tentative)

The review mission will take place from 15.03.-30.03.2012 in Serbia. The contractual assignment will be limited to the following time frame:

	Team leader (Time Frame)	Associate (Time Frame)
Preparation, study of documentation, reviewing of schedule	3	2
Mission to Serbia including travelling in Serbia	8	8
Preliminary report (in Serbia)	3	2
Debriefing in Serbia	1	1
Final Report	4	2
Total	19 Days	15 Days

SCO Belgrade, Feb 14, 2012.

Annex 4: Interview Partners

Name Position	Organisation
Beatrice Meyer Country Director	Swiss Agency for Development and Cooperation
Lidia Vujičić National Programme Officer	Swiss Agency for Development and Cooperation
Saša Marković Assistance Secretary General	General Secretariat, Government of Serbia
Svetlana Ristić Head of Unit	Ministry of Environment, Mining and Spatial Planning
Gordana Rajkov Member of Parliament	Serbian National Assembly
Dragan Vukmirović Director	Statistical Office of the Republic of Serbia
Nevena Vraneš Head of IPA Unit	Ministry of Education
Dragana Radovanović Head of Department	Ministry of Labour and Social Affairs
Ljiljana Džuver Assistant Minister	Ministry of Economy and Regional Development
Silvija Gajin IPA IV Unit Manager	Ministry of Economy and Regional Development
Dubravka Šaranovic-Račić Assistant Minister	Ministry of Health
Dragan Djordjević Advisor	Ministry of Health
Vladimir Cakarević Advisor	Ministry of Health
Vera Kovačević Consultant	CLDS
Milica Stranjaković Consultant	CLDS
Rada Mitrović Director	Vojvodina Province Secretariat for Social Policy
Tatjana Lazor Obradović Advisor for Social Welfare	Vojvodina Province Secretariat for Social Policy

Ivana Koprivica Advisor for Social Welfare	Vojvodina Province Secretariat for Social Policy
Duško Jovanović Director	Roma Inclusion Office of Vojvodina
Vesna Civrić Head of Unit	Municipality of Ada Poverty Reduction Unit
Maja Bobić Secretary General	European Movement Serbia
Ivan Knežević Deputy Secretary General	European Movement Serbia
Slavica Denić State Secretary	Ministry of Human Rights and Minority Rights
Ana Redžić Former Head of DFID	Department for International Development of the UK
Miljenko Dereta Executive Director	Civic Initiatives
Dubravka Velat Program Development Director	Civic Initiatives
Stefana Lilić Advisor	Serbian European Integration Office
Marija Babović President	SeCons – Group for Development Initiative
Olivera Vuković Executive Manager	SeCons – Group for Development Initiative
Tanja Ignjatovic Programme Coordinator	Autonomous Women's Centre
Bobana Macanović Programme Coordinator	Autonomous Women's Centre
Mirjana Šakić Communication Officer	Erste Bank
Aleksandar Baucal Professor	Psychology, University of Belgrade
Lesley Miller Deputy Representative	UNICEF Serbia
Aleksandra Jović Social Policy Specialist	UNICEF Serbia
Ana Milenić EIDHR Project Manager	Delegation of the European Commission

Goran Radosavljević State Secretary	Ministry of Finance
Juriji Bajec Advisor	Office of the Prime Minister
Zorica Vukelić Deputy Secretary General	Standing Conference of Towns and Municipalities
Irina Slavković Programme Manager	Standing Conference of Towns and Municipalities
Jasmina Tanasić Head of Social Affairs Unit	Standing Conference of Towns and Municipalities
Milan Antonijević Director	Lawyers' Committee for Human Rights YUCOM
Ivana Ćirković Director	Office for Cooperation with Civil Society
Jelena Danilović Deputy Head of Office	Former Office of the Deputy Prime Minister for EI
Gordana Matković Director	CLDS
Žarko Šunderić Team Manager	SIPRU
Ivan Sekulović Coordinator	SIPRU
Jelena Milovanović Coordinator	SIPRU
Irena Radinović Coordinator	SIPRU
Irina Ljubić Coordinator	SIPRU
Biljana Mladenović Economic Analyst	SIPRU
Milana Lazić Administrative Assistant	SIPRU
Jelena Marković Coordinator	SIPRU

Phone interviews

Ljiljana Lučić Former Assistant Minister	Ministry of Labour and Social Policy
Aleksandra Matić	Municipality of Negotin

Administrator	
Natalija Bogdanov	Rural Development, University of Belgrade
Professor / Expert	
Antonella Noya	OECD
Senior Policy Analyst	
Dorit Nitzan	WHO Serbia
Head of Country Office	
Gorana Djorić	Agriculture, University of Nis
Professor	
Milovan Batak	Assistant Commissioner for Protection of Equality
Assistant Commissioner	
Paal Ulla	Ministry of Finance
SECO PFM Advisor	

Annex 5: Interview Guidelines

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Basel, 13 March 2012

To whom it may concern.

External review of Support to Improve Social Inclusion in Serbia, Phase 1

Dear Madam or Sir,

The Swiss Agency for Development and Cooperation (SDC) commissioned us to perform an external review of the project “*Support to Improve Social Inclusion in Serbia*”. We thank you for offering us the possibility to interview you in the context of this external review.

What is the project about? The project, implemented by the Social Inclusion and Poverty Reduction Unit (SIPRU) of the Prime Minister’s Office, contains several intervention levels and involves different actors. It seeks, for instance, to strengthen central Government capacities to design, coordinate and monitor social inclusion between government institutions on national and local levels; it also supports line ministries to develop, plan and implement social inclusion policies.¹

Why is there need for a review? The current first phase of the project started in 2009 and will come to its end in December 2012. The purpose of the review is to assess and appraise to what extent the project reached its planned objectives, purposes and results to date. Moreover, the review shall provide recommendations for an eventual continuation of Swiss support to the SIPRU.

Which methods of evaluation will be applied? The review is based on an examination of project documents as well as information and data that will be collected through a series of interviews in Serbia. The interviews will include a set of pre-formulated questions but also new questions will be brought up during the interview as a result of your responses (“semi-structured interviews”).

The interviews will look at different evaluation themes, key points of which are mentioned below:

- *Effectiveness:* We will seek to measure the extent to which the activities in the project attained their intended objectives. We furthermore seek to identify the key factors that influenced the achievement or non-achievement of the objectives. Questions that arise:
 - *How did the project / SIPRU support your institution in the past years?*
 - *How is social inclusion reflected in your institutions' policies / programs / projects?*
 - *To what extent have your capacities to develop social inclusion policies improved with SIPRU's support?*

¹ For more information on the work of SIPRI please see: <http://www.mkuzija.gov.rs/>

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- *Efficiency:* Our evaluation will look at the qualitative and quantitative outputs in relation to the inputs that were invested. We will seek to assess SIPRU's performance and whether there are alternative ways to provide the various SIPRU services at lower cost. Questions that arise:
 - *How do you assess the quality of the services SIPRU provided to your institution?*
 - *How flexible was SIPRU to provide support to your institution?*
- *Impact:* The overall aim is to evaluate whether the project produced positive (or negative) changes, directly or indirectly, planned or unplanned. Questions that arise:
 - *What has happened as a result of the project?*
 - *What difference did the project or its activities make for your institution?*
 - *Which are the achievements of social inclusion practices that your institution is responsible for (and to what extent is the achievement connected with SIPRU's activities)?*
- *Sustainability:* Sustainability shall measure whether the benefits of the project or the processes it instituted are likely to continue after an eventual completion of the project. Questions that arise:
 - *To what extent has coordination of institutions (within and beyond) government improved?*
 - *To what extent is the concept of social inclusion institutionalised and/or to what extent has there been a behavioural change in considering social inclusion in policy making?*
 - *Which institutional arrangement is in our opinion the best / most efficient / suitable / legal feasible option for SIPRU (beyond the project's duration)?*

How long will the interview last? We have approximately 45 to 60 minutes at our disposal for the interview; we will undertake best efforts to maximise the use of the (limited) time.

How can you prepare for the interview? The above sample of questions should provide you an idea of the topics we wish to discuss with you. In addition, we do appreciate receiving written documents (e.g. quantitative data, a bullet point listing of your thoughts on the project and its performance, including your ideas and pertinent recommendations for a forthcoming phase; also presentations of the activities and outputs are very welcome).

How will we use the interview feedback? We confirm that all data, information and/or (critical) comments we receive from you will only be used for the purposes of this evaluation and will not be shared with SDC or SIPRU or other third parties.

Looking forward to meeting and to discussing your opinion and ideas with you we remain,

With best regards,

Harald Meier and Marija Šijan

B,S,S. ECONOMIC CONSULTANTS AG
STEINENBERG 5, CH-4051 BASEL
PHONE: +41-61-262 05 55, FAX: +41-61-262 05 57
E-MAIL: CONTACT@BSS-BASEL.CH, HOME: WWW.BSS-BASEL.CH

Annex 6: Questionnaire

Scoring Grid

Please score (1 lowest, 6 highest) the following criteria / dimensions before and since SIPRU's operations:

Before SIPRU						criteria / dimension	Since SIPRU					
1	2	3	4	5	6	quality of policy coordination among government institution	1	2	3	4	5	6
<input type="checkbox"/>	availability of tools / instruments to implement multisect. policies	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6
<input type="checkbox"/>	awareness of soc. incl. / poverty reduction across gov. inst	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6
<input type="checkbox"/>	focus on soc. incl. / poverty reduction in your institution	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6
<input type="checkbox"/>	capacity to address soc. incl. by staff of your institution	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6
<input type="checkbox"/>	implementation of soc. incl. / poverty reduction policies at local level	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6
<input type="checkbox"/>	level of cooperation btw. gov. institutions and civil society	<input type="checkbox"/>										
1	2	3	4	5	6		1	2	3	4	5	6