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Newsletter on the Process of the European Union
Accession Negotiations of Serbia

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HIGHLIGHTS

1 January **The Netherlands took over the presidency over the EU**

The Netherlands took over the 6-month rotating presidency of the EU from Luxembourg, during which it will focus on the issues important to European citizens and business. Four topics of priority will be: migrations and international security, innovation and opening new jobs, finance and strong growth of the Eurozone, as well as the climate and energy policy directed towards the future. [Read more...](#)

15 January **Commissioner Stylianides' visit to Serbia**

Christos Stylianides, the European Commissioner for Humanitarian Aid and Crisis Management visited Serbia. Stylianides stated that the EU will continue to support Serbia in relation to the refugee crisis, reminding that additional 13 million euros were allocated for humanitarian aid in December last year. Namely, in October 2015, the European Commission adopted a special aid package in the amount of a million euros for Serbia for dealing with unprecedented refugee flows. [Read more...](#)

27 January **New round of the dialogue between Belgrade and Pristina**

A new round of the dialogue between Belgrade and Pristina was held in Brussels, facilitated by Federica Mogherini, the High Representative of the European Union for Foreign Affairs and Security Policy. The topics of the dialogue related to the following: the Community of Serb majority municipalities in Kosovo, university degrees, freedom of movement and announced parliamentary elections in Serbia. [Read more...](#)

28 January **European Parliament Committee on Foreign Affairs adopted Resolution on Serbia**

The European Parliament Committee on Foreign Affairs adopted the Resolution on 2015 EC Progress Report on Serbia and expressed hope that Chapters 23 and 24 will be opened in early 2016 within the accession negotiations with the EU. On the occasion, David McAllister, the EP Rapporteur for Serbia, once again emphasised the importance of the EP support to the European path of Serbia. [Read more...](#)

INPRESSUM

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EMPLOYMENT AND SOCIAL POLICY REFORM PROGRAMME (ESRP)

World financial and economic crisis pointed to the vulnerability of economies and societies in the entire world. For this reason, 2013 – 2014 European Union Enlargement Strategy initiated a new instrument which will enable defining and following the priorities in the areas of employment and social policy, in the countries in the EU accession process – Employment and Social Policy Reform Programme (ESRP).

Employment and Social Policy Reform Programme (ESRP) is structured according to the model of Europe 2020 Strategy. Europe 2020 Strategy is the principal mechanism for the dialogue on the priorities of the Republic of Serbia in the areas of social and employment policy, until the date of accession to the EU.

In the Republic of Serbia, the process of drawing up the ESRP began in September 2013, when Laszlo Andor, the then European Commissioner for Employment, Social Affairs and Inclusion, visited Serbia and presented the main objectives of the reform programme. For the purposes of drawing up the ESRP, the Government of the Republic of Serbia established an international working group and expert body, whose work was managed by the Ministry of Labour, Employment, Veteran and Social Policy, while expert assistance was provided by the Social Inclusion and Poverty Reduction Unit. The working group and the experts prepared the proposals of main challenges and the appropriate measures by 2020, which is also in accordance with the timeframe of Europe 2020 Strategy.

The ESRP gives the overview of the key challenges in the area of employment and social policy, while also defining reform policies oriented towards smart, sustainable and inclusive growth through three areas primarily: employment market and employment policy, human capital and skill development policy, and social inclusion and social protection policy.

Priorities and measures for the period until 2020, which in synergy should improve the situation in the human resources and social development sector, were defined in accordance with the identified objectives.

The document is also significant because it deals with capacity building, management and institutional reforms, as well as with the use of EU funds for the implementation of planned reforms. The system for monitoring, reporting and evaluation of the implementation of the ESRP was also defined and it will contribute to a more efficient and effective implementation of all planned measures. At the same time, it pro-

vides answers to important questions: whether the planned measures have been implemented, which problems occurred during the implementation programme, whether the objectives of the programme will be achieved (if not, why), what direct and indirect implementation effects are, how certain measures may be improved etc.

Employment and Social Policy Reform Programme is extremely important for Human Resources and Social Development Sector (HRSD), given that it is the first time that both priorities and reform policies under the responsibility of several line ministries have been defined within the same strategic document.

In order to ensure the quality and representativeness of the document, the entire process of drawing up was also open to all other interested social actors and social partners. Public discussions were organised on several occasions where all stakeholders were consulted and invited to get actively involved in the document drawing up process. Their role in the entire process does not end with this, since the system of monitoring, reporting and evaluation of the implementation of the ESRP provides for active participation of all relevant partners at the national and local level, such as the Standing Conference of Towns and Municipalities (SCTM), Sectoral Working Group for Human Resources and Social Development (SECO), National Convention on the European Union (NCEU) and social partners.

One of the objectives in the areas of employment market and employment policy relates to the improvement of the status of youth in the employment market, and some of the measures provided for are: internship and traineeship programmes (professional practice), developing the concept of student jobs, improvement of the youth service package, as well as the support to innovative models of youth employment at the local level through wide partnership of local actors. Intersectoral cooperation in this area includes close coordination

The ESRP gives the overview of the key challenges in the area of employment and social policy, while also defining reform policies oriented towards smart, sustainable and inclusive growth through three areas primarily: employment market and employment policy, human capital and skill development policy, and social inclusion and social protection policy.



Photo: The Social Inclusion and Poverty Reduction Unit

and connection between education and the world of work (e.g. National Qualifications Framework), as well as measures such as increasing the education level of sensitive groups or providing integrated services at the local level (social actors use the existing or create new resources in the most efficient way through available, quality and diverse services). The objective is inclusive and sustainable increase in employment and employability of youth in Serbia.

The ESRP represents a good framework for the coordination of different youth employment initiatives. The Social Inclusion and Poverty Reduction Unit, in cooperation with the Ministry of Education, Science and Technological Development, the Ministry of Labour, Employment, Veteran and Social Policy and the Ministry of Youth and Sports, works on the initiative for the improvement of intersectoral approach to the issue of youth employment and strengthening the monitoring system in all stages of measure testing. One of the activities was also the organisation of a competition entitled “Support to Innovative Approaches for Increasing Youth Employment and Employability”¹. Sustainable models and practices of youth employment will be developed through establishing partnerships with the private sector at the local level.

In Europe, an ever growing importance is given to social innovations as an answer to numerous development social and economic challenges, particularly with regard to providing different services, improvement of education, employment, poverty reduction and elimination of inequality. The adoption of the Employment and Social Policy Reform Programme by the Government of the Republic of Serbia is expected during the first quarter of 2016.

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The Social Inclusion and Poverty Reduction Unit was established by the Government of the Republic of Serbia in July 2009. The Unit is responsible for strengthening the capacities of the Government to develop and implement social inclusion policies based on the examples of good practice in Europe and provides support to line ministries in developing and implementing social inclusion policies, having regular consultations with civil society organisations

¹ <http://sociojalnoukljucivanje.gov.rs/en/support-to-innovative-approaches-to-increasing-youth-employment-and-employability-competition-open-deadline-15122015/>

TOWARDS A SOCIETY IN WHICH NOT ONLY MERE ECONOMIC GROWTH IS IMPORTANT, BUT ALSO ECONOMIC GROWTH WHICH IS INCLUSIVE

Ivan Sekulović, the Social Inclusion and Poverty Reduction Unit Manager

In this issue of the newsletter “Let’s Speak about the Negotiations”, Ivan Sekulović, the Social Inclusion and Poverty Reduction Unit Manager, talks about the Employment and Social Policy Reform Programme, key challenges of strengthening the social dimension of the EU accession negotiation process, and the cooperation between the civil society and public authorities in the process of programming and monitoring of IPA funds through the existing SECO mechanism.

BOS: At the end of the last year, you were appointed Social Inclusion and Poverty Reduction Unit Manager. What are the priorities in the Unit’s work for 2016 and what do you see as the greatest challenges in the coming period?

Ivan Sekulović: All priorities in the Unit’s work for 2016 relate to strengthening of the social dimension of the EU accession process of the Republic of Serbia. In the current time of economic crisis, it is necessary to preserve social security, cohesion and social capacities as much as possible, so as not to undermine the perspective of inclusive growth. That is also one of the three key features of Europe 2020 Strategy also used by the Republic of Serbia for planning of its policies. Due to all the above, the Unit’s priorities for this year will be: monitoring the application of the Employment and Social Policy Reform Programme (after the Government has adopted it), active participation in negotiating groups (particularly within Chapter 23 whose opening is expected this year) and focus on social inclusion of the most sensitive groups in our

society, such as the Roma and persons with disabilities. The greatest challenge represents the aforementioned context of economic crisis which puts the Government under pressure to focus on the processes of fiscal consolidation and public administration optimisation, instead on reforms in the area of employment and social policy. External challenges are also present – the refugee crisis and political turmoil within the EU caused by it. All of that puts me and the whole Unit under pressure to use our limited capacities and resources in the best possible way.

BOS: The Social Inclusion and Poverty Reduction Unit has a significant role in the process of planning of international development assistance, primarily of the Instrument for Pre-Accession Assistance (IPA). The 2015 Annual Progress Report for Serbia indicates the lack of Serbia’s capacity to program and also to absorb funds, especially in the segment of preparation for the European Social Fund. What are the key challenges and in which way can we most effectively and efficiently overcome them?

Ivan Sekulović: As the European Commission also stated in the Report, currently the main challenge in the context of preparations for the European Social Fund is the fluctuation of staff. Due to a weak staff retention policy, public officers who deal with pre-accession funds increasingly leave the public administration for more lucrative work on projects or positions in consulting firms. It is a natural process which other countries have experienced, but Serbia is affected by it in a very unfavourable period when it is necessary to significantly strengthen efforts in order to adopt European standards. Therefore, it is necessary to urgently begin drawing up a clear policy of staff retention in European jobs, primarily in EU funds, because experience of the neighbouring countries shows that this staff is the most difficult to develop and hire, and retain afterwards. There are many other challenges (and opportunities at the same time), but I would single out the importance of partnership between the public and private sector. I strongly believe that the civil society should be seen as a partner in programming and absorbing funds, inter alia, due to the weakened capacities of the public administration. In addition, it is not just about fulfilling the European Commission’s recommendation that the private sector, in particular the civil society, should have projects already prepared in order to absorb the amount of programmed funds. The more important issue is that funds and policies must become more essentially connected, as two sides of a coin. In that, the civil society also can and should be a key partner, because of the specific knowledge it possesses – the knowledge on the needs of the ends users of funds and policies.



Photo: RRPP Programme
Ivan Sekulović, the Social Inclusion and Poverty Reduction Unit Manager

BOS: Given that 2016 is the key year for programming measures in Human Resources and Social Development Sector, how much will the announced elections affect the preparation of the documents and the dynamics of programming of measures, and consequently affect the amount of money allocated for the sector?

Ivan Sekulović: Fortunately, the public administration sufficiently managed to preserve the continuity and integrity of programming of measures in all sector, primarily owing to the efforts of the Serbian European Integration Office. Furthermore, public officers representing line ministries and other Government institutions in the Sectoral Working Group for Human Resources and Social Development remain active leaders of the process, which no election cycle has significantly changed so far. On the other hand, these very facts suggest that it is right to pose the question of how much the decision makers in line ministries are interested in programming of measures, when even during elections, technical services can without great difficulty execute this complex process without them. I have the impression that the dominant perception is that IPA, and in general, EU funds are too complicated and of too little importance in terms of budget to pay greater attention to them from those positions. It is also a phenomenon seen in other countries which have joined the EU. If the decision makers were more interested, I am convinced that Serbia would receive more funds, not just for this sector, but for the rest as well.

BOS: Cooperation with and support to the civil society organisations is an important segment of the Social Inclusion and Poverty Reduction Unit's work. How would you assess the cooperation of public authorities with the civil society in creating and implementing public policies? What are the necessary steps to improve the cooperation between the civil society and public authorities in the process of programming and monitoring of IPA funds through the existing SECO mechanism?

Ivan Sekulović: Lately, with the support of the European Commission, significant progress has been made in cooperation of public authorities with the civil society in creating and implementing public policies. We've had excellent public discussions on the Employment and Social Policy Reform Programme and the Economic Reform Programme within the National Convention on the EU, active participation of the civil society organisations in screenings according to negotiation chapters, as well as procedural advancements such as the adoption of the Guideline for Inclusion of Civil Society Organisations in the Regulation Adoption Process. Furthermore, the Serbian European Integration Office is enhancing its efforts to include the civil society in the process of programming and monitoring of IPA funds through SECO (Sectoral Civil Society Organisations) mechanism. Leading organisations as well have plans for improving their role in order to strengthen the influence of the civil society through SECO mechanism. I think that in terms of the improvement of cooperation between public institutions and the civil society it is best to follow the European Code on Conduct of Partnership in the framework of the European Structural and Investment Funds. This document contains clear guidelines regarding the inclusion of the civil society

in programming, monitoring and evaluation of funds. For example, the EC invites countries to support the civil society in underdeveloped areas in the preparation of projects, in the context of using the funds of the European Social Fund. This is the solution that could be applied in Serbia as well by broadening the Project Preparation Facility Programme from the central to the local level. Civil society organisations gathered around SECO would be an ideal implementation partner of one such programme.

BOS: The Unit officially participates in the work of six negotiating groups. What are your experiences in terms of the negotiation process? Which challenges will Serbia face in the said chapters in terms of exercising rights of sensitive groups?

Ivan Sekulović: The course of the process so far has been extremely successful and interesting, since it is (to us) a completely different model of dialogue with the EU. We actively participated within the aforementioned negotiating groups in the preparation for screening, as well as in the stages afterwards. Of course, we've achieved the most in respect of Chapter 23, within which we worked on the preparation of the action plan for months. Cooperation with all institutions and the negotiating structure was very intensive and successful. Certainly, the greatest challenges are yet to come, because meeting the opening benchmarks for certain chapters, which we are currently working on, is only a warm-up for the real work that awaits us. In that sense, improving the status of sensitive groups remains one of the horizontal priorities of all negotiating structures, since different parts of the EU acquis relate to these issues. For example, within Chapter 11, we should develop consultations with bodies responsible for gender equality with regard to the fight against poverty in rural areas; within Chapter 18, it is necessary to develop social statistics comparable to the one in the EU, so the most important thing is to continue conducting the Survey on Income and Living Conditions (SILC); as it is already familiar, Chapters 19 and 23 are essential for the improvement of the status of sensitive groups; Chapter 22, which represents the preparation for structural and investment funds, contains a large number of prerequisites related to the fight against discrimination, improvement of gender equality and development of strategic framework for the fight against poverty and social exclusion; Chapter 26 offers us the possibility to improve the social dimension of our education system, in accordance with European conventions and achievements of the open method of coordination in education.

BOS: Negotiations within Chapter 19 (Social policy and employment), which is largely related to the comprehensive process of social inclusion, include drawing up of the Employment and Social Policy Reform Programme (ESRP). In the Republic of Serbia, the process of drawing up the ESRP officially started in September 2013. What has Serbia done so far? When is the adoption of the ESRP expected?

Ivan Sekulović: The ESRP was created as a result of previous experiences of the EU in the enlargement process and the current economic context. There are various interpretations of the nature of this document. For us who deal with the EU accession process from the point of improving its social

dimension, it is a key national document, the basis for a kind of “social” progress report, with which we will reform the main policies for improving the status of sensitive groups. In that sense, the ESRP has a wide scope, given that it represents one of the pillars of Europe 2020 Strategy and a kind of intersectoral strategy for social development we haven’t had since the Poverty Reduction Strategy. From employment market to education, from social inclusion, pension system to health care, the ESRP really provides a unique opportunity to establish a clear relation among strategies and programmes in this broad area. The draft has been ready for some time, but because of the complex budgeting procedure, the document has still not been adopted. We expect it to happen during the mandate of this Government, since postponing of the adoption would certainly be interpreted as a signal that Serbia is not ready to properly dedicate itself to social development in the EU accession process. The ESRP has already significantly contributed to some processes, such as programming of IPA funds and strengthening of the partnership between the public and the private sector, since the public discussion on this document was an example of inclusivity, transparency and participation to be fostered in the EU accession process as the greatest values.

BOS: Europe 2020 Strategy, as the principal EU strategic document, contains a large number of guidelines for achieving smart, sustainable and inclusive growth, relevant to the EU candidate countries as well. How will the Unit participate in the coordination of the application of Europe 2020 Strategy in the areas of social protection and social inclusion?

Ivan Sekulović: In addition to the aforementioned ESRP, as the key Government initiative in which the Unit participated, we have offered support to line ministries to participate in the open method of coordination in social protection and social inclusion, but also in employment and education. We helped the process of accession of Serbia to the Employment and Social Innovation Programme (EaSI), transfer of knowledge from the EU to Serbia through a series of expert workshops within TAIEX instrument, introduction of new instruments such as the Gender Equality Index (Serbia is the first country outside the EU to have introduced the use of this EU index), as well as advocating for some of the processes not to be neglected due to a large pressure on national administrative and financial capacities, such as the social inclusion of the Roma.

BOS: Do you think that our society is prepared enough for the changes awaiting us? Do the citizens realise that the acceptance of European standards, independently from Serbia’s integration in the EU, is significant for them?

Ivan Sekulović: All surveys of public opinion, which are carried out regularly, show that the citizens are becoming more aware of the obligations, but also of the possibilities arising from the accession process. On the other hand, now we realise that the descriptions of the EU as a “moving target”, that we’ve been hearing about in the previous years, are quite correct, given that the Union is changing faster than we are acceding to it. Therefore, we often have the feeling of unattainability when it comes to overcoming the challenges we are facing, but consolation lies in the fact that the administrations of other countries also had similar difficulties while acceding the EU, and have, nonetheless, successfully ended the process. It is often said that we don’t need the Union per se, but we need it in order to change our society for the better. However, without that goal and that target, we certainly wouldn’t succeed. Therefore, I am convinced that the citizens instinctively trust the European idea and that mission we are all part of, because they think that the standards will mean the elimination or at least reduction of problems that plague us all, from corruption and poverty to security risks and distrust in institutions.

BOS: Finally, what does the EU membership mean for social inclusion and poverty reduction in Serbia and for its citizens? How would you briefly explain it to the citizens of Serbia?

Ivan Sekulović: The EU membership means the opportunity to introduce procedures and processes which guarantee the unlocking of social potentials. The society will objectively become more egalitarian in terms of opportunities offered to everyone, starting from greater opportunities for employment of youth in rural areas, to the improvement of accessibility of public facilities to persons with disabilities. Studies have shown that all of that leads to a more successful, cohesive and fair society, in which not only economic growth matters, but also, what is more important is that the growth is inclusive and that more and more people participate in it, contribute to it and benefit from it. It took more than a half of century for the European standards and funds have to evolve in that direction and create a unique system in the world. Serbia has a historic chance to become a part of it soon and thus make the largest step towards modernisation in its history.

Interview prepared by Danijela Božović and Bojana Jevtović

THE FINANCIAL SUPPORT TO THE REFORMS IN THE AREA OF HUMAN RESOURCES AND SOCIAL DEVELOPMENT

The *Human Resources and Social Development* sector, encompassing the areas of education, employment, social inclusion and health, is burdened with constant reform processes and insufficiently clear strategic directions for development. The National Secretariat for Public Policies has indicated that in this sector alone there are over 30 current national strategies. This indicates insufficiently aligned priorities in the abovementioned areas and thus the non-existence of clearly defined steps in implementing the reforms. This issue is important, given that these are reforms which should contribute to a better quality of life of citizens, better social and health systems, better quality of education, encouraging employment, and the inclusion of the most disadvantaged groups.

The adoption of the Employment and Social Policy Reform Programme (ESRP) as the umbrella strategy for this sector is the first step towards aligning all the reform processes and achieving concrete results. The second important step in this process is ensuring the financial resources to implement the changes produced in the reform process. So far a significant number of measures provided for in reform plans have been financed through international development assistance, above all using the EU resources from the Instrument for Pre-Accession Assistance (IPA). The programming of the international development assistance is a complex process of identifying the needs, i.e. priority objectives within separate sectors, defining the activities, procedures as well as the time limits in the procedure of preparation and selection of project proposals which should contribute to the realisation of the objectives set.

Given that 2016 is the key year for programming the measures in the Human Resources and Social Development Sector, the SECO has conducted a review of the projects financed by the IPA resources in the period from 2007 to 2013 with a view to ensuring greater transparency, but also the preconditions for the civil society organisations to be included in this process.

All stakeholders wanting to get actively involved in the process of programming and monitoring of the international development assistance through the work of SECO for human resources and social development may contact the HRSD SECO by e-mail at seko@bos.rs.

| | | |
|--|-------------------------|--------------|
| Education | 70,830,000.00 € | 37 % |
| Social inclusion | 61,075,000.00 € | 32 % |
| Labour and employment | 20,800,000.00 € | 11 % |
| Healthcare | 40,600,000.00 € | 21 % |
| TOTAL RESOURCES FROM THE IPA FUND 2007-2013 | 193,305,000.00 € | 100 % |

According to the data available on the website of the European Commission¹ and the Intersectoral Development Assistance Coordination Network (ISDACON) governing the information system on international assistance to the Republic of Serbia², in the period from 2007 to 2013, EUR 193,305,000.00 has been invested into Human Resources and Social Development Sector reforms through IPA funds. The greatest amount of resources was allocated for reforms in the area of education (37%) and social inclusion (32%), whereas the remaining resources were intended for the areas of labour and employment (11%) and health (21%).

The effects of the past EU support for this sector on general changes in society are unfortunately not known, as there is no overall assessment of the impact of the past financial support and no publicly available analysis and evaluation of the results achieved. The impact assessments of the implemented projects could help improve the results of upcoming programme cycles, enabling better visibility of the EU support and thus increasing the citizens' support to the European integration.

Author: Bojana Jevtović

¹ Source: The website of the European Commission
<http://ec.europa.eu/enlargement/>

² Source: ISDACON internet presentation
<http://www.europe.gov.rs/>, last accessed on February 1st, 2016

COALITION 27: REPORT ON THE ASSESSMENT OF THE PROGRESS OF SERBIA IN CHAPTER 27



Photo: BOS Coalition 27

Over the past few months, the Coalition 27 has been assessing the progress of Serbia in Chapter 27 (Environment and climate change) and it has drawn a report entitled „Serbia on the Road to EU Accession: Securing ambition for Chapter 27, CSOs’ assessment on the Progress of Serbia in Chapter 27: Environment and Climate Change”.

The report states that the environment is not a priority of the Serbian Government. The financing system for public policies in the area of the environment has not been established, which leads to unpurposeful spending of very limited resources. Allocations for the environment have been symbolic, on average less than 0.4 % of GDP in the last ten years. Legislative activity has been slowed down and public participation, despite some positive examples, has been at an unsatisfactory level. The Coalition has also pointed to examples of good practice in the process of drawing up regulations and early involvement of the public concerned.

Air pollution, industrial pollution, and dysfunctional system of waste and wastewater management continue to pose serious and unsolvable problems. In the area of environmental protection, the past period has been marked with further marginalisation of nature protection instruments and prioritisation of construction projects in protected areas.

The Coalition 27 monitors and contributes to the process of aligning the policies and regulations of the Republic of Serbia with the EU acquis in the areas of the environment and climate change and the process of their application.

The Coalition 27 advocates and encourages public participation in the accession negotiations of Serbia with the European Union and it proposes solutions which will contribute to the protection and improvement of the environment and the citizens’ quality of life.

The report has been drawn up by the organisations forming the Coalition 27: Belgrade Open School, Centre for Ecology and Sustainable Development (CEKOR), Environment Improvement Centre, Climate Action Network Europe – CAN, NGO Fraktal, GM Optimist, Young Researchers of Serbia (YRS) and WWF – the World Wide Fund for Nature, Office in Belgrade, with the support of the Heinrich Böll Foundation, Representation in Belgrade and in collaboration with the Health & Environment Alliance – HEAL.

The report of the Coalition 27 in English can be downloaded [HERE](#).

HABITAT: THE COMMENT ON THE DRAFT LAW ON LOCAL SELF-GOVERNMENT FINANCING

The report on the progress of Serbia in the process of European integration for 2015 contains a clear message that Serbia should take measures to establish an effective financing system for environmental and climate policies. However, the steps that the Ministry of Finance took in the last few months of the year 2015 do not indicate that this will happen. It seems that the consolidation of public revenue will not have positive effects on the environmental protection and climate change policy. The announcement of eliminating and the subsequent actual eliminating of the dedicated nature of certain budgetary revenues through amendments of the Budget System Law, prejudice the

application of the “polluter pays” principle – a fundamental principle of the environmental policy of the European Union. Belgrade Open School and the Ecological Centre “Habitat” have drawn the competent institutions’ attention to evident problems in the financing system for the environment.

For several years already, the Ecological Centre Habitat, Vršac has been monitoring and analysing the system for financing the environment in Serbia. As a follow-up to the public debate on the amendments to the Law on Local Self-Government Financing, the Habitat has published a short analysis of the problems



Photo: The Ecological Centre Habitat, Vršac

of financing the environment, but also problems that can occur due to the waiving of the environmental protection fee at local level. We hereby transmit to you parts of this analysis.

Certain solutions contained within the Draft Law on Local Self-Government, especially the proposal for waiving the environmental protection fee, will disable local self-governments' implementation of environmental protection activities, which will have a negative effect on the already alarming state of the environment. In the last years, several unfavourable processes of a universal nature have continuously been underway; they are also present in the financing system for environment at local level, and they are undermining it. The processes could be described as:

1) **Revenue centralisation** – aiming towards reducing the local self-government revenues for the benefit of increasing the budget of the Republic. This usually occurs simultaneously with the amendments to the law which extend the competencies and responsibilities of municipalities and cities, resulting in an increase in local taxes and fees. In this way, Serbia shifts its responsibility to local self-governments.

2) **Turning assigned revenue into general revenue** – aiming to eliminate the dedicated nature of certain budgetary revenues, in order to be able to use them for any purpose and to distribute them to any budgetary user.

3) **Non-strategic decision making** – the practice of decision making addressing a separate (not strategic) objective, without detailed knowledge of the state of play, without a broader picture and plan, with no awareness of the consequences of such decisions, often without consulting other ministries or in contravention of strategic documents.

4) **“Legalising” the state of play resulting from not applying regulations**– the practice that the regulations are adjusted to an unfavourable state of play, instead of being applied to change that state for the better. Due to the country's inability to apply its own regulations, ways to simplify and generalise norms and to lower standards are being sought.

The current financing system for environment is unregulated and needs to be improved. But the proposed amendments to the Law on Local Self-Government Financing will not bring about such improvement. There are three major problems in using the

budgetary funds in nearly all municipalities and cities in Serbia: 1) revenue from dedicated fees is greater than the expenditure in the budgetary funds; 2) in a large number of municipalities and cities, dedicated resources are also being used to finance programmes not falling under environmental protection and 3) decision making on priorities is untransparent.

For two and a half years already, the Ministry of Agriculture and Environmental Protection, in collaboration with pundits and civil society, has been trying to propose amendments to the Law on Environmental Protection in order to solve these issues. A lot of energy and will have been invested, money has been spent, consultative meetings, public debates and hearings have been held, public appearances made and deliberations held. If the solutions from the Draft Law on Local Self-Government Financing are adopted, no further efforts in this direction will be needed. There will be no dedicated revenues or funds and, accordingly, no undedicated spending. “Legalise” unregulated state and adjust regulations towards it = problem solved!

Serbia is a country facing huge problems in the area of the environment which, in turn, demand extensive technical, technological and financial investments. It is naïve to believe and hope that an inefficient financing system will not further harm the environment. The decision-makers must be aware that they, too, are citizens and that they will not escape the harmful effects of bad decisions on the environment.

Does the current government of the Republic of Serbia have any idea of the state of play and needs in the area of environmental protection? The way the Serbian Government has acted to date shows that the environment is not its priority. This conclusion is corroborated by the reports of the European Commission on the progress of Serbia in the process of European integration. The 2015 report assesses that Serbia is “at an early stage of preparation in the areas of the environment and climate change”, which is the lowest on the assessment scale.

The new Law on Local Self-Government Financing will exhaust local budgetary funds for environmental protection and render them meaningless in 142 out of 145 local self-governments. Many local self-governments have begun planning the investments in environmental protection, which will be called into question with the loss of dedicated resources and funds. The state of the environment will worsen.

The contention of the legislator that the environmental protection fee is a quasi-tax on property is not correct as, according to the “polluter pays” principle, a criterion for paying is also the income from performing activities that have an effect on the environment, which cannot be integrated in the property tax. The environmental protection policy must be integrated in all other policies. For this reason the legislator must seriously consider all the effects and propose a solution better suited for environmental protection requirements.

The greatest indirect damage should be expected in the state of public awareness and the necessity of investing in the environment. When the highest level of government sends the message to the public that the environment is not important and when, as a consequence, there will be no planning, investments or activities in the area of the environment in 98 % of local communities, it cannot but leave permanent consequences to people's awareness, but also the environment itself.

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IMPLEMENTING THE PARTNERSHIP PRINCIPLE IN REGIONAL DEVELOPMENT POLICY IN SERBIA: WHAT IS THE ROLE OF PARTNERSHIP IN THE NEW REGIONAL DEVELOPMENT POLICY?

As a country without a clear regional development policy, Serbia does not have a regulated legal and strategic framework in this area. The partnership principle as a leading principle in this policy is not properly regulated either. Namely, none of the official documents in Serbia's regional development policy establishes the basis for applying this principle, nor is the principle consistent with the partnership principle of the EU cohesion policy. Moreover, the bodies (such as regional development councils and the National Council for Regional Development) which should bring together stakeholders thus epitomising the implementation of the partnership principle are virtually non-existent.

"The partnership principle means close cooperation among public authorities, economic and social partners and organizations representing civil society at national, regional, and local level throughout the programme cycle consisting of preparation, implementation, monitoring and evaluation".

The European code of conduct on partnership, Regulation No 240/2014, the Official Journal of the European Union No L 74

Without applying the partnership principle, there is no policy corresponding to the actual needs of citizens and regions. An overall consequence of conducting the policy in such a way is that Serbia is currently a country with big differences in regional development. According to the official statistics of the Government, there are currently only two developed statistical regions in Serbia (Belgrade and Vojvodina) and three regions are considered underdeveloped (Šumadija and Western Serbia, Southern and Eastern Serbia and Kosovo and Metohija). However, it is not certain whether this trend will continue as the development of Vojvodina is not continuous. Also, a third of local self-government units in Serbia are seriously underdeveloped today (below 60 % of the national average).

The Partnership Principle in the New Strategic and Legal Framework

Based on the research conducted by the Belgrade Open School in 2015 on the application of the partnership principle in the regional development policy in Serbia, recommendations have also been made which should establish the basis for a better and full application of the partnership principle. The precondition of successful application of the partnership principle is a clear and new concept of regional development policy based on a regulated legal and strategic framework. Thus the Strategy or the National Plan of Regional Development needs to be adopted. Namely, since 2012 Serbia has not had a

strategic document in the area of regional development and therefore it has no regulated directions and objectives of its regional development. Amendments to the Law on Regional Development also need to be adopted. The existing law was adopted in 2009 and its shortcomings have not been eliminated yet. In both documents the partnership principle needs to be defined in accordance with the provision on the partnership principle in the EU cohesion policy and the basis for applying the principle needs to be described. In addition, accompanying principles need to be included such as the principle of openness, responsibility, equality, continuity and that of "bottom-up" implementation. These provisions need to be introduced into the new Decision of the Assembly of the Autonomous Province of Vojvodina on the governance in the province, as well as into future regional development strategies in order to make the partnership principle recognised in all regions.

In addition, in the Law on Regional Development regional development subjects need to be clearly determined and the meaning of this concept extended to cover organisations dealing with socioeconomic development and the development of the regional economic chamber. While setting up a new legal and strategic framework in the regional development policy, steps need to be taken to align the provisions of the Law with the system for planning the national budget and the system for managing the EU pre-accession funds. In this way the creation of a parallel system as well as the redirection of resources to different areas could be avoided.

Although the Serbia of today is a country with big differences in regional development and without a clear policy for responding to these differences, there is still room for things to "start from the beginning". Namely, Serbia is undergoing accession negotiations to join the EU, which is a process that changes the whole society. Based on these changes, Serbia can plan and set up a new regional development policy. However, the Government of the Republic of Serbia must do this in collaboration with those concerned with such a policy (stakeholders). Only in this way can the policy respond to the needs of its citizens and regions. A policy of everyone's concern should be decided on by everyone. Regional development is exactly such a policy.

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European Fund for the Balkans

Photo: European Fund for the Balkans

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THE NEGOTIATING CHAPTER 19 – SOCIAL POLICY AND EMPLOYMENT

The most important objectives of EU social policy are: achieving a uniform and equitable access to basic social services, improving the social protection system, high level of workforce education, high employment rate and special care for groups less present in the employment market, achieving secure and sustainable income as well as decent labour standards for men and women.

European employment legislation protects the rights of workers in case of: collective redundancies, bankruptcies, relocating businesses, the right of workers to be informed and consulted on issues relating to their work, rules on business hours and work safety, issues related to healthcare. The EU encourages modern employment relationships and social dialogue between workers' representatives and employers for the purpose of workers' protection, but also that of boosting competitiveness. Ensuring decent work environment throughout the EU, workers' rights protection through common minimal rules on working conditions and health and safety at work is also under the auspices of this policy. The EU sanctions discrimination on grounds of sex, race, ethnic origin, invalidity, sexual orientation, age, faith, or belief.

In the area of social inclusion of all segments of society, the EU strives to find ways to get out of the economic and financial crisis by means of new economic and social solutions. In this sense, the Union's Europe 2020 Strategy provides for different innovative measures and policies aiming to achieve social cohesion. The objectives of the strategy are: knowledge-based economic development (while protecting the environment), high levels of employment, productivity and social cohesion. A new concept has also been introduced – flexicurity, which is a combination of employment security and social security and the need for lifelong learning.

Therefore, European legislation in the area of social policy and employment is targeted towards creating equal opportunities for everyone, prohibiting discrimination on any ground, and strengthening the social dialogue. The EU uses an array of efficient measures to combat unreported employment as well (the so called undeclared work) in order to enable the workforce in the territory of the EU to enjoy equal rights and freedoms.

The publication of the European Commission "LIFE and New Partnerships for Nature Preservation" which underscores the importance of conducting partnership activities for successful implementation of the EU policy, especially the management of the ecological network Natura 2000.

The Report of the European Commission on Employment and Social Developments in 2015 In this year's report further positive changes can be seen in the area of employment and social policy of the EU, but despite improvements, there is

WHAT ARE THE BENEFITS FOR SERBIA?

- Improving the social protection system
- Increasing the educational level of the workforce
- Achieving high employment rate
- Employment non-discrimination

By joining the EU, a country adopts standards on which the EU policy in this area, promoting contemporary employment relationships and social dialogue between workers' representatives and employers, is based. The objective is workers' protection, but also increased competitiveness. A special emphasis is laid on corporate social responsibility by including social and ecological problems in business strategies. The most important benefits are those concerning the possibility of getting employed in the European employment market in a simpler way, better chances of getting employed for all unemployed citizens, better access of youth populations to the labour market, and better forms of employment protection. All Member States also have access to significantly larger resources in the EU budget for financing projects related to social policy and employment.

(The brochure entitled "Negotiating Chapters – 35 steps towards the EU", jointly published by the EU information centre and the Negotiating Team for Accession of the Republic of Serbia to the EU).

The EU *acquis* in the area of social policy and employment concerns the domain of labour law, health, work safety, equal treatment for men and women in matters of employment and social security, employment policy and social dialogue. Furthermore, there are special binding rules for all EU Member States on non-discrimination on grounds of racial and ethnic affiliation, religion and faith, invalidity, age, and sexual orientation.

Learn more:

European Commission – Employment, Social Matters and Inclusion
European Employment Strategy
Employing the Youth – Guaranties for the Young

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still a huge discrepancy with respect to economic growth, employment and other key social and labour indicators among Member States.

The Eurostat Report for 2015 on Sustainable Growth in the EU paints an objective and statistical image of the progress the EU is making towards the objectives of the EU Sustainable Development Strategy. The report was made as an attempt to assess whether the EU will go in the right direction at a sufficient speed, in the light of the aims defined in the Strategy.



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