

Republic of Serbia

International Labour Organization

**INTEGRATED APPROACH TO MOVE SERBIA
FORWARD TOWARDS THE IMPLEMENTATION
OF THE DECENT WORK COUNTRY
PROGRAMME**

SRB 125, 100 and 150

**FINAL INDEPENDENT EVALUATION
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ACRONYMS

CATUS	Confederation of Autonomous Trade Unions of Serbia
CSR	Corporate Social Responsibility
DWCP	Decent Work Country Programme
ILO	International Labour Organization
IMF	International Monetary Fund
MDG	Millennium Development Goals
MERD	Ministry of Economy and Regional Development
MLSP	Ministry of Labour and Social Policy
NES	National Employment Service
NGO	Non-Governmental Organisation
PREA	Private Employment Agencies
RBSA	Regular Budget Supplementary Account
SAE	Serbian Association of Employers ¹
ESC	Economic and Social Council
UGS	Part of the title of UGS Nezavisnost Trade Union Federation
UNDP	United Nations Development Programme

¹ Referred to by the acronym: SEA (Serbian Employers Association) in the RBSA Work plan

EXECUTIVE SUMMARY

DECENT WORK COUNTRY PROGRAMME

- The *Integrated approach to move Serbia forward towards the Implementation of the Decent Work Country Programme* was carried out by the ILO Sub Regional Office for Central and Eastern Europe under an innovative funding mechanism - the Regular Budget Supplementary Account (RBSA) which provided a one-off boost of resources to apply the core work of the ILO (building the policies and capacities designed to achieve decent work) targeted to one country out of the eighteen served by the sub-regional office.
- Serbia was chosen because its labour market institutions were seen as underdeveloped both in terms of its needs to build an EU-oriented market economy and as compared to similar transitional economies in the sub-region.
- The RBSA was intended to run as part of the ILO 2008-2009 biennial work plan. However, delays in the release of funds and in decisions about the structure of the RBSA restricted the time for work to less than one year. Later, an extension firstly of three -- and then six -- months permitted further work until June 30th 2010.
- Six outcomes were chosen from the existing Decent Work Country Programme (DWCP) to be the objectives of the RBSA
 1. Building capacity in the Employment Department of the Ministry of Economy and Regional Development for active employment policies
 2. Promoting employment for vulnerable youth and persons with disabilities
 3. Capacity building of labour administration and dispute settlement institutions
 4. Increasing service value of employers' and workers' organisations to their members and capacity for social dialogue on key labour issues
 5. Improving capacity of the Labour Inspectorate and the social partners in the implementation of labour law and OSH regulations
 6. Making the social protection system more effective through well managed social security and effective labour and OSH inspections.
- The extension of time for the RBSA permitted further activities with reference to the international crisis - in particular wage fixing under the ILO Global Jobs Pact.
- The interventions were seen as being "at the right time and in the right place", as the Ministry of Economy and Regional Development initiated new laws on Employment Law and the employment of Persons with Disability, and was enabled to use international experience and standards in its policy and regulations.

EVALUATION

- The evaluation is intended to assess the effectiveness, efficiency and sustainability of the work done under the RBSA, record lessons learned and make recommendations for the future. It comprised research of ILO and interviews with ILO specialists in Budapest, and partners and beneficiaries in Belgrade.

- The evaluation has been prepared for the benefit of ILO's tripartite constituents, other partners and beneficiaries in Serbia, other countries of the sub-region, the Government of Italy as the member nation of the ILO providing the extra funding for advancing the Serbian DWCP, the ILO management, specialists and administrators at the ILO sub-regional office Budapest including the ILO national co-ordinator in Belgrade, and ILO HQ Geneva.
- The evaluation was limited by the time constraints on the RBSA itself, notably the late release of funds and delays in agreement on time extensions. The evaluation could only judge effectiveness in a limited way because many activities were still in progress or had only recently concluded. Also the limited scope of the Belgrade interviews gave opportunity to meet only one of the ultimate beneficiaries.
- The activities funded under the RBSA were complemented by activities run by the ILO and its partners, which used other sources of funding. These provided a larger mass of capacity building opportunities which required (and received) flexible management by the ILO sub-regional office but also created limitations for the evaluation in assessing the financial provenance of specific outcomes.

RBSA PROJECT

- The evaluation team concluded that the objective of the RBSA in giving a concentrated short-term boost to strengthen and equip the core employment and labour relations institutions of the Republic of Serbia has been successful.
- With only a few exceptions the projected activities took place, and the outputs of those activities were likewise delivered or likely will be by June 30th.
- Essentially the partners have increased capacity, staff members have been trained, new laws, regulations and agencies are in force in key areas, and the partners can speak to each other with renewed authority.
- Importantly, it allowed for a concentrated period of co-operation and dialogue when all social partners were involved in training and awareness events (either parallel or combined) that lifted competence and created a common language among both present and potential leadership. Regional seminars also put Serbian personnel on an equal footing with counterparts in other countries, building international confidence, and laying the groundwork for future networking

SOCIAL PARTNERS

Government

- Placing employment within the Ministry of Economy and Regional Development (MERD), rather than within the Ministry of Labour and Social Policy (MLSP) has given it appropriate priority within Government. However some functions within the Labour Department need greater linkage with the Employment division.
- The transfer of knowledge and skill to the MERD staff was successful because of the skills of the Expert Advisor and the long follow-up residency of that expert

within the Ministry. But there remains a danger of attrition of the human capital that has been built up over the last twelve months in each of the social partners.

- The Trade Unions and the Employers' Organisation will earn the respect of government as the quality of their advocacy improves and the political significance of their memberships is recognized, but the government also, through all its Ministries and Agencies, needs to improve co-operation, in its own interest of having strong worker and employer partners in the field of employment.

Employers' and Workers' Organisations

- While the situation of women in employment in Serbia is mildly better than in some other countries of the sub-region, women are still overrepresented in the informal economy, and more represented in the public sector than the private; rebalancing this, in policy and practice, should be a priority for all social partners.
- At the same time, men have been particularly disadvantaged by the collapse of the state-owned enterprises and young women and young men are disadvantaged by an education system unresponsive to the skill needs of their potential employment.
- Trade Unions have strengthened the leadership of women at national level but need to boost it at confederation and branch level.
- The Employers' Organisation has made great strides in the provision of services to its members by establishing a competent and accessible legal advice function, and assisting members to comply with the requirements of laws relating to Occupational Safety and Health and the employment of persons with disabilities.
- At the same time it has built up its policy depth and is better representing its members in dialogue with both government and unions on matters such as wage fixing, pensions and the impact of the international financial crisis.
- The breadth of its activities gave the Serbian Association of Employers many opportunities for media coverage which it successfully exploited to contribute to its public presence as an authoritative voice for the business sector.

RECOMMENDATIONS

General Recommendations

For Government:

1. The government needs to consistently and publicly indicate support for a viable Serbian Association of Employers - based on its membership providing regular subscription income - in order to enhance its capacity and status as an effective voice on behalf of Serbian businesses of all sizes.
2. The Government should give priority to building social dialogue through effective local structures particularly the Social and Economic Councils and Employment Councils. This will encourage a stronger SAE branch presence

which will also enhance the effectiveness of the Unions enabling them to represent needs of workers to employers on a nationwide basis.

3. The government needs to encourage much larger businesses (that generally may not feel they need to use Employers' Organization services) to work, as an exercise in corporate social responsibility, in concert with the SAE to strengthen the private sector as a whole in its negotiations with Government.
4. The government needs to maximize co-operation between the two ministries, concerned with employment and social protection, MERD and MLSP, mandating consultation in the preparation of all employment-related legislation and regulation.

For ILO

5. ILO, with the Serbian partners, needs to develop a set of simple objectives and feasible activities to guarantee the retention and development of capacity built up under the RBSA.
6. Support is also needed for a better process of dialogue among government and the social partners; in particular six-monthly meetings - with ILO Budapest involvement - should monitor how all three partners are moving towards greater efficiency and effectiveness in their dealings with each other, including sensitive but honest analysis of where opportunities have been gained or lost.
7. While the ILO Budapest office does not have an enterprise specialist on staff, the next stage of some programmes advanced under the RBSA is likely to need inputs on individual or social enterprise development. This is particularly true for persons with disabilities, but also for women and young people. ILO should evaluate gaps in existing enterprise development programmes in Serbia and identify where it can assist its partners towards these goals.
8. Deficiencies in the availability of credit may also require ILO inputs on social finance and forms of mutual savings and loans systems.
9. The Serbian Association of Employers needs to benefit from ILO expertise in advocacy to help it contribute to an enabling business environment in Serbia particularly by evaluating the impact of current and projected regulation on the cost of doing business in Serbia, and by setting up a system of briefings to journalists to bring depth and breadth to media coverage of business issues.

Specific component recommendations

Employment of Persons with Disabilities

For ILO and Social Partners:

10. Continue assisting in the development of systems for:
 - Assessing the working ability of persons with disabilities
 - Assessing and adapting work spaces for persons with disabilities
 - Integrating persons with disabilities socially into the workforce (NES)

- Training employers on the Law on Vocational Rehabilitation and Promotion of Employment of Persons with Disabilities.

For social partners

11. Support structured exchange of information on persons with disabilities between the National Employment Service (NES) and civil society organisations to build better data on unemployed persons with disabilities.
12. Participate in the improvement of registration processes in NES (and private employment agencies) for unemployed persons with disabilities
13. Build capacity in civil society organizations for persons with disabilities to maintain records on their members to ensure their eventual employment.
14. Develop monitoring mechanisms in the NES on disability issues
15. Participate in standards setting for assessment of the working ability of persons with disabilities
16. Continue to provide training for employers on hiring persons with disabilities

Occupational Safety and Health

For social partners

17. Support formulation of the law on mandatory insurance against employment accidents and occupational diseases
18. Continue with capacity building of labour (OSH) inspection and assess possibility of establishing a training centre for inspectors in Serbia
19. Promote implementation of the adopted risk assessment act
20. Link the issue of safety at work with disability policies. Formulate Law on mandatory insurance against employment accidents and occupational diseases.
21. Address the culture of workplace safety by promoting a positive preventative approach in responsibility for one's own safety and that of fellow workers.

Social security

For social partners

22. Before any changes in legislation are made, hold comprehensive policy discussions on:
 - Provision of additional pension credits (known as “privileged service”) for certain categories of workers (hazardous work, army service)
 - Problems in administering farmers’ insurance with its heavy subsidy from the state budget and low and irregular beneficiary contributions
 - Financial and gender implications of increasing the retirement age to 65 for men and 60 for women by 2011
 - Which method of indexation of pensions should be applied
 - Whether a second pillar of mandatory private pensions is feasible or desirable
 - Comparative levels of amounts for age, disability and survivor pensions
 - Ensuring collection of pension contributions by including tax issues in labour inspections, enforcing business registrations and full reporting of wages.
23. Organize a new round of pension modelling for Serbian policy makers
24. Ensure training in negotiation and advocacy skills for employers; organization and trade unions is ongoing.

1. Background and Project Description

1.1. The Decent Work Country Programme of the Republic of Serbia

The Decent Work Country Programme (DWCP) (from which specific outcomes were selected for the RBSA) was developed by the ILO and its Serbian social partners during 2007 and lays out a programme of activity to run from 2008 to 2011. The focus of the DWCP is on the new system of industrial relations, employment and social policies required by these national policies and agendas, as part of an economic reform programme launched by the Serbian Government in 2001².

Prior to the recent international crisis, some recovery had been made from the severe economic decline of the 1990's with GDP growing at 5.7% between 2001 and 2007. Despite decline in the industrial base, there was growth in the services sector and increased external investment principally from EU countries but also from the US. Between 2002 and 2007 poverty declined from 14% to 6.6%.

However these improvements did not correspond to an increase in employment. Between 2004 and 2006 there was a loss of 300,000 jobs and an employment to population ratio in 2007 of 60% for men and 43% for women. There was a larger impact on disadvantaged groups such as youth, (particularly those without educational achievements), displaced persons, ethnic minorities and persons with disabilities. A large proportion of people are employed in an informal economy of subsistence farming and self-employed trading and household services. Also national institutions are not well structured to respond to the large regional disparities within Serbia resulting in disadvantage for rural and remote communities.

The strategy of the ILO and its partners for the DWCP has been to support the government's drive to improve Serbia's competitiveness through dialogue between employers' and workers' groups (much damaged by the previous decade of instability) under a revitalized national Economic and Social Council (ESC).

Further DWCP objectives include:

- Creating local level Economic and Social Councils.
- Building Employers' and Workers' Organisations to be attractive and relevant to potential members and as an authoritative and expert voices to government.
- Encouraging collective bargaining particularly at local level, and give training in labour law to the Ministry of Labour and Social Policy in order that ILO conventions are ratified and a greater number of disputes solved peacefully.
- Reforming, amid high political expectations, the Serbian pension scheme with its huge unfunded liabilities, and achieving greater co-ordination between the tax and social security authorities to ensure collection of pension contributions
- Implementing a strategy for increased compliance with labour and occupational safety and health laws through a well trained labour inspectorate
- Developing and implementing a strategy and action plan for youth employment with focus on vulnerable groups.

² This includes the Poverty Reduction Strategy, National Programme for Integration with the European Union, National Strategy for Economic Development (2006-2012), National Sustainable Development Strategy (2008-2013) and is within the UN Development Assistance Framework (UNDAF).

1.2. Regular Budget Supplementary Account (RBSA)

The programme under evaluation derives from an innovative funding and activity mechanism: the Regular Budget Supplementary Account (RBSA). This was developed by ILO HQ in consultation with ILO member governments, to allow the core work of the ILO (to support employment and labour relations under a country's Decent Work Country Programme and funded under the ILO Regular Budget) is given an extra boost of resources dedicated to one specific country.

The country chosen in this instance was the Republic of Serbia. The ILO office managing the delivery of the activities was the ILO sub regional office for Central and Eastern Europe³. Serbia was chosen because, for historical reasons, the employment related institutions and competencies Serbia needs to run an efficient and fair market economy were less developed than in other comparable countries in the sub-region.

In addition to these particular needs, Serbia suffered with other countries in the region the impact of the international crisis. The RBSA objectives were therefore widened to include issues to deal with this crisis, notably wage-setting. Finally the RBSA was targeted to specific vulnerable groups, principally persons with disabilities, and to the related issue of improving standards of workplace safety and health.

The importance of this mechanism is that it creatively addresses an endemic problem of ILO funding. The member nations of ILO need to be able to explain to their taxpayers the benefits from the spending, made on their behalf, on international development. Technical co-operation projects are more attractive because the aid priorities of a donor country can be reflected in tangible benefits to targeted groups in poor countries and be presented in this way to the media and general public.

However, building institutions such as those needed by an efficient labour market takes longer. The RBSA mechanism recognizes the need for long-term institution building, and faith in the competence of the ILO and its partners to advance it.

To prepare for the RBSA, the sub-regional office in 2008 analysed which of the 18 countries it served, needed extra assistance to fill the gaps between the current capacity of their labour market institutions and the standards they needed to attain.

In July 2008 the decision was communicated to the sub-regional office that the funding (997,163 USD.) would come to the Budapest office from the Government of Italy but it would be targeted to only one country namely Serbia.

The following priority outcomes of the Decent Work Country Programme in Serbia were then chosen to be supported under the RBSA:

1. The capacity of the Ministry of Economy and Regional Development and of the National Employment Service strengthened to implement an active employment policy

³ Known from its office location as ILO-Budapest.

2. The Government in consultation with the Employers' Organisations and Trade Unions to promote access to employment for persons with disabilities
3. Labour administration institutions to be strengthened through the sharing of good practice.
4. Employers' and workers' organisations strengthened to engage in social dialogue on labour issues such as wage-fixing, the employment of persons with disabilities, increased participation of women and inclusion of gender equality issues in general agreements.
5. Capacity of labour inspectorate and of the social partners enhanced to implement labour laws and occupational safety and health (OSH) regulations.
6. Effectiveness of the social protection system at national and regional levels enhanced by better management of social security and improved OSH and labour inspection.

2. The Evaluation

2.1 Purpose

The evaluation aims to assess the effectiveness, efficiency and sustainability of the work done under the RBSA and the achievement of its planned milestones and indicators; and to record lessons learned and recommendations for the future, including the value and any improvements in the RBSA mechanism itself. The issue of relevance, and therefore full treatment of design, was not excluded from the TOR.

The evaluation has been prepared for the benefit of ILO's tripartite constituents, other partners and beneficiaries in Serbia, other countries of the sub-region, the Government of Italy as the member nation of the ILO providing the extra funding for advancing the Serbian Decent Work Country Programme, the ILO management specialists and administrators at the ILO sub-regional office Budapest including the ILO national co-ordinating staff in Belgrade, and ILO HQ Geneva.

2.2 Methodology

The evaluation has followed the Terms of Reference given to it; they are available as Annex I to this evaluation report and largely follow the format used for technical co-operation projects, though - as a continuation of core ILO activities – the RBSA is not itself a project⁴. The evaluation was based on desk research of documents, as provided by the ILO's Budapest office, including project documents, training materials, social partner reports, research studies and the proceedings of seminars and round tables. A list of the key documents consulted is available as Appendix III of this report.

⁴ ...nor is the funding source a "donor", but a constituent member nation and stakeholder of the ILO. Given that an RBSA is something of a hybrid between core DWCP work and a TC project, some thought might be given to developing some more specific methodology. The caveat in a recent evaluation regarding the "project-ization" of the RBSA is worth noting: refer Evaluation of DfID and ILO Partnership Framework Arrangement 2006-2007 pp 14-15

The evaluation was put together at relatively short notice to meet a June 30th 2010 budget deadline for completion. Ms Anna Farkas managed the evaluation from the sub-regional office. The ILO national co-ordinator in Serbia, Mr Jovan Protic set up the meetings in Belgrade but was absent on paternity leave during the mission. The office assistant, Ms Andjela Pavlovic, was available for some support functions but the slender staffing did hamper the evaluation in areas of interpretation, logistics and making changes in the mission agenda as they became necessary.

The evaluation team comprised one international (as lead evaluator) and one national expert: Mr Tim Dyce and Ms Branka Andjelkovic. It commenced preparation on the 17th May. The lead evaluator interviewed the Director and specialists at the ILO Sub regional Office, Budapest 25th and 26th May and, with the national expert, conducted interviews in Belgrade 28th May and 1st to 3rd June. Discussions with the organizers mentioned above were held by conference call to plan the missions. A full list of persons interviewed is available as Annex II of this report.

The draft findings were presented at a half-day verification workshop in Belgrade on 25th June 2010 to which approximately fifty local stakeholders had been invited and about thirty attended -- and at which four ILO sub-regional specialists and the two national staff attended

The methodology employed for the evaluation involved prior document study, leading to identifying the questions to put to the persons to be interviewed and triangulating all data received. [Discussion was had on a questionnaire being sent in advance of the mission to the direct beneficiaries, but the variety of the components and beneficiaries, the limitations on time and therefore results, the lack of availability of local staff, the poor record of response rates to other surveys carried out with the same target groups, made this unfeasible.]

Specialists and administrative staff in Budapest and Belgrade together with the partners in Serbia deserve thanks for their work at short notice to ensure the evaluation went ahead on time.

Most limitations on the evaluation derive from those on the Programme itself and relate to slow release of funds and delayed decisions and deferment of programme deadlines with the result that outcomes were less susceptible to evaluation.

It would have been helpful for the mission to Belgrade to have had the presence of the national co-ordinator both to assist with understanding the background to the agencies being interviewed and to assist in reshaping the agenda as that became necessary. The sub regional evaluation manager was highly committed but relatively inexperienced and more support from the regional focal point could have been advantageous.

While the logistical difficulties are acknowledged, more perhaps could have been done to respond to the evaluators' requests to meet with more ultimate beneficiaries (the team met with only one - in relation to the employment of persons with disabilities) and to local personnel (such as regional Economic and Social Councils and Local Employment Councils) rather than just focus on "head office Belgrade".

3. Specific Findings and status of Outcomes

3.1 Employment policy and employment of persons with disabilities

SRB 125 Improving the formulation and implementation of employment policy as well as measures targeting disadvantaged youth

3.1.1 Strengthening the capacity of the MERD and the National Employment Service to implement active employment policies

Outcome SRB 126: A gender-sensitive active policy on employment, including provisions for adequate income support during unemployment is adopted and implemented at national and regional levels:

Strengthen the capacity of the MERD and of the National Employment Service to formulate and implement an active policy on employment as set forth by the Employment Policy Convention (C122) 1964 that ratified by Serbia in the year 2000.

Milestones: Employment Department of the MERD is able to formulate, monitor and evaluate the employment policy.

Means of verification of achieving the milestone: The provisions of the employment promotion law are applied.

IMPLEMENTATION

The Employment Department had been transferred in 2007 from the Ministry of Labour and Social Policy to the Ministry of Economy and Regional Development requiring a large scale capacity building effort in the new Ministry. After adopting a mid-term employment strategy and a national action plan, the government started reforming its employment promotion legislation in line with ILO Conventions 122, 88 and 181, and to include specific provisions for people hard hit by structural reforms: such as labour market entrants, older workers and disadvantaged groups.

The work on Youth Policy was carried out under the separate Project *Youth Employment Promotion in Serbia* also funded by the Italian Government. It developed a series of training programmes from February to May 2009 in which participants from the Employers' Organisations and Trade Unions and at times, experts from MERD and MOLSP were trained in key youth labour market indicators and policies, the design and financing of active labour market programmes, monitoring and evaluation techniques and the impact of the financial crisis.

The RBSA "project" focussed on the new Employment Promotion Law gazetted in 2009, and the capacity of the Ministry of Economy and Regional Development to promote active labour market policies. This involved assisting in the functional design of the new employment department of the Ministry and providing knowledge management, staff training and other HR development inputs.

In order that the employment department of MERD would better implement the new law and the associated plans and strategies for institution building and improved and widened operations, a functional analysis was conducted in July 2009 and its

recommendations presented in September 2009. Consultancy support was provided in November 2009 to prioritise the steps to implement the recommendations, particularly in the light of the financial crisis which presented new demands on the department but also made employment a central issue in government policies.

A further RBSA initiative: *Strengthening the capacity of the Local Employment Councils to implement active policy on employment in the Republic of Serbia*, followed a review in September 2009 of local social dialogue institutions. It produced *Guidelines for the operations of Local Employment Councils* validated in workshops in the Districts of Borski, Branicevski, Raski and Severno Bački. This served as institution building, in line with EU employment guidelines, as part of preparing Serbia for accession to the EU. Comprising one representative each of local government, the NES, Trade Unions and SAE, the councils need to meet the requirements under Serbian legislation in order for government funds (and eventually future EU funding) to be released for local employment initiatives. In practice, most councils have been set up by the local branch of the NES. They are expected to provide locality-specific employment data to the Ministry. At the time of the evaluation most were still in formation and not susceptible to visit or evaluation.

At the request of the Employment Department, the project compared Serbia's employment and insurance laws to unemployment laws in Bulgaria, Romania, Slovakia, Germany and Slovenia. This analysis was used by the working group that was revising the legal framework, in force since 2003, but needing review as a result of more recent legislation, and new employment programmes of the NES and private employment agencies (PREAs). The improvements are included in the *Law on Employment Promotion and Unemployment Insurance* (Gazette of Serbia No 36/09).

In addition there were a number of context-related tools:

- *The public employment services in a changing labour market.*
- *Guidelines to private employment agencies.*
- *Resource manual and guidelines for the promotion of employment of persons with disabilities.*
- *Glossary of key terms for employment and training.*

An assessment of the role and functions of the Local Employment Councils (LECs) in the Districts of Borski, Raški, Braničevski and Severno Bački pointed the need for:

- Streamlining the framework for social dialogue on employment at local level and laying down a clear system of interaction between the Economic and Social Council (ESC) and the national and Local Employment Councils.
- Clear guidelines on the composition, role and tasks of local Employment Councils as well as their relations with other institutions at local level. These would help Councils already established to carry out their role in implementing active employment policy at local level, and also serve as a blueprint to local governments for establish new Councils.

The findings and key recommendations of the assessment report were discussed in a training workshop held on 10 March 2010. A further international consultancy took place in April 2010 to assist the Ministry of Economy and Regional Development to develop a monitoring and evaluation guide and to run a workshop to train key staff in its use.

EFFECTIVENESS

The outcome and the milestones were achieved. The Evaluation shared the view of the CTA that the Employment Department was now on the right track of enhanced employment policy delivery, having moved (as a result of the functional analysis carried out under the project) from inadequate job descriptions, inefficient ad hoc operational decisions and insufficient orientation of new staff. All staff members interviewed by the evaluation reported that the training and on-site support had given them confidence, skills and a commitment to learn more. The CTA has continued on in an in-house expert role, and the staff has had access to her on a daily basis. While management indicated it is committed to consolidating these gains, the results of its HR design, training and counselling should be evaluated regularly to ensure that staff, continue to receive support comparable to that received from the CTA .

3.1.2 Promoting access to employment for persons with disabilities

Outcome SRB 129: A policy for promoting access to employment of persons with disabilities is adopted by the government in consultation with the social partners: Promote access to employment of persons with disabilities.

Raised awareness of the benefits of diversity/equal opportunities at the workplace through the integrated approach of socially responsible enterprises / CSR with the view to empower and involve social partners.

Milestone:

Strategies for employment of persons with disabilities developed by employers' and workers' organisations.

Means of verification of achieving the milestone:

Tools are used at enterprise level to improve management of diversity, especially with regard to employment of workers with disabilities

IMPLEMENTATION

The Law on Vocational Rehabilitation and Promotion of Employment of Persons with Disabilities in Serbia was adopted in May 2009. The Law introduced a quota-levy scheme with the aim of increasing the number of employed persons with disabilities. Businesses over a certain size are required to employ a defined number of such persons, and penalties are levied if they do not. The bulk of small enterprises do not fall under the requirement⁵. However employers had some concerns as to the effectiveness of the proposed system (and lack of time to prepare its implementation).

The SAE argued 1) that there is dispute over the total number of persons with disabilities -- the basis on which the quota is calculated; 2) the extra costs on business are onerous at a time of financial crisis when the Government itself is saying that

⁵ Article 24 of the Act stipulates that “an employer with 20 to 49 employees shall be obliged to enter into labour relations with one person with disabilities. An employer having 50 and more employees shall be obliged to enter into labour relations with at least two persons with disabilities, and per any subsequently started number of 50 employees, to employ one person with disabilities each”.

because of costs it cannot hire more staff (and therefore implement its quota as an employer); 3) tax and other incentives would work better than a quota. Some among groups representing persons with disabilities argued that given a lack of awareness among employers of the employability of persons with disabilities the necessary commitment would not come about without at least some period of legal requirement. Consensus was not achieved, but the law came into effect on June 1, 2010.

Based on assessments of the labour market in Serbia, the ILO concluded that sustainable employment of persons with disabilities would require not only the employers' compliance with the legislative requirements, but also the promotion of a good business case for hiring people with disabilities (who typically make loyal employees and whose presence can build co-operation among staff generally). ILO initiated the project *Corporate Social Responsibility (CSR) - based employment of persons with disabilities* within the RBSA. The project pursued two objectives:

1. To increase knowledge among the Employers' Organisation and Trade Unions on diversity management and the labour aspects of CSR, with a focus on the employment of persons with disabilities;
2. To help the social partners raise awareness and set up pilot activities at company level by assisting employers and civil society groups to share good practices on employing persons with disabilities.

The first set of ILO awareness raising activities included:

- A study of profiles of persons with disabilities from a work-supply perspective, entitled *Platinum Boxes, Bridges and Bullets: Report on available services for persons with disabilities searching for a job*, prepared by Henry Leerentveld and Damjan Tatic, and published in May 2009
- A one-day workshop on 7 April, 2009 in Belgrade, for thirty civil society organizations and the National Employment Service (NES), to discuss the study and the supply side of the employment of persons with disabilities.
- A three-day disability awareness-raising training event on 3-5 June, 2009, in Belgrade for thirty people from CATUS, the UGS Nezavisnost trade union confederation, the Serbian Association of Employers, and the NES. Each organisation developed an action plan and identified the tools needed from the ILO, and then each organised further training for its members.

The second group of activities was based on these action plans and run by the social partners to exchange experience and good practice:

- Four round tables organized by UGS Nezavisnost and CATUS for their members between 16 December, 2009 - 17 March, 2010 in Veliko Gradiste, Beograd, Krcedin, and Kragujevac with 93 participants in total.
- Four workshops organized by the SAE (December 2009 to February 2010), for 17 from the banking sector, 39 from Belgrade local government and municipal companies, 8 companies from the processing sector and 17 from the service sector. SAE also conducted 7 round tables (November 2009 - March 2010) for companies in: Kragujevac, Sremska Mitrovica, Novi Sad, Belgrade, Bor, Veliko Gradiste, Leskovac, Nis, Lazarevac: 300-plus participants attended.
- Two roundtables on employment of persons with disabilities, jointly organized by SAE and UGS Nezavisnost with more than 120 participants. UGS

Nezavisnost took further steps organizing activities on improving the status of persons with disabilities employed in the Zastava arms factory.

- Booklets on different topics on employing persons with disabilities⁶.
- A five-day training seminar (March 2010) on Professional Rehabilitation for 19 career counsellors from the National Employment Service.
- ILO contributed to two workshops for members of the American Chamber of Commerce AMCHAM (10 November, 2009 and 29 March 2010) in Belgrade

EFFECTIVENESS

The intended milestone was reached in that a strategy was prepared. However the criteria for verifying the milestone (the exercise of the tools with verifiable effect) were not yet in place, as the legislation came into force only very shortly before the evaluation⁷.

The training of trade unions and the SAE on employment of persons with disabilities was the first project of this kind carried out in Serbia. It significantly increased the capacity of workers and employers organizations in Serbia, the Ministry of Economy and Regional Development and the National Employment Service to implement employment policy for persons with disabilities.

Parallel training of trade unions, National Employment Service and members of SAE had a multiplier effect. ILO's involvement gave legitimacy to the Law on Vocational Rehabilitation and Promotion of Employment of Persons with Disabilities. In the view of the Serbian Association of Employers (SAE), "the project promoted the work of the SAE and enhanced the association's visibility among employers, potential SAE members"⁸.

At this stage, there are 22,500 persons with disabilities registered as unemployed at the National Employment Service while civil society groups estimate the demand as at least double that. Employers in smaller towns face particular difficulties in identifying potential employees as often there are no unemployed persons with disabilities registered with the local NES office. Also, persons with disabilities have often been disadvantaged in their education and it can be difficult for employers to employ and support them unless they have access to expert help from civil society organizations specializing in disability issues.

Out of the 22,500 registered unemployed, 18,500 are registered as active job-seekers, 35% of whom (roughly 7,000 persons) have only primary education. Lastly, public companies, which are still the major employers in Serbia, are not allowed to increase the number of employees in 2010 due to the recent loan arrangements with the International Monetary Fund (IMF) a dispensation not granted to the private sector.

⁶ 1. Accessibility in the workplace; 2. The legislative framework for employing persons with disabilities in Serbia; 3. The role of Trade Unions in implementing the rights of persons with disabilities to equal inclusion in the labour market; 4. Employment of Persons with Disabilities - International Standards; 5. Employees with Disabilities: Myths and Realities; 6. Resource manual on organisations/institutions/services/booklets/studies already available in Serbia.

⁷ There were elements of the design of the RBSA (i.e. use of tools as an indicator of the development of a strategy) which raised questions. However relevance was not included in the evaluation's TOR.

⁸ Comments of the SAE secretary General to the evaluation

According to the Centre for Rehabilitation and Employment of Persons with Disabilities at the National Employment Service, “Employers are now showing much more interest in employing persons with disabilities than a year ago, when the law was adopted ... this is the direct result of the training and awareness raising activities carried out under the project. The 2010 annual statistic on employment of persons with disabilities will show whether this was an accurate assessment⁹”. And according to the Trade Union UGS Nezavisnost: “The project changed the perceptions of trade unions and employers on the employability of persons with disabilities”¹⁰.

A number of knowledge products (booklets, studies, brochures) were developed with support of ILO. In addition to workshops and trainings, constituents had continuous access to advice from the ILO specialists based in Geneva and Budapest. The Centre for Rehabilitation and Employment of Persons with Disabilities at the NES: “The ILO assistance was very helpful in the process of harmonizing the law as time was very short to introduce it and sensitize the social partners and the media to the new provisions. There has been a big difference in the capacity of the Centre but also in capacity of social partners before and after the implementation of the project”¹¹.

One of the major achievements was to change perceptions among trade union members and employers about persons with disabilities, particularly their ability to carry out work. As a result of the project, UGS Nezavisnost introduced a division for persons with disabilities, which aims to connect occupational safety and health issues with disability as a result of injury at workplace and to cooperate with civil society organizations in focusing on persons with disabilities.

A Belgrade public company, which was visited by the evaluation team, was among those SAE members invited to training it organized. The training speeded up for them the process of implementing the law: helping resolve doubts among the company managers when faced with the task of employing persons with disabilities as required by the law while, along with other public companies, being banned from employing new staff. They prioritized persons with disability in further hiring within their staffing cap. The City of Belgrade was asked for advice and the same policy was applied to all Belgrade public companies.

The company was helped to better assess the working ability of persons with disabilities. It already employed eight persons with disabilities, and is now in the process of signing contracts with seven more. These fifteen persons with disabilities are added to the seven hundred staff already employed¹².

⁹ Comment of the Head of the Centre to the evaluation Belgrade 31st May 2010.

¹⁰ Comment of the General Secretary to the evaluation Belgrade 2nd June 2010.

¹¹ Comment of the Head of the Centre to the evaluation Belgrade 31st May 2010.

¹² Information provide to the evaluation by the Head of Legal Affairs for the Belgrade Parking Services Company Belgrade 31st May 2010.

3.2 Building capacity of social partners

Outcome SRB 100: Strengthening the capacity of the government to improve the governance of their institutions and of the social partners to improve the governance of the labour market

3.2.1 Labour administration institutions

SRB 102: Efficient labour administration including the establishment of an effective dispute settlement mechanism: strengthen capacity of labour administration institutions through good practice sharing

Milestone:

Staff of the Ministry of Labour and Social Policy properly discharging the reporting obligation under Art 22 of the ILO constitution by effective consultations with social partners.

Means of verification achievement of the milestone:

Ratification of C150 on Labour Administration. Government prepares amendment to the Labour Law including provisions on the representativity criteria. Government consults with the social partners to alleviate the effects of the global economic crisis on the labour market.

IMPLEMENTATION

The principal activity here was the holding in Belgrade of the 6th Meeting of the Labour Law and Labour Relations Network of South Eastern Europe. The Network holds annual meetings which add value to the preparation and drafting of labour legislation in Serbia, as well as in other member countries of the Network. This event was valued for facilitating useful peer learning and networking for Serbian labour administrators and those of the region.

EFFECTIVENESS

The very general outcome of an efficient labour administration and the milestone of effective consultations with social partners raises a question of degree (of effectiveness) but it can be judged from the evaluation interviews that considerable improvement has occurred albeit from a low base, and that hard work has been done but will need to be sustained¹³.

¹³ While no further activity was carried out under the RBSA as targeted to the establishment of an effective dispute settlement mechanism, some achievements in this direction should be noted. Labour inspectors spoke of better strategies to assist workers in dispute with their employers. In addition, the Public Agency for Peaceful Settlement of Labour Disputes which was established in May 2005 and its powers extended in 2009 with assistance from ILO advice and training has slowly built a track record of effective action to resolve strikes and individual disputes. According to comment by the agency director to the evaluation (Belgrade 2nd July 2010) an individual can spend three years in the courts but only fifteen days with the agency in order to resolve an issue. The need for better education of judicial officers in local courts, when matters get to the stage of being taken before them, was raised as an issue

Consultation took place, as part of the RBSA, to mitigate the effects of the international crisis and also on employment law and representativity, though there is still lack of full agreement by the social partners as to the criteria of representativity for each agency and therefore their role as a voice for their members.

As to the means of verifying this achievement¹⁴, ILO noted that the ratification of Convention 150 has not yet taken place. Amendments to the Labour Law have been prepared but without the agreement on representativity criteria. The Government has worked with the social partners during the life of the RBSA to alleviate the effects of the global economic crisis on the labour market though there remains debate about some of the steps proposed, particularly in relation to pensions.

The Ministry of Labour must not be rendered ineffective by the transfer of the Employment Division to MERD. The transfer reinforces the need for a structure to ensure both Ministries work together on labour issues starting with a mandate to co-operate in the introduction of all employment-related legislation and regulation.

3.2.2 Employers and workers' organisations

3.2.2 SRB 103 Increased value of employers' and workers' organisations to existing and potential membership through the provision of new or better services:

Strengthen capacity of the participants of social dialogue on various labour issues i.e. wage fixing, employment of persons with disabilities, increasing participation of women in social dialogue, inclusion of gender equality.

Milestones:

Women Trade Union trainers trained on empowering women in collective bargaining; Employers' regional staff appointed and trained in effective employer organization issues.

Means of verification achievement of milestones:

SAE better able to engage in policy discussion on wage fixing at national level SAE provides new and better services for members

I. TRADE UNIONS: CONFEDERATION OF AUTONOMOUS TRADE UNIONS OF SERBIA (CATUS) and UGS NEZAVISNOST

Women's role in wage bargaining

IMPLEMENTATION

The representativity of workers in Serbia is complicated by the existence of two trade union federations, and the ILO has attempted to work to build capacity, including international networking, in ways by which the two organizations can eventually converge. This difference is seen by some as arising from the complexity of the criteria for representativity - which was not something the evaluation could address.

¹⁴ This is another example where it is questionable whether the means of verification are accurately related to the milestone

As work was already being done with trade unions under programmes outside the RBSA (notably MDG funding from Spain and Trade Union-specific funding from Norway) and the fact that due to different reasons the UGS Nezavisnost didn't take part in the specific trade union activities of the RBSA, the trade union intervention comprised building capacity only for the members of CATUS.

Two 2 ½ day seminars for the women members of CATUS were held each with 25 women attendees in order to empower them in collective bargaining. A Guide for TU leaders and experts with new Serbian data for mitigation of the effect of the current financial and economic crisis was produced, with the aim of preparing them to use macroeconomic indicators when creating proposals for national anti-crisis plans. It is intended that adaptations of the Guide could be made for other countries of the sub region. The draft of the Guide was produced in December and a validation seminar followed with members of CATUS. It is expected to be printed in Serbian and English and distributed with an accompanying slide show for training by the end of the funding period (June 30th).

EFFECTIVENESS

The milestone defined in the RBSA was reached. The results defined in the RBSA Work plan related to collective bargaining but other structural impediments on the development of collective bargaining at the industry level meant that the training was restricted to company level bargaining. Feedback from CATUS and the ILO specialist indicated these activities resulted in greater confidence and competence by women negotiators. However as the activities took place only at the end of the RBSA period, concrete results from negotiation were not apparent, but are likely to be more apparent in the next round of negotiations. At that stage, more focus will be needed on the gender pay gap across the country. Greater gender parity is also needed within the union structure: at this stage, while women are well represented at the national level of both unions they hold less leadership positions at branch and confederation levels. The best result for the RBSA initiative, in the opinion of the ILO Workers' Activities specialist, is to strengthen women's position at branch level. The unions stressed that women play an important role not just in advocating for women within negotiations but that they bring experience and useful insights for the benefit of all workers.

II. EMPLOYERS' ORGANISATION SERBIAN ASSOCIATION OF EMPLOYERS (SAE)

i) Services and Income

IMPLEMENTATION

During the time of the RBSA initiative there were changes in the leadership of the SAE which enabled ILO "from the ground up" training for SAE to re-think the total workings and identity of their organization. Employers' Organisation capacity was built through a 2-day strategic planning activity, the output for which in February 2009 was a comprehensive action plan emphasizing the need for improved support from - and services - to members, with the establishment of local offices and of strong sector associations and greater international networks. Progress to implement the plan was reported on 6-monthly (October 2009 and April 2010).

The plan's SWOT analysis revealed the need to develop income streams over and above membership fees and to raise awareness among member companies that unless they could better resource their representative body, it could not carry out the advocacy work needed to improve the policy and legal environment for business in Serbia. The SAE in turn realised it had to attract the income it needed improve its services to members. A workshop in April 2009 conducted by the Irish Business and Employers Confederation (arguably the leader in this field) identified the key services required by members as legal advice, and occupational safety and health¹⁵.

The first activity was a programme of legal seminars for employers (with differential pricing for members and non-members). The output here was an Employers' Guide to Employment Law (based on the 2007 law as implemented in 2008) introduced in four seminars and published both in manual form and on the web. Further, a system was set up to capture the legal questions most frequently put by the members and to compile the answers given by their legal experts. This permitted the SEA staff to answer these standard questions from SAE members without confusing this process with the need for a company to hire their own lawyers for specific advice.

The second activity was that on Occupational Safety and Health (OSH), where six two-day seminars were organized for some 170 employers from the construction and metal industries in different regional locations. Because of the high number of SMEs who are members of the SEA there is a special role for the organization in helping them understand and implement the OSH legislation.

Five special one-day seminars for SMEs (averaging 17 participants each) were held to assist them to carry out risk assessments in the tourism, hotels and restaurants, health, crafts and services sectors. As discussed further in this evaluation¹⁶ the SAE official with responsibility for OSH noted these activities has led to a greater sense of responsibility for workplace safety on the part of many employers in particular bringing in house the task of workplace risk assessment so that a member of company staff is licensed to do this work (and can keep an eye on risk factors on a more continuing basis) rather than hiring an external agent. The SAE also engaged with the Trade Unions in the autumn months of 2009 in the distribution of pamphlets and posters as part of a general education of the workforce in the two selected sectors.

Meanwhile a beginning was made to put subscription income on a firmer footing (the goal was a 40% increase in fees) against a longstanding practice of members paying late or not at all depending on the state of their own businesses. Beginning in January 2010, invoices were sent out to members ahead of the due dates for payment under the new fee schedule, and combined with choice of monthly, quarterly or annual payments. The goals have been to retain existing members and to have a 10% increase in new members. This concerted approach - of reliability in subscription income and fees from increased services of greater value to members - did not lead to an increase in income but nor was there a drop in membership – which, given the circumstances of the time, is a positive result. A data base of potential members was created and activities have been better targeted to employers in particular sectors and regions though the regional structure remains weak.

¹⁵ These two services were the objectives of 2009-10. It is intended that two new services should be introduced each year.

¹⁶ Section 3.3.1

ii) Policy and Legislation

IMPLEMENTATION

One of the major issues facing Serbian employers at the end of 2008 was the setting of minimum wages. No action had been taken on this because of the international crisis, and to reach policy consensus on this issue required employers to understand a number of macro-economic factors. The New Zealand Employers Organisation (Business New Zealand) was contracted to prepare a paper on minimum wage issues from an employers' perspective. With the assistance of ILO Bureau of Employers Activities and the ILO International Training Centre Turin a Guide to Macro Economic Concepts for negotiators, originally developed in Africa, was adapted for Central and Eastern European countries. The two themes were combined for a sub-regional 18-country workshop in September 2009 held in Zagreb. While this workshop was partner-funded from other sources besides the RBSA, it was a good example of how the RBSA initiative as a result of being focussed on Serbia led to enhanced activities for other countries in the region.

The Serbian Government had decided, despite the international crisis, to proceed with the Law on Professional Rehabilitation and Employment of Persons with Disabilities. It made sense therefore that under the RBSA the ILO should develop, with the SAE, a corporate social responsibility programme to help employers deal with the quota-or-payment requirements. As discussed earlier¹⁷ taking the CSR approach meant that employers could be guided to see employing a person with disabilities not as an onerous state obligation but as a useful challenge to understand the advantages that disabled persons can bring to the workplace. In this, the RBSA initiative was facilitated new working relationships with organizations with expertise in disability issues. Eleven one-day round tables were held for social partners and NGOs. A booklet: *Myths and Realities about employees with disabilities* and a short film were produced. Other sector-related publications are planned.

It was also a good example - along with the earlier work on standard legal knowledge required at the SAE - of capacity building, where training of personnel is part of a wider programme of awareness raising, resource material dissemination, international networking and micro level support to individual workplaces.

During the life of the RBSA the international financial and economic crisis increased in its impact on Serbia and neighbouring nations. The extension of the RBSA final deadlines permitted further activities to be mounted to deal with this impact, notably the regional meeting held in Sarajevo in November 2009 *The Impact of the Financial and Economic Crisis: Wage Fixing and Policy Response*.

Although not exclusively focused on Employers' Organisations, this initiative was carried out in line with the ILO Global Jobs Pact, to facilitate the necessary dialogue between social partners for reaching agreements at various levels to mitigate the effect of the crisis on workers and to assist businesses maintain productivity. The meeting helped all decision-makers increase their knowledge on setting wages in the light of the crisis.

¹⁷ Section 3.1.2 p.16

The social partners and the Ministries of Labour of five countries in the western Balkans (Albania, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Montenegro, and Serbia) as well as Kosovo (UNMIK) attended, along with wage experts from four new EU member states, Hungary, Bulgaria, Romania and Slovak Republic to bring lessons to share lessons learnt. The conference took place in November 2009 in Sarajevo Bosnia, and among other things encouraged governments to stimulate social dialogue, develop wage policies, reduce economic activity in the informal economy, establish a wage floor above the level of subsistence and overcome discrimination against women and vulnerable groups. Feedback from the Serbian participants was that this event was timely and valuable.

EFFECTIVENESS

The milestone of Employers' Organization regional staff appointed and trained in effective employer organization issues was not met in the sense of having local staffed branches of the organization, but the national staff were successfully trained with immediate results in the organization's value to its members, thus verifying the milestone as did the engagement of the SAE in policy discussion on wage fixing.

These steps are important as SAE represents the bulk of businesses at medium and small levels. There is a danger that without an effective voice from these sectors the Government would listen disproportionately to the few very large businesses which have the resources to provide Employer Organization-type services internally and are powerful enough to speak directly to Ministers. Greater co-operation in the future in a spirit of CSR could allow the very large companies to share expertise and lobbying strength for the greater good of the private sector as a whole.

While the inputs were effective in building capacity in the SAE's leadership, staffing, systems and resources for its members, this did not result in the planned decentralization of the Employers Organization to respond to the regional variety which is a feature of Serbia's economy and society. The SAE went some way during 2009 to preparing a model of seven self-sustaining regional offices but these were not advanced pending the Government's action under its Law on Regional Development to set up seven administrative centres. The SAE's view is that logically its own offices should be in the same locations as the MERD's administrative centres.

However in all other respects, the work of RBSA met the principal objectives of this component: the SEA was equipped to provide a range of new services and take action including enhanced social dialogue on a number of key legal and policy issues. The activities foreshadowed in the work plan were carried out and the outputs delivered.

Particularly impressive was the vastly increased public image of the SAE. The large number of activities carried out under the RBSA created several news stories. The SAE used this opportunity to good advantage which a wide range of policy statements and information about employer issues. In all types of media in 2007 there had been 342 media mentions of SAE; in 2008 this rose to 1409 and in 2009 reached just under 5000.

3.3 Social protection of vulnerable groups

Outcome SRB 150: Improving the effectiveness of social protection with special focus on vulnerable groups

3.3.1 Labour law and occupational health and safety

Outcome SRB 151: Enhanced capacity of labour inspections and social partners to implement labour law and OSH regulations RBSA Contribution to the implementation of the National OSH Strategy (2008-2012) “Support to implementation of National OSH Strategy” project¹⁸

Milestone: OSH issues integrated in national and business plans

Means of verification achievement of the milestone: Ratification of C. 187. Implementation of National OSH strategy

IMPLEMENTATION

Serbia’s rapid transition to a market economy had resulted in drastic degradation of the working environment, and the labour inspectorate is facing a challenge to adjust the system to the new conditions. There were 320,155 companies registered in 2009, of which more than 90% are small and medium enterprises. According to a 2007 survey, carried out soon after the bylaw on risk assessment came into force (6th September 2007), more than 70% percent of companies failed to comply with their legal obligations to conduct a risk assessment.

In the past decade there has been a decreasing trend of occupational diseases but the number of work accidents has remained at almost the same level. For example, the total number of recorded occupational accidents in 2005 was 21,900, of which 966 were serious accidents and 38 were fatal. In 2007 the situation worsened: 1302 people suffered from serious and lethal work related injuries.

Large number of deaths and injuries took place in hazardous industries such as metal industry and mining (644), construction (279), agriculture (38). It should be noted that these are only reported cases and so account for only a fraction of actual cases.

The OSH Law was adopted in November 2005. It provides a legal framework for the development of an OSH system compatible with relevant ILO International Labour Standards and European Union Directives, and with current practice of industrialized market economies. The main principles of the OSH system are: avoidance, assessment and reduction of risk, implementing collective measures, education of both employers and employees and adapting the work place. However, problems have been noted with the implementation and enforcement capacity of the legislation.

¹⁸ This project built on the “Developing a Serbian Labour Inspectorate for the 21st Century” project that was implemented from 2003 – 2005. The aim was to increase compliance with labour and occupational safety and health laws through the increased cooperation of relevant Ministries and agencies and the social partners.

A bylaw on risk assessment of the work place and work environment was adopted in 2006. According to this bylaw, all employers are obliged to assess the risks in their workplaces and implement preventive measures which include managing risks in the workplace in order to minimize possibilities of work-related accidents.

For the full application of the OSH legislation, the Ministry of Labour and Social Policy had developed an OSH strategy for 2008-2012. Serbia is in the process of ratification of the Convention 187 on Promotional framework on OSH.

The ILO project focused on engaging social partners in initiating and maintaining mechanisms for the continued improvement of national OSH systems. The aim was to integrate OSH concerns with employment policies and show the economic burden of occupation accidents and diseases.

Following consultations with the social partners, the construction and metal sectors were identified as priority areas. The ILO endorsed a proposal from the Confederation of Autonomous Trade Unions of Serbia (CATUS) for an awareness raising campaign printing leaflets and posters and conducting tripartite seminars and company visits to share good and bad practices with employees around the country. The latter involved also the construction branch of UGS Nezavisnost.

The activities included:

- Four seminars for construction branches of trade unions held in Vranje, Rudnik, Arandjelovac and Belgrade (total of 111 participants). The seminars were held in September, October and December 2009
- Printing of 40,000 leaflets “Let’s build safer”
- Six two-day seminars for employers in Uzice/Cacak, Novi Sad/Zrenjanin Nis/Pirot, Vranje/Leskovac, Bor/Zajecar/ Majdanpek, (total 170 participants).
- 36 visits to construction companies to present good and bad practices.
- Four seminars for metal branch of trade unions. The seminars were held in May-September 2009.

The project promoted OSH among trade union members and also among employers. In Serbia over 90% of companies are small and medium enterprises (SMEs) and the owners of these companies often have the most difficulty in understanding and complying with OSH legislation.

The Serbian Association of Employers carried out a number of activities in the 2nd and 3rd quarters of 2009:

- Printing and disseminating posters on how to comply with national OSH (1500 copies)
- Producing handbook with illustrated explanations of OSH regulations and guidelines (1000 copies) and brochures (1500 copies)
- 5 training seminars organized, with focus on various aspects of the risk assessment procedures (87 participants in total)

The project also supported the Second Regional Conference on Labour Inspection in South East Europe, Azerbaijan and Ukraine. The conference took place from the 7-9

October 2009 and brought together 40 representatives of the labour inspectorates of Regional Alliance country members and 20 representatives of the labour inspectorates of the Republic of Serbia and the social partners.

Lastly, Serbia observed the World OSH Day event on the 23rd April 2009 in Belgrade. It coincided with the 90th anniversary of the ILO and came at the time when the government of Serbia was taking decisive steps in the field of OSH, drafting a national OSH Strategy for 2008-2012 and ratifying ILO Convention 187 on the promotional framework of OSH.

EFFECTIVENESS

The outcome of enhanced capacity in the labour inspectorate and social partners was achieved to a reasonable degree and the milestone was reached in terms of the Government developing a strategy and moving towards the ratification of Convention 187. In addition the employers association adopted OSH as one of its two principal services to be developed for members under the RBSA and this was reflected by significant if incomplete changes in the behaviour of employers on safety issues.

According to the SAE, 60% of employers now assessed risks in their enterprises. “Social dialogue on the OSH is very productive and it aims by all means to improve the safety of workers”, commented the OSH Adviser in the Serbian Association of Employers. “The Serbian Directorate for occupational safety and health has been particularly active in promoting the OSH agenda.”¹⁹

The SAE noticed that there are an increasing number of employers interested in attributing the role of risk assessors to one of their workers, as intended by the Law. “Until recently, employers were mainly using the services of risk assessment agencies. But, risk assessment is a recurrent activity and it is much better if one of the company employees is licensed to carry out this task” explained the SAE’s OSH adviser²⁰. At least 80% percent of all work related injuries take place in construction and metal sectors. But, there is no separate law on mandatory insurance in case of work injury, that would take into account the reduction of work injuries as a result of risk assessment. The work injury law should put compensation at its centre, and the OSH law should stipulate risk assessment.

Currently in Serbia, disability insurance (both work related and non work related) is covered by the Pensions and Disability Insurance (social insurance) Fund which is financed by contributions from employers and workers (as well as transfer from the state budget to cover the shortfall). The employers are however obliged to assign new duties to the disabled worker and are banned from firing him/her in case of disability.

According to the Deputy Director of the Nezavisnost Construction Section, the project contributed to the OSH promotion among employers. “Instead of paying agencies to assess risks in companies at between 60 and 100 EUR per workplace, employers realized that it would be easier to train and license one of their employees for the task”. In his view, employees still protect employers in cases where the inspection

¹⁹ Comment to the evaluation Belgrade 1st June 2010

²⁰ Comment to the evaluation Belgrade 1st June 2010

finds workers inadequately protected. “Fines are much lower in cases where workers take the blame themselves. The worker is given 50 EUR while the employer would be fined with 30,000 – 40,000 EUR”²¹.

Lastly, there is the major problem of work in the grey economy and on unregistered construction sites. Workers do not report injuries and tend to settle with employers for some modest reimbursement.

A positive development as a result of ILO engagement in the project, the Government of Serbia introduced the Serbian OSH Day, which took place on the 28th April 2010 for the first time. With respect to their own capacities, all the partners noticed improvements. CATUS trained 100 of its members in OSH law, the role of labour inspection and the role of collective agreement. In the trade union UGS Nezavisnost, 150 members were trained to further educate their members in the field. The seminars were aimed to reach the members who work in production and as a result the number of reported injuries increased.

According to the OSH Adviser of the Serbian Association of Employers, booklets and OSH guidebook increased visibility of the SAE. This work also increased the association’s publishing and advising capacity²².

Capacity of the OSH inspectors has been also increased through the project as they were an integral part of the TUs and SAE training activities targeting trade union members and employers. There were 1275 OSH inspections in 2009, which is a significant number given the limited staff capacities of labour inspection. According to the Ministry of Labour and Social Policy, more than 65% of injuries still take place in the construction sector.²³

But, despite the diligent work of the inspectorate, courts in Serbia are slow and unwilling to deal with labour disputes, which are treated at very last. Penalties are minimal so employers take advantage of the ineffective system. As explained by the Director of the Labour Inspectorate²³, there are attempts to establish a labour court or dispute body to speed up processing of labour disputes.

The OSH project promoted the adoption of risk assessment in Serbian enterprises, especially in the construction and metal sectors and the evaluation was confident that this momentum will continue. However it is still the case that workers and employers in Serbia are negligent on safety issues and many do not take it seriously only going through the formalities of workplace risk assessments. These are matters of organizational culture which needs to change with consistent effort over the longer term.

Interestingly there may be a case for the application of gender expertise in future programmes. Though gender issues are often thought of as relating solely to female disadvantage, the high incidence of male worker accidents may represent a cultural view on the part of workers or managers that care for one’s safety and that of others is in some way not part of a masculine identity.

²¹ Comment to the evaluation Belgrade 2nd June 2010.

²² Comments to the evaluation Belgrade 31st May 2010

²³ Comments to the evaluation Belgrade 1st June 2010

3.3.2 Social Security Policy

Outcome SRB 152: Formulation of the social security policy through technical assistance and social dialogue.

Milestone: Pension reform policy developed and agreed by relevant stakeholders

Means of verification of achieving the milestone:

Establishment of Pension Reform Working Group; Development of a Bill for new pension system; Policy dialogue and public discussion

IMPLEMENTATION

Reforming the social security system in Serbia is still a work in progress. The pension is heavily subsidized by the general budget. The contribution from workers and employers covers only two-thirds of the total expenditure and the remaining third is financed by national budget subsidies. The situation is made worse by under-reporting of contributory wages, and weak coordination between social security organizations and the tax authority responsible for collecting the social security subsidies.

Reform of the social security system envisages: a) administrative merging into one of three pension funds (for the employees, self-employed and the farmers) thus establishing a unified data-base of members' records; b) changing the current Law on Pensions and Disability Insurance (social insurance) to reduce the subsidy from the national budget c) enhancing coordination between the tax authority and social security institutions to secure better and regular inflow of resources to the pension funds and so decrease the subsidy from the national budget. While merging three pension funds into a single fund started in January 2008 and is steadily progressing, consensus is lacking on the other two subjects (due in part to the global crisis).

Change to the current Law on Pensions and Disability Insurance has been a major political issue from 2008, when the amendments to the law were announced. The debate focused on two major questions: the relative levels of pension and the method of indexation of pensions to apply (wage index, price index or mixed).

These remain a stumbling block for dialogue between social partners, while trade union discontent was accelerated by the recent IMF-government loan negotiations. The arrangement included introduction of a new pension indexation formula which would progressively reduce ongoing pension subsidies from the national budget but at the same time would seriously affect the living standard of pensioners in Serbia.

The ILO project *Improving the effectiveness of social protection with special focus on vulnerable groups* within the RBSA started in January 2009²⁴ and was completed in June 2010. It was implemented in the context of the financial crisis and was focused on developing national policy on social insurance reform through policy oriented research and technical assistance. It envisaged amendments to the current pension

²⁴ The project builds on a previously implemented French project "Empowering National Pension Scheme Constituents in South Eastern Europe" completed in December 2008 (which covered Serbia, Bosnia and Herzegovina and Moldova).

law, preparatory analytical work for pension reform and a new law on pensions and ran the following activities:

- the Pension and Disability Insurance Act Conference on pension reform on Central Eastern Europe on the 24-25th September (50 participants) and the publication of the proceedings and production of a video
- Training for tripartite constituents on key principles of social security on the 15-17 July 2009 (35 participants)
- Training on pension modelling for policy advisors in the government and social security fund on the 22-26 June 2009 (in total 10 participants)
- Policy report on pension reform prepared in June 2009 (presented at the above Conference in September)

EFFECTIVENESS

While the milestone was not fully achieved at the time of the evaluation, most steps indicated in the means of verification of the milestone had been taken. The government through its working group has developed a draft Amendment Bill of the Pension and Disability Insurance Act and explained the main features of the Bill at a tripartite meeting that the ILO organized on 15 March 2010.

Due to the global crisis and its impact on the domestic political situation, the reform is not as extensive as expected. The Bill is in the final stage to be submitted to the Parliament. An added dimension was that this issue was part of the agenda for talks between the Government and the IMF to which the social partners were not party.

The project succeeded in raising the knowledge of social partners to the same level on the key issues of a pension system. It introduced to Serbian parties different types of social security system reforms carried out in the countries of Central Eastern Europe. The project remained focused on outlining different policy options, without aiming to point at a single preferred choice.

The special value of the project was its technical side: the pension modelling for policy advisers was assessed highly by all participants. In the view of the Chief Legal Adviser in the Serbian Association of Employers: “The seminar on comparative European legal practices showed that there is no social security system in the EU context that is set in stone. But, it is important to note that any changes made in this area will have long lasting consequences”²⁵

However, changes to the current Law on Pension and Disability Insurance (social security insurance) remained out of reach of the project partners. The financial crisis led to renewed loan arrangements between the Government of Serbia and IMF developments, which minimized the space for social dialogue on the issue. At the same time, preparation for the new Law on Pension and Disability Insurance planned to begin in 2009 was postponed until 2010, according to the Ministry of Finance.

As noted by the Trade Unions and SAE, the government is still not providing feedback on the trade unions and SAE comments (submitted in February 2010) to the

²⁵ Comment to the evaluation Belgrade 31st May 2010

envisaged changes to the current pension law. Before submitting the Law amendments to the Parliament for the approval, the government is obliged to ensure public debate on the changes and to submit them to the Social and Economic Council for discussion.

The government, in the view of the General Secretary of the trade union UGS Nezavisnost, insists only on fixing the basis for pension calculation at lower bar while the trade unions, among other things, insist on better work by the tax administration in collecting taxes and coordinating their activities with social security institutions in charge of allocating contributions to the pension fund²⁶.

In general, there is a consensus among tripartite stakeholders that before changes are made to the legislation a comprehensive policy analysis is needed on some key issues:

1. The additional pension credits (known as “privileged service” in Serbian) for certain categories of workers (hazardous work, army service); problems in administration of the farmers’ insurance; the heavy subsidy from the state budget, and low and irregular contributory capacity
2. Retirement age. In the current law, the retirement age is increased to 65 years of age for men and 60 years of age for women until 2011. There is a need to analyse the financial implications as well as gender implications
3. Indexation of pensions. From 2009 onwards, the indexation method has changed to full price indexation from the previous mix of wage and price indexation (the so-called Swiss method²⁷)
4. Feasibility and desirability of a second pillar of mandatory private pensions
5. Comparative levels of pension for old-age, disability and survivor pensions
6. Enforcement of pension contributions by including tax issues in labour inspections, ensuring registration of businesses, and full reporting of wages

The evaluation accepted the need for such a discussion and has included this list in the recommendations of the report.

The project included training for tripartite constituents on key principles of social security and training on pension modelling for policy advisors in the government and the social security fund.

According to one member of the CATUS pension team, the training “did not bring any new knowledge to the CATUS members. Our (CATUS) impression is that the foreign experts learned from us more than we from them.”²⁸ Despite this criticism, she found the training on practices from other countries interesting and beneficial.

²⁶ Comment to the evaluation Belgrade 2nd June 2010

²⁷ This is already in the law. In 2009 the indexation was frozen due to the extraordinary indexation after the general election in late 2008

²⁸ Comment made to the evaluation Belgrade 1st June 2010. Discussion at the verification meeting suggests this may have been an isolated view.

The trade union UGS Nezavisnost and SAE were satisfied with the training offered by the project and the high level of expertise brought to Serbia: Professor Nicholas Barr from the London School of Economics and experts from the ILO Turin Training Centre. “These sessions shed different light on social security reforms”, commented the SAE chief legal adviser²⁹ and the General Secretary of UGS Nezavisnost noted, “the project provided great technical skills to participants”³⁰.

The Senior Economist in the SEGA USAID project at the Ministry of Finance found the sessions on pensions modelling “truly inspiring”. After the ILO training, the Ministry of Finance continued to discuss further the issue of modelling with ILO Budapest. “We try to figure out a model that would fit the best Serbian reality. We hope to have it in place for the new Law on social security planned for 2011”³¹.

4. Conclusions, Lessons Learned, and Recommendations

4.1 Overall Conclusions

The RBSA

The evaluation team concludes that the objective of the RBSA in giving a concentrated resource boost to strengthen and equip the core employment and labour relations institutions of the Republic of Serbia has been successful. The vast majority of the projected inputs were delivered, projected activities took place, and outputs of those activities delivered -- or most likely will be by June 30th. Essentially, the partners have increased capacity, staff members have been trained, new laws, regulations, institutions and networks are in force in key areas, and the social partners can speak to each other with renewed authority.

Employment

Positioning Employment within the Ministry for Economy and Regional Development rather than the Ministry of Labour and Social Policy has given it an appropriate priority within Government. However there are still functions within the Labour Ministry that need greater linkage with the Employment Department, particularly a requirement for joint work on preparation of laws and regulations affecting labour issues. The transfer of knowledge and skill to the MERD staff was successful because of the skills of the expert advisor and the follow-up residency of that expert within the Ministry. But the human capital that has been built up over the last twelve months will be in danger of attrition without the relevant leadership taking responsibility for its maintenance and development.

Social Partners

While the partners now have the tools, much will depend on their ability to use them. This in turn depends on changes in the less-than-functional culture -- between and within -- the social partners that has been inherited from the past. The problem remains of representativity where a divided Trade Union movement attempts to transact with an Employers' Organization with limited presence outside the capital

²⁹ Comment to the evaluation Belgrade 31st May 2010

³⁰ Comment to the evaluation Belgrade 2nd June 2010

³¹ Comment to the evaluation Belgrade 2nd June 2010

and that represents mainly a segment of small and middle-sized businesses that are not accustomed to resourcing their representative body to conduct the kind of advocacy needed to influence government.

Government

While both unions and employers will earn the respect of government as the quality of their advocacy improves and the political significance of their memberships is recognized, it is in the interests of the government through its various ministries and agencies to encourage this process by extending the respect and practice of co-operation. This will enable both Unions and Employers to deliver the support of their members for government policies, and the input of their experience to improve the quality and effectiveness of those policies.

Women and Men in the Workforce

The situation of women in employment in Serbia is mildly better than in some other countries of the sub-region: but women are still vastly overrepresented in the informal economy, and are more represented in the public sector than the private. At the same time men have been particularly disadvantaged by the collapse of the state-owned enterprises and young men and women are disadvantaged by an unresponsive education system. The Trade Unions need to do more to boost the leadership of women at branch level, and all parties need to articulate more clearly the gender dimensions of employment and unemployment.

4.1.1 Effectiveness

Effectiveness is judged by the extent to which the objectives of a development intervention are achieved, or are expected to be achieved. This includes the effect of ILO cross cutting themes such as gender inclusion.

Effectiveness is similar to impact in that both focus on results, but impact is usually judged after a longer time frame when something of the full potential of the interventions to produce the long term intended outcomes for the ultimate beneficiaries can be identified. This evaluation was not an impact study.

Also, because of the late beginning to the operation of the programme, late extensions of time meant that many activities had only just been completed or were yet to be completed at the time of the evaluation.

Knowledge and Skills Transfer

It is clear that from the post-training evaluations of many of the seminars, that participant satisfaction levels were high which indicated that the ILO-ITC Turin training and the various external consultants that were hired provided useful information in a digestible form.

Social Dialogue

Some of the training: such as social dialogue role plays where social partners played the role of their counterparts, assisted in “seeing things from other people’s point of view”, and the value of Serbian personnel interacting with counterparts in other countries (particularly in the immediate region) through seminars and study visits was highlighted by many of those interviewed. In this, the RBSA was effective in

advancing social dialogue because, through combined or parallel training events the social partners acquired new knowledge and skills in tandem and thus a common language about the major issues confronting them. As the SAE Secretary-General commented, “We understand each other better now”³². However, the evaluation noted that attitudes of distrust between and within social partners and weaknesses in the representativity of the Trade Unions and Employers’ Organisations. Insufficient trust from government could also still undermine the RBSA’s social dialogue gains.

Institutional Capacity

From anecdotal evidence, it was obvious that decisions are being made more quickly and with more certainty than earlier. The officers of all social partners and related agencies that were involved in the programme commented that they had resources (manuals, notes, contacts) to ensure that they could continue to carry out their duties with greater efficiency. New laws and regulations are now in place or pending and each agency has access to more trained staff. Within the Government this is particularly true of the Ministry of Economy and Regional Development because of the specific focus on that Ministry. Liaison between national agencies and the specialist staff in the ILO has been strengthened.

However the mobility of staff and the relative youth of many of those trained, coupled with the reliance that has been made on the experts, presents a HR challenge to the agencies to safeguard the human capital built up by the RBSA.

Gender

Partly because there was no gender specialist appointed during most of the life of the RBSA it did not have an overt priority to develop gender inclusion outside of the Trade Union component of training women negotiators. The evaluation noted that employment participation by women was not as limited as in some other countries in the region though it is still too high in the informal sector. A large number of the evaluation’s interlocutors were women, though even they raised the issue of gender only rarely. Gender balance was both a priority and an achievement in attendance at most training seminars and some progress has been made in disaggregating gender data on employment statistics in the Ministry and on membership data in the Unions.

4.1.2 Effectiveness of the overall project management approach

In examining the effectiveness of the project’s management approach, we are assessing how those with direct management responsibility for the RBSA -- effectively the ILO sub regional director, co-ordinator and specialists – gained maximum results from the way they co-ordinated RBSA activities, deployed subsidiary RBSA staffing, hired appropriate consultants and managed local partnerships

Co-ordination of Activities

Originally, activities were exclusively for Serbia, but further consultation between the sub-regional office and ILO-HQ in Geneva led to the decision that, though still focussing the activities primarily (and many of them exclusively) on Serbia, other countries in the region would be involved in some activities relevant to them. This

³² Comment at the verification meeting to discuss the draft report Belgrade 25th June 2010

proved highly efficient in leveraging extra value to the wider region, assisting peer learning and fostering networks between the social partners in Serbia and those in the other countries of the region³³. A side effect was to reinforce Serbia as a colleague nation in facing the problems of the region, after some history of being isolated. It also allowed Serbian representatives on occasion to realize that they had experience to share that was of value to other nations. This is an investment in future co-operation.

National Staff

A national coordinator had been appointed in Serbia in February 2008, who worked with the regional specialists when specifically requested. Both in Budapest and in Belgrade the evaluation team was informed of the timeliness of arrangements made by the co-ordinator and the quality of information he provided to the specialists and to the Serbian agencies. Some inefficiencies in the organization of the evaluation notwithstanding, it was a plus for the programme to have someone reliable, based locally, to whom Serbian partners and agencies could turn for information, and who could set up, attend or follow up on meetings. The co-ordinator was assisted at a later stage by an office secretary.

Hiring of consultants

One of the advantages of the extra funding permitted by the RBSA was the ability to hire international consultants and involve international ILO expertise such as that of ITC Turin. A good example was the involvement in capacity building for the SAE of the Irish Employers Organization IBEC and using the experience of the New Zealand and African membership of the International Organization of Employers through ACTEMP. Other important expertise was assembled for the study of pensions, wage fixing and OSH. Not only does this build competence in the principal actors in a country like Serbia through access to high level knowledge resources but it increases confidence in their own roles by seeing their activities as part of international efforts to solve problems common to all nations, part of the international inclusiveness that was important to Serbia at this stage.

Management of Partnerships

Partners in the different components of the RBSA were well selected and involved, as for example with the virtual coalition assembled to advance the employment and support of persons with disabilities. In this case there was parallel training of SAE, the Trade Unions, MERD and NES and wide-scale involvement of civil society organizations both those focussed in issues of disability and those with wider briefs such as the American Chamber of Commerce.

The principal problem affecting partnership management was the fact that the trade union UGS Nezavisnost declined to participate in the RBSA, though at a later point accepted invitations to some activities³⁴.

³³ These included Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Slovenia.

³⁴ One spokesperson from the participating trade union CATUS also commented at the verification meeting Belgrade 25th June 2010 that she felt CATUS had been “used and abused” by involvement in the RBSA. This related to dissatisfaction by the Trade Union with the Government negotiations on pensions with the IMF and the possible interpretation of CATUS’ involvement as giving indirect credibility to the negotiations through its involvement in the pensions component of the RBSA.

Once the work of the RBSA was under way, the project partners, for example those involved in the disability issues, noted they felt they received adequate and timely technical and administrative support from the ILO³⁵.

Those involved in the OSH components were highly appreciative of the quality of ILO support. The President of the CATUS Metalworkers division spoke of ILO support as of vital importance to promotion of the OSH. He saw this as a sign to the employers that the risk assessment could not be avoided and that they would have to find the means to carry it out. The same project also resulted in modelling of OSH collective agreement, which was distributed to CATUS representatives in 300 companies in metal industry across Serbia³⁶.

Management arrangements were regarded as an effective use of local as well as ILO skills and resources: the project was structured through three sub-projects by the CATUS trade union, UGS Nezavisnost trade union and Serbian Association of Employers. The OSH focal person in ILO Budapest and ILO National Coordinator provided backstop support and advice throughout the sub-projects' implementation.

4.1.3 Efficiency

In evaluating efficiency we are concerned with whether the optimum amount and quality of outcomes was achieved as a result of the way that inputs were delivered, in particular in their timeliness, and in the use of funds.

Timeliness

The decisions to shape the architecture of the RBSA were slowly made during 2008 as were the decisions regarding the release and administration of the funds from the Italian Government and ILO HQ. As a result the funds were only available in December 2008, on the eve of the annual slow-down for most European countries' Christmas holiday season. Effective work began in February with a workshop for the Serbian Association of Employers. Because the RBSA was part of the Regular Budget biennium cycle, activities originally intended to be carried out over two years had now to be fitted into less than one year. It made sense for some extension of time to be arranged, but the process of doing so was likewise delayed and an extension to March 2010 and subsequently to June 2010 was only advised in February 2010 when 90% of the funds had already been expended (caused in part by the rules governing fixed term contracts for personnel hired under the programme).

While some of these delays were the one-off teething problems likely in any large scale innovation it is difficult to avoid the conclusion that the support needed by the sub-regional office from ILO HQ at times was not delivered efficiently with serious long term delays in funds and last minute decisions about extending deadlines. This seems to derive in turn from long delays in the negotiations with the funding nation and slow decision-making on their part. With the agreement of the ILO sub regional

³⁵ Comments to the evaluation Belgrade 28 May, 31 May 1 June and 2 June 2010.

³⁶ Comment to the evaluation Belgrade 1st June 2010. According to the President of the Construction Sector there are 110,000 metal workers in Serbia of which 70,000 are members of CATUS. The construction sector in Serbia employs 120,000 workers in 15,000 companies. He noted that there are 25,000 construction workers are members of the CATUS Construction Section.

office, the lead evaluator visited ILO HQ and discussed these issues with the Department for Partnerships and Development Co-operation (PARDEV) that handles relations with donor and funding nations. However the sub regional office later decided that these matters did not fall within the Terms of Reference as approved by the Evaluation Department at ILO HQ and should not be taken further in this report³⁷.

The constraints put considerable pressure on the sub-regional office. Even when all positions are filled, it is a small office and the team was without specialists in employment, social dialogue and gender during late 2008 and early 2009 when planning and early implementation was carried out. In addition the Sub Regional Director was appointed only in December 2008 so initial preparatory work was managed by the Employers' Activities Specialist as Officer in Charge. Usefully a Budapest-based administrative officer was appointed as ILO co-ordinator for the RBSA (originally intended to take up 25% of this officer's time, it became more like one third). Despite these obstacles, all staff were highly committed to making a success of the opportunity, leading to a steady stream of specialist visits to Serbia. Staff spoke highly of the climate of co-operation and teamwork built by the Director of the Office and the earlier efficient co-ordination by the Officer in Charge.

Use of Funds

Some capacity building activities that fed into the work carried out under the RBSA were funded through other programmes. For example, workshops dealing with the financial crisis --- firstly on the macroeconomic concepts needed to understand the context of setting wages and then secondly the tools required to set them --- received additional funding from the ILO Employers' Activities Bureau (ACTEMP) and the Austrian Government³⁸. Two follow-up workshops were run in conjunction with AREC (Adriatic Regional Employers' Centre) and co-funded by the Austrian Government. The major work done to strengthen the employment department of the Ministry of Economy and Regional Development built on earlier work funded by the Italian Government under a separate project. The CTA of that project was central to capacity building activities carried out under the RBSA. The Trade Unions in Serbia were already being supported under the MDG funding provided by the Spanish Government and by funding from the Norwegian Government, so the ILO Workers Activities Specialist, being already involved with these programmes, chose to collaborate with only a few activities under the RBSA. Finally there was support (including scholarship subsidy) from the ILO International Training Centre.

The evaluation team noted the synergy and flexible management exercised by the sub regional director and specialists in applying these different resource flows. However, examination of accounts and accounting staff was not part of the arrangements for the evaluation and so specific findings are not made on the efficiency of the use of these funds including that of the RBSA. The additional programmes added to the critical mass of resources that has resulted in the enhanced capacity of Serbia to work to achieve the objectives of its DWCP. From the brief budgetary information available, it seems that the RBSA funding and that of the other projects were used to maximum value.

³⁷ From the evaluators' point of view there was question whether solely the activities under the RBSA were to be evaluated or whether the effectiveness and the efficiency of the mechanism of the RBSA should also be evaluated. Earlier comment note 4 p 11 on the projectization of RBSA is relevant here.

³⁸ These workshops were for the benefit of other countries in the region in addition to Serbia.

4.1.4 Sustainability

Sustainability is apparent if the benefits of a development intervention continue after the inputs of development assistance have concluded. Since evaluations are generally held shortly after such a point, and sometimes before, the evaluation must try to judge the probability of continued long-term benefits and the resilience of what has been left behind in terms of organization, competence and know-how.

Some components had, by design, more interventions under the RBSA than others (for example: direct support for the Employers' Organization (EO) as against limited support for the trade unions which had other programmes of direct support and benefited from the RBSA principally through social dialogue interventions).

The EO support was well geared to sustainability in not only providing training activities (regarded by participants to be of high quality in content and communicability) but also systematizing the learning in manuals and in consolidation on the web -- and in the expertise of the staff -- of the problems that employers are most likely to meet and their solutions. This also built the credibility of the organisation as the natural and reliable source of the regulatory and other knowledge needed by employers especially those of medium and small businesses.

Under the employment component, there was a sensible strategy of retaining the CTA of the former Youth Employment project, an expert with high credibility, as an in-house adviser for some months of transition. Such individualized advice and counselling, though costly, maximized the chance of applying the knowledge shared in training events or maintained in manuals.

The evaluation still had some concerns at the relative youth of some of the new appointments which brought to the MERD an enthusiasm to learn but also limited decision-making experience. This is related to the potential for high staff turnover if positions in the private sector or overseas become available to the now better qualified staff. In brief contacts with the evaluators some junior staff presented as not fully across their areas of responsibility and still dependent on the continued availability of the resident expert. This may relate to the levels of competence in the HRD design of the Employment Department or the need for further capacity building processes to be generated within the department such as quality circles or internal coaching to replace the external expert when she leaves at the end of 2010.

The social partners are still hampered by a lack of representativity with a divided trade union movement, an under-resourced employers' organisation and ambivalence on the part of the government in encouraging strong employers' and workers' organisations.

In a country as regionally diverse as Serbia, decentralized structures are crucial for the ability of all social partners to assist their constituents throughout the country. Those planned to be advanced during the time of the RBSA included the tripartite regional Social and Economic Councils, the local Employment Councils, the decentralized offices of the Ministry of Economy and Regional Development, branch establishment for the Employers' Organisations and branch capacity building for the Trade Unions.

Work on most of these remains underdeveloped and must be regarded now as a priority. It is particularly important for the future of collective bargaining and social dialogue that the SAE has increased local membership and an effective branch structure. It is also particularly important that the Government take a more proactive approach in encouraging constituent support for its two social partners and treating them truly as partners in the employment and social protection elements of Serbia's economic development.

The likelihood of sustainability of the outcomes relating to the employment of persons with disabilities is very high especially as a result of the in-depth work done with the SAE and the resultant visibility of the topic in the media. According to the Assistant Minister for Employment, employers today are now seeking to employ persons with disabilities. Many expected that the law would fail in bringing employment to persons with disabilities and instead would function solely as a penalty code³⁹.

4.2 Lessons Learned

The model of a CTA staying on as an in-house advisor-trainer maximizes the skills investment that had been made through the more structured training activities. The slow phasing out of that role, the expert being away for weeks and then months at a time until a final cut-off date, has the potential to lessen the dependency on the expert.

Parallel awareness and training events for all social partners and built around a particular piece of new legislation or policy mutually reinforces the capacity of the key partners whose co-operation is vital to the effectiveness and speed of implementation of these new measures.

While most of the agencies interviewed were cautious about their ability now to run their activities on their own (partly perhaps because such an admission would work against further external assistance), several observers including the ILO specialists judged that something like a quantum leap has been made, and this was confirmed in most situations for the evaluation team by the commitment and competence of a number of key managers within the partners.

However this competency is spread thinly, is vulnerable to staff turnover and to the ease with which an inherited culture of distrust can be triggered. All parties need to find ways to build trust, and the leader in that has to be the government. Long term policies of advocacy need to be in place for the bureaucracies and the politicians both those in present positions of leadership, (and those who influence them) and those with potential for leadership in the future

The ILO can bring considerable authority to the social partners of a country by the provision of world-class experts, by the local production of quality information tools, and by the facilitation of international forums to make available other countries' experience while validating much of that country's own, but local agencies must develop their own advocacy expertise and not expect the ILO to be an advocate on their behalf.

³⁹ Comments by the Assistant Minister MERD to the Evaluation

4.3 Recommendations

General Recommendations

For Government:

1. The government needs to consistently and publicly indicate support for a viable Serbian Association of Employers - based on its membership providing regular subscription income - in order to enhance its capacity and status as an effective voice on behalf of Serbian businesses of all sizes.
2. The Government should give priority to building social dialogue through effective local structures particularly the Social and Economic Councils and Employment Councils. This will encourage a stronger SAE branch presence which will also enhance the effectiveness of the Unions enabling them to represent needs of workers to employers on a nationwide basis.
3. The government needs to encourage much larger businesses (that generally may not feel they need to use Employers' Organization services) to work, as an exercise in corporate social responsibility, in concert with the SAE to strengthen the private sector as a whole in its negotiations with Government.
4. The government needs to maximize co-operation between the two ministries, concerned with employment and social protection, MERD and MLSP, mandating consultation in the preparation of all employment-related legislation and regulation.

For ILO

5. ILO, with the Serbian partners, needs to develop a set of simple objectives and feasible activities to guarantee the retention and development of capacity built up under the RBSA.
6. Support is also needed for a better process of dialogue among government and the social partners; in particular six-monthly meetings - with ILO Budapest involvement - should monitor how all three partners are moving towards greater efficiency and effectiveness in their dealings with each other, including sensitive but honest analysis of where opportunities have been gained or lost.
7. While the ILO Budapest office does not have an enterprise specialist on staff, the next stage of some programmes advanced under the RBSA is likely to need inputs on individual or social enterprise development. This is particularly true for persons with disabilities, but also for women and young people. ILO should evaluate gaps in existing enterprise development programmes in Serbia and identify where it can assist its partners towards these goals.
8. Deficiencies in the availability of credit may also require ILO inputs on social finance and forms of mutual savings and loans systems.

9. The Serbian Association of Employers needs to benefit from ILO expertise in advocacy to help it contribute to an enabling business environment in Serbia particularly by evaluating the impact of current and projected regulation on the cost of doing business in Serbia, and by setting up a system of briefings to journalists to bring depth and breadth to media coverage of business issues.

Specific component recommendations

Employment of Persons with Disabilities

For ILO and Social Partners:

10. Continue assisting in the development of systems for:
 - Assessing the working ability of persons with disabilities
 - Assessing and adapting work spaces for persons with disabilities
 - Integrating persons with disabilities socially into the workforce (NES)
 - Training employers on the Law on Vocational Rehabilitation and Promotion of Employment of Persons with Disabilities.

For social partners

11. Support structured exchange of information on persons with disabilities between the National Employment Service (NES) and civil society organisations to build better data on unemployed persons with disabilities.
12. Participate in the improvement of registration processes in NES (and private employment agencies) for unemployed persons with disabilities
13. Build capacity in civil society organizations for persons with disabilities to maintain records on their members to ensure their eventual employment.
14. Develop monitoring mechanisms in the NES on disability issues
15. Participate in standards setting for assessment of the working ability of persons with disabilities
16. Continue to provide training for employers on hiring persons with disabilities

Occupational Safety and Health

For social partners

17. Support formulation of the law on mandatory insurance against employment accidents and occupational diseases
18. Continue with capacity building of labour (OSH) inspection and assess possibility of establishing a training centre for inspectors in Serbia
19. Promote implementation of the adopted risk assessment act
20. Link the issue of safety at work with disability policies. Formulate Law on mandatory insurance against employment accidents and occupational diseases.
21. Address the culture of workplace safety by promoting a positive preventative approach in responsibility for one's own safety and that of fellow workers.

Social security

For social partners

22. Before any changes in legislation are made, hold comprehensive policy discussions on:
 - Provision of additional pension credits (known as “privileged service”) for certain categories of workers (hazardous work, army service)
 - Problems in administering farmers’ insurance with its heavy subsidy from the state budget and low and irregular beneficiary contributions
 - Financial and gender implications of increasing the retirement age to 65 for men and 60 for women by 2011
 - Which method of indexation of pensions should be applied
 - Whether a second pillar of mandatory private pensions is feasible or desirable
 - Comparative levels of amounts for age, disability and survivor pensions
 - Ensuring collection of pension contributions by including tax issues in labour inspections, enforcing business registrations and full reporting of wages.
23. Organize a new round of pension modelling for Serbian policy makers
24. Ensure training in negotiation and advocacy skills for employers; organization and trade unions is ongoing.

ANNEX I: PERSONS INTERVIEWED

I. ILO SUB-REGIONAL OFFICE FOR CENTRAL AND EASTERN EUROPE

BUDAPEST: TUESDAY 25th – WEDNESDAY 26th MAY

- 1. Mr. Mark Levin, Director ILO Sub Regional Office for Central and Eastern Europe**
- 2. Ms. Anne Knowles, Senior Specialist for Employers' Activities**
- 3. Ms. Natalia Popova, Senior Employment Specialist**
- 4. Mr. Kenichi Hirose, Senior Social Security Specialist**
- 5. Ms. Svetla Shekerdjieva, Senior Specialist for Workers' Activities**
- 6. Ms. Ildiko Rigo, Official responsible for Persons with Disabilities component**
- 7. Ms. Cristina Mihes, Senior Specialist in Social Dialogue and Labour Law**
- 8. Ms Verena Schmidt: Senior Specialist in Working Conditions and Gender Equality (by phone)**
- 9. Mr. Jovan Protic, ILO National Co-ordinator Republic of Serbia (by phone)**
- 10. Ms. Anna Farkas, Administrative Co-ordinator and Evaluation focal point**

PART TWO: INTERVIEWS WITH SERBIAN PARTNERS AND EXPERTS

BELGRADE: FRIDAY 28th MAY, MONDAY-WEDNESDAY 1-3rd JUNE

MINISTRY OF ECONOMY AND REGIONAL DEVELOPMENT

- 11. Ms. Valli Corbanese: Advisor to Ministry, former CTA Employment Project**
- 12. Ms. Ljiljana Dzuver: Assistant Minister,**
- 13. Ms Dragica Ivanovic: Head, Department for Active Employment Policy**
- 14. Ms. Tatjana Karaulac: Advisory officer, EU Accession Unit**
- 15. Ms. Silvija Gajin: Head, EU Accession Unit**
- 16. Ms Tatjana Prijic: Head, Legal Affairs and Supervision Department**

MINISTRY OF LABOUR AND SOCIAL POLICY, AND RELATED AGENCIES

- 17. Mr. Dragan Djukic: Assistant Director, National Employment Service**

18. Ms. Vanja Zlatkovic, Head of Department for Employment of Persons with Disabilities, National Employment Service.

19. Ms. Maja Illic: Senior Adviser Labour Inspectorate

20. Ms Marijana Sofilj: Advisor, Labour Inspectorate

21. Ms. Radina Todovic: State Secretary

22. Ms. Cedanka Andric: Secretary, Social and Economic Council of Serbia

23. Mr. Dejan Kostic: Director, Agency for Peaceful Settlement of Labour Disputes of Serbia

SERBIAN EMPLOYERS' ASSOCIATION (SAE)

24. Mr. Bosko Savkovic: Secretary-General

25. Ms Dejana Kuzmic Director International Co-operation

26. Ms. Natasa Cupac Pavolvski: Advisor, Legal Affairs and Social Dialogue

27. Ms. Natasa Zavoda: Director, Legal Affairs and Social Dialogue

28. Ms Jelena Starcevic: Head, Legal Services; Expert in Occupational Safety and Health

29. Ms. Jasmina Vranic: Head, Legal Department, Municipal Public Company Parking Service Belgrade, Member of SAE applying Persons with Disability Law

CONFEDERATION OF AUTONOMOUS TRADE UNIONS (CATUS)

30. Mr. Zoran Vujovic: President, Autonomous Trade Union of Metalworkers

31. Mr. Dusko Vujovic: Vice-President, Confederation of Autonomous Trade Unions of Serbia

32. Ms. Divna Vujasinovic-Ducic: Adviser for Education, Department for Development, Organization, Projects, Education, Information and Marketing

33. Ms. Bojana Bijelovic: Expert Advisor, CATUS International Department

34. Ms. Snezana Karamarkovic: Secretary, CATUS Youth Division

35. Ms. Sidonija Sida Vukotic: Secretary, Autonomous Trade Union of Commerce Workers of Serbia; CATUS Trade Division

36. Ms. Sanja Paunovic: CATUS Department for Legal-Economic and Social Affairs

NEZAVISNOST TRADE UNION FEDERATION

37. Mr. Slavoljub Lukovic: Secretary-General

38. Ms. Zlata Zec: Advisor for Economic and Social issues

39. Mr. Petar Mitrovic: Pensioners' Union

40. Ms. Aleksandra Vitorevic: International Department

41. Mr Dragan Spahic: Construction Branch Trade Union

PERSONS WITH DISABILITIES: SUPPORT AGENCIES AND EXPERTS

42. Mr. Damjan Tatic: ILO / UNDP consultant on People with Disabilities

43. Ms. Milena Isakovic: Programme Officer for Equitable Growth, UNDP

44. Ms. Sandra Lazarevic: Administrative and Corporate Social Responsible Officer, American Chamber of Commerce Serbia

45. Mr. Zeljko Ilic: Co-ordinator, NGO Forum of Youth with Disabilities

46. Ms. Ivanka Jovanovic: Serbia Distrophy Association

47. Professor Gordana Odovic: Expert on Persons with Disability.

OTHER EXPERTS

48. Professor Mihail Arandarenko: Employment Expert and Professor at the Faculty of Economics, University of Belgrade

49. Mr. Nikola Altiparmakov: World Bank Expert on Pensions, Ministry of Finance

ITALIAN GOVERNMENT

50. Ms. Anna Zambrano: Director, Italian Technical Co-operation in Serbia

ANNEX II: PRINCIPAL DOCUMENTS CONSULTED

Decent Work Country Programme

Serbia: Decent Work Country Programme 2008-2011 (undated)

DWCP Monitoring Plan - including DWCP Work plan for 2009

Employment

Young People's transition from School to Work in Serbia Gorana Krstic April October 2009

Technical Proposal: *Strengthening the capacity of the Ministry of Economy and Regional Development to promote an active policy on employment* (Dec 2008)

Strengthening the capacity of social partners to mobilize action on youth employment: Youth Employment Promotion in Serbia (YEPS) 27 February – 29 May 2009

Report on the mission to Belgrade Serbia, 1-7 November 2009 Cristina Mereuta

Strengthening the capacity of the Local Employment Councils to implement the active policy on employment in the Republic of Serbia – *Guidelines for the operations of the Local Employment Councils* – 10 January 2010

Employment component monitoring report: *Report on the Implementation of Current International Projects* (April-May 2010)

Serbian Employers Association

Development Strategy Serbian Association of Employers 2009-2012

Report: *Activities of Serbian Association of Employers March - October 2009*

Report on Built Capacities and Outcomes February 2009 – April 2010

Seminar Papers: *Building the Capacity of the Serbian Association of Employers; Development and Delivery of Services.*

Guide on Labour Law

Programme of Seminars and Trainings: February 1- June 30, 2010

ILO/ AREC/ ADA CEE *Sub-regional Capacity Building Workshop for Employers Organizations on Effective engagement in Economic Forums including developing responses to the Financial Crisis* Zagreb Croatia 22-24 September 2009

ILO/AREC/ADA *Workshop on Effective Strategies for meeting the challenges of social and economic changes in Western Balkan Countries* Belgrade 29-32 March 2010

Trade Unions / Social Dialogue / Labour Law

Trade Unions and Social Dialogue in the Period of Crisis: the Serbian Case, Ed: Professor Krastyo Petkov, Sofia, Bulgaria.

Papers of the 6th Meeting of the Labour Law and Labour Relations Network of South Eastern Europe Belgrade Serbia 8-10 July 2009

Persons with Disabilities

The Employment of Persons with Disabilities: What is already available?: Professor Gordana Odovic Ivanka Jovanovic Belgrade November 2009

Training Workshop on the Employment of People with Disabilities (Papers of seminars March June December 2009)

Publications about the Employment of Persons with Disabilities

Occupational Safety and Health

RB SA Activity Report: Social Security and Occupational Safety and Health

Various OSH pamphlets and posters for workplace distribution

Health and Safety Training: Overview of Statutory Provisions: IBEC Occupational Health and Safety Service Dublin Ireland

Social Security

Pension reform in Serbia: Challenges and Directions for Reform Kenichi Hirose: ILO Sub-regional Office for Central and Eastern Europe

International Crisis: Wage Fixing

Conclusions of the Sub regional High Level Conference: The Impact of the Financial and Economic Crisis: Wage Fixing and Policy Responses (Sarajevo 5-6 November 2009)

ANNEX III: EVALUATION TERMS OF REFERENCE

TERMS OF REFERENCE FINAL INDEPENDENT EVALUATION OF THE PROJECT

Project Title:	Integrated approach to move Serbia forward the implementation of the Decent Work Country Programme
Sub-region:	Central and Eastern Europe
Lead Offices:	International Labour Organization DWT/CO Budapest
Duration:	18 months; Jan 2009-June 2010
Target countries:	Serbia
Donor agency:	Regular Budget Supplementary Account (RBSA), Italian funding
Budget:	US\$ 997,163 total allocation
National partners:	Employers and Workers Organisations, Ministry of Economy and Regional Development, the National Employment Service and the Labour Administration

I. INTRODUCTION AND RATIONALE FOR EVALUATION

At the end of the implementation period of the ILO RBSA (Regular Budget Supplementary Account) funded project “**Integrated approach to move Serbia forward the implementation of the Decent Work Country Programme**” (January 2009- June 2010), financed by the Government of Italy, the ILO is conducting an independent final evaluation of the project in accordance with the ILO Evaluation Policy and donor requirements.

II. BRIEF BACKGROUND ON PROJECT AND CONTEXT

Project summary

Serbia has undergone drastic changes over the past years. The need for stronger institutions that are able to implement the reform processes related to the EU-SAA and the National Sustainable Development Strategy (NSDS) are crosscutting all development priorities. After a delayed start of the transition to market economy, the current context requires that both mandate and functions of employment policy- and decision-making be adjusted to the current situation.

The **Decent Work Country Programmes (DWCP)** are the main tools for delivering ILO support to countries with the aim to promote Decent Work as a key part of national development strategies and organize the ILO’s efforts at the service of tripartite constituents in a result-based framework. The first DWCP for Serbia for 2008-2011 was developed through a participatory process with the involvement of tripartite constituents and was signed in December 2008 in Belgrade. Within the Decent Work agenda the ILO focusing on the following three priority areas in the country:

I. Strengthening the capacity of government institutions and the social partners to improve the governance of the labour market.

- II. Improving the formulation and implementation of employment policy as well as of measures targeting disadvantaged youth.
- III. Improving the effectiveness of the social protection system with a special focus on vulnerable groups.

The RBSA Serbia project is structured to support the implementation of the outcomes under the DWCP for Serbia in forms of technical assistance, awareness raising, advocacy and facilitation of sharing best practices.

All of the areas covered by the project are identified from the DWCP and been selected based on a resource gap analysis of the DWCP.

DWCP and/or regional or subregional outcomes to which RBSA is contributing:

The RBSA project is structured to support the implementation of the outcomes under the Serbian Decent Work Country Programme. It specifically aims to contribute to the achievement of the following country priorities and outcomes through an integrated approach:

SRB125: Improving the formulation and implementation of employment policy as well as measures targeting disadvantaged youth.

- Under outcome **SRB126 A gender-sensitive active policy on employment, including provisions for adequate income support during unemployment, is adopted and implemented at national and regional levels:** Strengthen the capacity of the Ministry of Economy and the National Employment Service to formulate and implement an active policy on employment as set forth by the Employment Policy Convention (C122), 1964 that was ratified by Serbia in the year 2000;
- Under outcome **SRB129: A policy for promoting access to employment of persons with disabilities is adopted by the government, in consultation with the social partners:** Promote access to employment of persons with disabilities through CSR;

SRB 100: Strengthening the capacity of the government to improve the governance of their institutions and of the social partners to improve the governance of the labour market.

- Under outcome **SRB102: Efficient labour administration, including the establishment of an effective dispute settlement mechanism:** Strengthen capacity of labour administration institutions through good practice sharing;
- Under outcome **SRB103: Increased value of employers' and workers' organizations to existing and potential membership through the provision of new or better services:** Strengthen capacity of the participants of social dialogue on various labour issues i.e. wage fixing, employment of persons with disabilities, increasing participation of women in social dialogue, inclusion of gender equality issues in general agreements.

SRB150: Improving the effectiveness of social protection with special focus on vulnerable groups.

- Under outcomes **SRB151: Enhanced capacity of labour inspections and social partners to implement labour law and OSH regulations;** **SRB152: Formulation of the social security policy through technical assistance and social dialogue:** Enhance the effectiveness of the social protection system in Serbia at the national and regional levels through better managed social security, and improved occupational safety and health and labour inspection.

Management arrangements

The project is de-centralized to DWT/CO Budapest and the different components are technically backstopped by its' technical specialists (Senior Specialist on Employers' Activities, Senior Specialist on Workers' Activities, Senior Social Security Specialist, Senior Employment Specialist with CTA in Serbia, Senior Specialist on Social Dialogue and Senior Specialist on Gender and Working Conditions).

Administrative and financial management also carried out by the Budapest Office.

III. PURPOSE, SCOPE AND CLIENTS OF THE EVALUATION

The objectives of this evaluation are to:

- Assess the immediate outcomes/outputs of the project and its effectiveness with regard to achieving the indicated milestones and indicators;
- Identify problems encountered during implementation and means undertaken by the project to overcome these problems;
- Document lessons learned, good practices;
- Develop recommendations for follow up and similar interventions in the future.

The evaluation covers the whole period of the implementation of the project.

The evaluation will serve the following internal and external clients:

- ILO tripartite constituents and project implementing partners in countries of the sub-region;
- Ultimate beneficiaries
- The Donor;
- ILO management and technical specialists at the ILO DWT/CO Budapest and the Headquarters;
- Project staff.

IV. EVALUATION QUESTIONS

1) Effectiveness of the project:

- What progress has the project made towards achieving its objectives (listed above)?
- How did the project contribute to enhancement of potential of constituents/partners improving the formulation and implementation of employment policy as well as measures targeting disadvantaged youth, strengthening the capacity of the government to improve governance of its' institutions and social partners to improve the governance of the labour market and improving the effectiveness of social protection with special focus on vulnerable groups?
- How have constituents been involved in the implementation? Are the constituents satisfied with the quality of tools, technical advice, training and

other activities, delivered by the project? Have there been any resulting changes in constituents' capacities?

- How did the project contribute to increasing the capacity of constituents to develop integrated policies and programmes to advance gender equality in the world of work⁴⁰?

2) Effectiveness of the overall project management approach⁴¹:

- Were the management arrangements effective? Has the division of work tasks and use of local skills been effective?
- Has the project received adequate technical and administrative support from the ILO and partners?
- Has the choice of partners been effective in terms of them being in a position to support the project and promote its products/results?

3) Efficiency:

- How were the resources (staffing, time, skills and knowledge) used? Have they been used in an efficient manner?

4) Sustainability:

- What is the likelihood of sustainability of outcomes?
- What more should be done to improve sustainability?

5) Lessons learned and best practices:

- What are the main lessons learned, good practices, innovations?
- Are there any areas where difficulties have been experienced? What are the reasons?
- Are there any alternative strategies which would have been more effective?

6) Recommendations:

- Are there any suggestions, recommendations for the follow up activities?
- What would be the most appropriate next steps?

Note: OECD/DAC Criteria for Evaluating Development Assistance will be used to interpret the answers to the evaluation questions.

⁴⁰ Please refer to Annex 1. for a generic list of guiding questions on the evaluation of the gender component of projects

⁴¹ Personnel evaluation is not part of the scope of work under this TOR.

V. METHODOLOGY

Document Review: The evaluator will review project background materials before conducting any interviews or trips to the sub region, including:

- Decent Work Country Programme for Serbia
- Project Document
- Work plans
- TORs
- Progress reports
- Mission reports
- Reports on specific activities
- Any surveys, studies, analytical papers produced, , including ITC Turin
- Curricula of trainings, including ITC Turin activities
- Training evaluation documents e.g. summary of evaluation questionnaires
- Publications and promotion materials

Planning Briefing: The lead evaluator will have an initial consultation with the ILO specialists and support staff in Budapest. The objective of the consultation is to reach a common understanding regarding the status of the project, the priority assessment questions, available data sources and data collection instruments and an outline of the final assessment report. The following topics will be covered: status of logistical arrangements, project background and materials, key evaluation questions and priorities, outline of the final report. Following the initial briefing, the lead evaluator will have a mission to Belgrade/Serbia and have meetings with constituents/stakeholders together with a Serbia based evaluator supporting the process.

Individual Interviews and/or Group Interviews: Individual or group interviews will be conducted with the following:

- a. ILO DWT/CO Budapest Specialists and support team (project administrative and financial coordinator);
- b. Ms. Valli Corbanese, former Chief Technical Advisor in Serbia
- c. Interviews with national counterparts (government, social partners, implementing partners etc);
- d. Interviews of direct and indirect beneficiaries;
- e. UNDP and/or other UN agencies working in the relevant fields e.g Persons with Disabilities.

The evaluation mission will be guided by high professional standards and principles of integrity in accordance with the guiding principles of the International Program Evaluation Network (IPEN) <http://www.eval-net.org/index.php?id=3>

Field Visits: The lead evaluator together with the local evaluator will visit project implementation partners in Belgrade/Serbia. Meetings will be scheduled and organized by the ILO National Coordinator for Serbia in advance of the evaluator's visits, in accordance with the evaluator's requests and consistent with these Terms of Reference.

In addition, the lead evaluator will attend a stakeholders' verification workshop in Belgrade, scheduled by end of June (tentative date is 25 June 2010).

Debriefing: Upon completion of the missions, the lead evaluator will provide a debriefing to the ILO/Budapest and HQ on the evaluation findings, conclusions and recommendations. Depending on the country of residence of the external evaluator, the debriefing could be provided either in person, or via telephone/Skype conference, as appropriate. The draft report will subsequently be shared with ILO constituents for comment.

Post-Trip Debriefing: Upon completion of the report, the evaluator will provide a debriefing to the ILO/Budapest on the evaluation findings, conclusions and recommendations (possibly, by telephone/or on Skype).

VI. MAIN OUTPUTS (DELIVERABLES)

- A. Initial Draft Report in English (in electronic format);
- B. Final Report in English (in electronic format);
- C. Translation of the Final Report into Serbian (provided by the project)

SUGGESTED REPORT FORMAT:

The final version of the report will follow the below format and be no more than 20-25 pages in length, excluding the annexes:

1. Title page
2. Table of Contents
3. Executive Summary⁴²
4. Acronyms
5. Background and Project Description
6. Purpose of Evaluation
7. Evaluation Methodology and Evaluation Questions
8. Findings, status of outcomes,
9. Lessons learned, best practices
10. Conclusions, recommendations⁴³
11. Annexes (list of interviews, meetings' notes, relevant country information, policies, regulations or any other documents demonstrating the impact of the project)

VII. MANAGEMENT ARRANGEMENTS

EVALUATION TEAM

⁴² **Should include:** a brief description of the subject being evaluated; the context, present situation, and description of the subject vis-à-vis other related matters; the purpose of the evaluation; the objectives of the evaluation; the intended audience of the report; a short description of methodology, including rationale for choice of methodology, data sources used, data collection and analysis methods used, and major limitations; the most important findings and conclusions; main recommendations.

⁴³ Please present recommendations in a concise and numbered list, to facilitate follow-up and entry into the evaluation database.

The evaluation team will be comprised of two external evaluator, one lead evaluator and a Serbia based person supporting the process locally, working under supervision of the ILO specialists in Budapest.

Interpretation during the interviews in Belgrade will be provided by the project, if necessary.

REQUIREMENTS

Qualifications of the External Evaluator

- Substantial knowledge in the field of project evaluation (i.e. labour market and development; employment etc.)
- Good knowledge of the specific project areas, including gender sensitive employment policies, PwDs, governance of the labour market by government, trade unions and employers' organisations, social protection, labour inspection and OSH issues, wage policies.
- Knowledge of evaluation methods
- Advanced degree in social sciences or related fields
- Experience in interviewing, desk research, drafting and report writing.
- Excellent analytical skills
- Excellent communication and writing skills.
- Excellent command of English,
- Knowledge of Serbian would be an advantage.
- Desirable: Understanding of ILO's Decent Work Country Programme concept and experience in the subregion.

SELECTION

The selection of the evaluator will be done by the Director of the ILO Decent Work Team/Country Office - Budapest, based on a short list of candidates, prepared in consultations with the technical specialists and ILO National Coordinator in Serbia. It is subject to approval by the Evaluation Focal Point in the ILO/EUROPE.

ROLES AND RESPONSIBILITIES

The Lead Evaluator is responsible for conducting the evaluation according to the terms of reference (TOR). He/she will:

- Review the TOR and provide input, propose any refinements to assessment questions, as necessary.
- Review project background materials (e.g., project document, progress reports).
- Develop and implement the assessment methodology (i.e., conduct interviews, review documents) to answer the assessment questions.
- Conduct preparatory consultations with the ILO prior to the field mission.
- Conduct field research, interviews, as appropriate and collect information according to suggested report format.
- Prepare an initial draft report with inputs from the ILO specialists and constituents/stakeholders.
- Conduct briefing on findings, conclusion, and recommendation of the assessment.

- Prepare final report based on the ILO and constituents feedback obtained on the draft report.

Lead evaluator will liaise with the local evaluator on detailed working arrangements.

The ILO Evaluation Manager is responsible for:

- Drafting the TOR;
- Finalizing the TOR with input from colleagues;
- Preparing a short list of candidates for submission to the ILO/Budapest Director for final selection;
- Hiring the consultant
- Providing the consultant with the project background materials;
- Participating in preparatory consultations (briefing) prior to the assessment mission;
- Assisting in the implementation of the assessment methodology, as appropriate (i.e., participate in meetings, review documents);
- Reviewing the initial draft report, circulating it for comments and providing consolidated feedback to the evaluators;
- Reviewing the final draft of the report;
- Disseminating the final report to all the stakeholders;
- Coordinating follow-up as necessary.

The ILO Technical specialists with the project Administrative and Financial Coordinator and National Coordinator in Serbia is responsible for:

- Reviewing the draft TOR and providing input, as necessary;
- Providing project background materials, including studies, analytical papers, reports, tools, publications produced;
- Participating in preparatory briefing prior to the assessment mission to Serbia;
- Scheduling all meetings and interviews for the missions in Budapest (Administrative and Financial Coordinator) and Belgrade (ILO National Coordinator in Serbia);
- Ensuring necessary logistical arrangements for the field research (hotel reservations, travel, same as previous point);
- Reviewing and providing comments on the initial draft report;
- Participating in debriefing on findings, conclusions, and recommendations;

TIMEFRAME

Timeline for the work of the External Evaluator:

- Preparation (desk research, study of project documents) - **2 days** – week of 17th May
- Preparation of interview guides, refinement of evaluation questions - **1 days** – week of 17th May

- Mission to Budapest for initial briefing – **2 days** – 25-26 May
- Interviews with constituents/stakeholders, project partners in Belgrade/Serbia – **4 days**
- Report writing – **6 days** (draft report expected to be submitted to ILO latest by 11 June 2010)
- Participation on verification workshop – **1 days**
- Report finalization – **2 days.**

(A total of 18 workdays plus travel for the work of the External Evaluator).

Consultancy starting date: as soon as possible

Date of completion of work: 29 June 2010