

FEASIBILITY STUDY FOR THE PROJECT “NEW ECONOMIC OPPORTUNITIES FOR RETURNEES AND LOCAL PEOPLE IN SOUTH- EAST SERBIA”

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Executive Summary

This study has been elaborated in order to respond to the needs of CARE International Balkans for the design of the project "New economic opportunities for returnees and local marginalised local people in South-East Serbia". The research is comprised of several approaches with the aim to deliver sufficient information and data on prospects for the successful implementation of the planned action: information on possibilities for socio-economic inclusion of returnees (in Serbia) and prospects of economic improvement for other groups of citizens vulnerable to migration to western countries.

Purpose of this study is to provide a sound basis for developing a project concept and proposal, by identifying project preconditions, opportunities and risks for its implementation. This study provides relevant information on the socio-economic status of returnees and vulnerable local population, their capacity for economic engagement and employment, access to the labour market, as well as economic potential of local business environment.

CARE International Balkans as the lead organization has selected two partners from civil society organizations, ENECA and NEXUS, as project partners which are situated in the regions in which the project would be implemented. The initial project idea has defined geographical coverage which would include 6 administrative districts in Serbia, concentrated in South East Serbia (districts of Pcinj, Jablanica, Nis, Pirot, Bor and Timok). According to the Population Census conducted in 2011 in Serbia, the population of 6 identified districts totals to 1 089 142 inhabitants of which 481 576 are females. These 6 districts make up 15.15% of the overall population of Serbia according to the 2011 Census. Of the 32 local self governments, 21 are classified in the 4th category of development, 5 are in the 3rd category of development, 4 are in the 2nd category and only 2 (Nis and Bor) are in the 1st category of economic development defined by the Regional Development Agency of Serbia. Additionally, a large number of the LSGs in the 4th category are additionally classified into the group of devastated areas/LSGs.

The specific regions, South and East Serbia, are characterized as the poorest areas of the Republic of Serbia. As stated, listed districts had a population of 1 082 004 inhabitants in 2011, but the expectations are that this number has drastically reduced since the census. Unfortunately, migration from these regions is devastating in respect to the demographic structure of the population. A huge number of young people have migrated from the region to larger cities in Serbia but also have left Serbia and went abroad in search of better living conditions. One of the main reasons for the almost systematic outflow of young people is the reduced employment possibilities and offers which exist.

In the first quarter of 2020 the corona virus outbreak became a major concern for the health of global population, as well as for the global economy and international projects implementation. The Republic of Serbia has also been affected by the pandemic, but with adequate prevention and protection measures, it responded quickly to contain the impact. According to WHO forecasts, it is possible that a new pandemic wave might follow at the beginning of autumn. In that regard, it is necessary to adjust the project implementation to such conditions, to recognize potential risks and anticipate adequate mitigation measures.

According to statistics from the National Employment Action Plan for 2019, in the second quarter of 2018, the highest **employment rate** was in the Belgrade region (51.5%) and in the Sumadija and Western Serbia region (49.1%). In the Region of Vojvodina this rate was 48.1%, and the lowest value was in the **Region of South and East Serbia (45.3%)**.

The **unemployment rate** was highest in **Region of South and East Serbia (15.6%)**. In the Region of Sumadija and Western Serbia it was 12.6%, and in the Belgrade region 10.1%. The unemployment rate was the lowest in the Region of Vojvodina (10.0%).

In Serbia, unemployment and general economic inactivity of citizens is high, particularly among women and youth. The number of unemployed end of 2017 was 618.826 and,

particularly alarming; around 1 in 5 persons in the age group 15-24 was not in employment, education, or training (NEET). Economy is in no state to generate employment: due to a high government debt employment in the public sector is officially stopped several years ago and the private sector is underdeveloped and needs support in order to create new jobs.

One of the key challenges of Serbia is related to **growing disparities in socio-economic development of different country parts**. Strong disparities in economic development of Serbia's territories are caused by long-standing deficiencies in key factors of competitiveness – poor infrastructure, maladjustment of workers to market conditions, insufficient support for business, and inadequate innovative capacity of enterprises, a significantly degraded environment and resultant low investment attractiveness of territories. Disparities have significantly increased during the socioeconomic transformation to the market economy, when territories with low level of competitive and comparative advantage did not manage to catch up with leading growth poles of the country.

Serbia is attempting to challenge unemployment through attraction of investors and through different approaches, all in the aim to improve the living conditions and to motivate young people to remain in Serbia. As a country on its accession road to the EU, Serbia must be prepared for that membership.

The European Union has set itself a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. Achieving this goal requires an overall strategy aimed at:

- preparing the transition to a knowledge-based economy and society by better policies for the information society and research and development, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market;
- modernising EU social model, investing in people and combating social exclusion;
- sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix.

The Republic of Serbia has entered the accession processes into the EU and faces many challenges along the way. One of the biggest is the difficult economic situation in the country. The labour supply in Serbia is high, which is shown by high rate of unemployment. On the other hand, the demand for work is also growing. This should be resulting in a fall in the unemployment rate. However, this is not happening, because of a big discrepancy between the supply and demand of the workforce, which is probably, in addition to insufficient level of economic activity, the biggest problem for a significant reduction in unemployment. The main cause of the big gap is insufficient and obsolete knowledge between supply and demand of the unemployed. Knowledge of employees, and especially the unemployed, is often outdated, because they are related to obsolete technologies, which is a consequence of Serbia's great technological lagging behind. That is why education reform, especially the secondary education, is very important and urgent, in order to adapt labour supply to demand. In addition to these circumstances, it is necessary to have a clear direction for an efficient labour market. The fact that during the 1990s there was a turning point and increasing poverty and changing the structure of the population, because of the great influx of refugees and internally displaced persons, and the large outflow of young people abroad and increasing participation of elderly, the ill and dependent persons. All these changes greatly affect the supply of labour and work force, both quantitatively both qualitatively, and that is why it is necessary to adjust the strategy for increasing employment.

The labour market situation in Serbia remains critical. Low labour market participation and low employment rates – especially among women - as well as a high level of informal employment, together with substantial skills mismatch and inadequacies of human capital development represent considerable challenges for the Serbian labour market as the economic restructuring continues. Recent increases in employment and in the employment rate should be further analysed. Very high youth unemployment and high NEET (not in

employment, education, or training) rates are serious concerns. The budget earmarked for active labour market measures is insufficient to address the high level of unemployment, notably long-term unemployment, informal work and youth unemployment and to face future challenges, notably the large employee redundancies. Sufficient attention should also be paid to adult education and training. Cooperation between the employment offices and training institutions should be strengthened. Measures need to be taken to tackle informal work which continues to be an obstacle to increasing regular employment. Also a thorough analysis of the underlying causes of informal employment is needed urgently. As regards administrative capacity, while the NES staff are generally competent, its capacity is curbed by its increased workload and limited new recruitment.

Purpose, objectives and utilization of the study

The main goal of the Study is to deliver sufficient information and data on the prospects for a successful implementation of the planned action: information around the possibilities for a socio-economic inclusion of returnees (in Serbia) and prospects of economic improvement for other groups of citizens vulnerable to migration to western countries. In this sense, the Study will identify the local labour market absorption potential.

Purpose of this study is to provide the sound basis for developing a project concept and proposal, by identifying project preconditions, opportunities and risks for its implementation. This study provides relevant information on the socio economic status of returnees and vulnerable local population, their capacity for economic engagement and employment, access to labour market, as well as economic potential of local business environment.

Overall, this study:

- Identifies the needs of the target groups regarding the project objectives and the type of interventions and services most needed (and feasible) in the coming period, regarding the socio-economic strengthening of the vulnerable.
- Provides an insight on the special challenges of the target group arising from the challenges caused by the Covid 19 pandemic (compare with the paragraph under “relevance”)
- Provides an overall picture of the social and economic environment of the target group in South East Serbia by considering political, economic and cultural context aspects and provides an in-depth analysis of the situation of returnees and vulnerable local population in the region – unemployed, poor, youth with finished education, populations likely to migrate (e.g. poverty rates, unemployment statistics, migration situation etc.).
- Identifies main root causes for socio-economic exclusion of all target groups (e.g. skills mismatch, job search barriers, barriers for small entrepreneurship and self-employment, unavailability of effective employment services, environment among operational businesses for introduction of internship advantages etc.).
- Provides information on employment possibilities, self-employment prospects and potentials, attitude of returnees and vulnerable local population on self-employment concepts and business/vocational education; labour market absorption potential, available business resources, potential of existing local businesses for creating new employment and practicing internship.
- Assesses relevance, effectiveness, efficiency and sustainability of existing legal framework and services (current policy framework, standards, local policies, guidelines and practices and related gaps in the implementation) in the field of economic empowerment for the above mentioned target groups, ability to meet community needs and participation of key stakeholders (governmental, non-profit, and private) at local level.
- Identifies similar projects or interventions on local or national level and opportunities for alignment and synergies. Analyses lessons learnt from these in the past and gaps still present today.

- Analysis of the feasibility of the proposed project and recommend the relevant type of interventions, services and activities to address the needs of the target group in an effective and sustainable way.

The initial project idea has defined the geographical coverage which would include 6 administrative districts in Serbia, concentrated in South East Serbia (districts of Pcinj, Jablanica, Nis, Pirot, Bor and Timok). According to the Population Census conducted in Serbia in 2011, the population of the 6 identified districts totals to 1 089 142 inhabitants of which 481 576 are females. These 6 districts make up 15.15% of the overall population of Serbia according to the 2011 Census.

District /Region	Total	Total Female
Bor	124 992	63 896
Zaječar	119 967	61 494
Niš	376 319	191 353
Pirot	92 479	45 711
Jablanica	216 304	108 322
Pčinja	159 081	10 800
	1 089 142	481 576

There is a total number of 32 local self-governments in these six administrative districts.

Zaječarski	Zaječar, Boljevac, Knjaževac, Sokobanja;
Borski	Bor, Kladovo, Majdanpek, Negotin;
Pirotski	Pirot, Bela Palanka, Babušnica, Dimitrovgrad;
Pčinjski	Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica, Trgovište;
Jablanički	Bojnik, Vlasotince, Lebane, Leskovac, Medveđa, Crna Trava;
Nišavski	Niš, Aleksinac, Svrlijig, Merošina, Ražanj, Doljevac, Gadžin Han.

It should be stressed that of the identified regions to be included in the project, of the 32 local self governments, 21 of the LSGs are classified in the 4th category of development, 5 are in the 3rd category of development, 4 are in the 2nd category and only 2 (Nis and Bor) are in the 1st category of economic development defined by the Regional Development Agency of Serbia (<http://www.regionalnirazvoj.gov.rs>). Additionally, a large number of the LSGs in the 4th category additionally are classified into the group of devastated areas/LSGs.

The specific regions are characterized as the poorest areas of the Republic of Serbia. As stated, the listed districts had a population of 1 082 004 inhabitants in 2011, but the expectations are that this number has drastically reduced since the census. Unfortunately, migration from these regions is devastating in respect to the demographic structure of the population. A huge number of young people have migrated from the region to larger cities in Serbia but also have left Serbia and went abroad in search of better living conditions. One of the main reasons for the almost systematic outflow of young people is the reduced employment possibilities and offers which exist.

Based on the records of the Central Registry of Compulsory Social Security and the Statistical Business Register, at the end of the third quarter of 2018, the total number of employees in the Republic of Serbia amounted to 2,146,842 persons. Out of the total number, 1,699,260 is employed in legal entities, 370,016 represent entrepreneurs, persons employed by them and self-employed persons, and 77,566 persons are registered individual farmers. The number of employees in the II quarter of 2018 was about 2,896,800 in relation to the same period of the previous year, it increased by around 15,800 persons.

Cross-examining data on the number of new employees by sectors of activity and real growth rates, it is noticed that the employment movement is not accompanied by sector growth. The seasonal component is somewhat expressed in the number of newly employed in the construction sector. Traditional sectors of employment dominate: such as Manufacturing, Mining and other industries and Wholesale and Retail Trade, Transport and Warehousing and Accommodation and Food services, while the growth in the GVA (gross value added) sector is taking over sectors such as Information and Communication and Financial Activities and Insurance. The growth of these sectors should be seen as a potential for additional employment growth. (Analysis of employment trends by sectors of activity)

According to statistics from the National Employment Action Plan for 2019, in the second quarter of 2018, the highest **employment rate** was in the Belgrade region (51.5%) and in the Sumadija and Western Serbia region (49.1%). In the Region of Vojvodina this rate was 48.1%, and the lowest value was in the **Region of South and East Serbia (45.3%)**.

The **unemployment rate** was the highest in the **Region of South and East Serbia (15.6%)**. In the Region of Sumadija and Western Serbia it was 12.6%, and in the Belgrade region 10.1%. The unemployment rate was the lowest in the Region of Vojvodina (10.0%).

According to data obtained from the Statistics Agency of Serbia the age structure of unemployed persons is given in the following table:

Observed by age, in the II quarter of 2018, around 189,900 persons belong to the two of the youngest age groups (15-24 and 25-34).

Age group (thousands)	2016. average	I quarter 2017.	II quarter 2017.	III quarter 2017.	IV quarter 2017.	2017. average	I quarter 2018.	II quarter 2018.
15-24	80,0	77,4	62,6	70,9	78,5	72,4	71,5	59,4
25-34	161,0	147,3	130,2	132,6	150,2	140,1	143,8	130,5
35-44	117,5	105,9	92,4	100,5	112,6	102,9	113,4	87,2
45-54	84,9	79,7	59,4	76,6	87,8	75,9	87,8	65,3
55-64	44,9	41,2	37,1	44,6	44,5	41,9	50,2	48,3
Total 15-64	488,3	451,4	381,5	425,2	473,5	432,9	466,7	390,7
Total 15+	489,4	452,8	384,1	428,2	475,6	435,2	468,7	391,6

According to statistics from the Monthly Statistic Newsletter December 2018 (NES) in the relevant six districts, data of unemployed persons per age group are given in this chart.

District /Region	Total	Total Women	15-19		20-24		25-29		30-34		35-39		40-44		45-49		50-54		55-59		60-65	
			Total	Women	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women
Bor	10284	5749	278	125	966	502	1161	683	1116	710	1126	672	1243	732	1258	734	1185	713	1168	621	783	257
Zaječar	10426	5301	250	111	763	365	1069	594	1149	676	1168	663	1194	639	1250	676	1267	686	1409	673	907	218
Niš	37020	17659	771	314	3182	1470	4197	2200	4214	2169	4120	2101	4241	2106	4030	2086	4550	2351	4571	2114	3144	748
Pirot	9688	4940	172	65	749	342	960	548	968	553	963	555	1083	616	1145	641	1303	683	1475	746	870	191
Jablanica	28817	13801	788	343	2592	1184	2980	1528	2884	1457	3153	1655	3603	1786	3665	1864	3732	1944	3246	1545	1994	495
Pčinja	20522	10800	508	248	1668	849	2247	1338	2274	1325	2238	1262	2513	1408	2764	1502	2814	1465	2294	1056	1202	347
	116757	58250	2767	1206	9920	4712	12614	6891	12605	6890	12768	6908	13877	7287	14112	7503	14851	7842	14163	6755	8900	2767

This study has been conceptualized in order to respond to the needs of CARE International Balkans for the design of the project “New economic opportunities for returnees and local marginalised local people in South-East Serbia”. The research is comprised of several approaches. The first consisting of desk research for reviewing of available data and information on national, regional and local levels, consider relevant background information (legislation, strategies), identification of relevant similar initiatives for possible programmatic synergies, review the absorption potential for employment /employability initiatives; analysis of potential risks with regards to the proposed projects and propose mitigation measures. The field research for gathering an overview of the attitudes of relevant stakeholders, needs and capacities of potential beneficiaries, sustainability concerns and recommendations:

- Analysis of (university) studies (thesis), organization reports, documentation, resource persons/experts, and similar;
- A review of existing laws, policies, strategies, statistics and reports related to the situation of returnees and vulnerable people (Roma, women, youth or other disadvantaged groups);
- Design questionnaires for relevant stakeholders, contacts and interviews and discussions with relevant institutions, national/local authorities/institutions, public institutions, business associations and CSOs dealing with the target group and with economic empowerment/development issues;
- Interviews with experts/expert organizations in regard to employment, self-employment and employability, environment for start-up development etc.
- Communication with representatives of business sector about real capacities for employment, demanded job profiles, possibilities for internship.

Extensive information, data, experiences exist related to the issue of unemployment/employment possibilities and potentials of vulnerable groups are given throughout this study. The study considers relevant experiences of projects, programmes and interventions related to the topic which should provide guidance in the preparation and direction for the further design of the specific project.

This study provides extensive information related to the overall situation of vulnerable groups of the population, their employment status, and the specific difficulties with which returnees are faced with and also insight into experiences of other programmes and projects implemented in Serbia related to employment, increasing employability and improving living conditions of vulnerable population groups.

Context and problem analysis

The labour market in Serbia substantially differs from those of the EU, but it is not too much different than in the Western Balkan countries or in the former transition countries of Central and Eastern Europe. The common feature of all these labour markets is low employment and economic activity of the workforce. In addition, some unfavourable developments in the labour market are characteristics of certain labour categories, such as women and young and older workers. In order to harmonize the local labour market development with the EU employment policy, the Serbian government adopted the National employment strategy for the period from 2011 to 2020 (Government of Serbia 2011). However, the instruments for the implementation of this strategy are rather weak and the measures of the success of implemented policies in the Serbian labour market still diverge from those prescribed by the employment policies of the Europe 2020 strategy. In Serbia, unemployment and general economic inactivity of the citizens is high, particularly among women and youth. The number of unemployed end of 2017 was 618.826 and, particularly alarming; around 1 in 5 persons in the age group 15-24 is not in employment, education, or training (NEET). Economy is in no state to generate employment: due to a high government debt employment in the public sector is officially stopped several years ago and the private sector is underdeveloped and needs support in order to create new jobs. Operating businesses often lack information on

the alternative possibilities of engagement of workers (e.g. through working practice or internship engagement). On the other hand, almost a quarter of all unemployed persons completed tertiary education, which points to a considerable gap between the skills acquired within the regular educational process and labour market demand.

Графикон бр. 6 - Промена броја незапослених лица за период XII 2017. - XII 2018. године
 Chart No. 6 - Change in the number of the unemployed XII 2017 - XII 2018

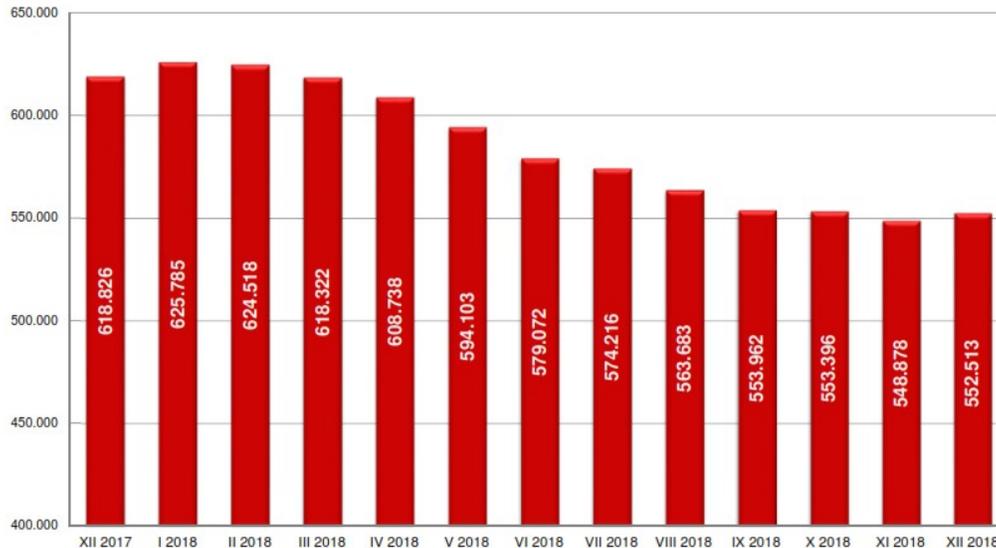


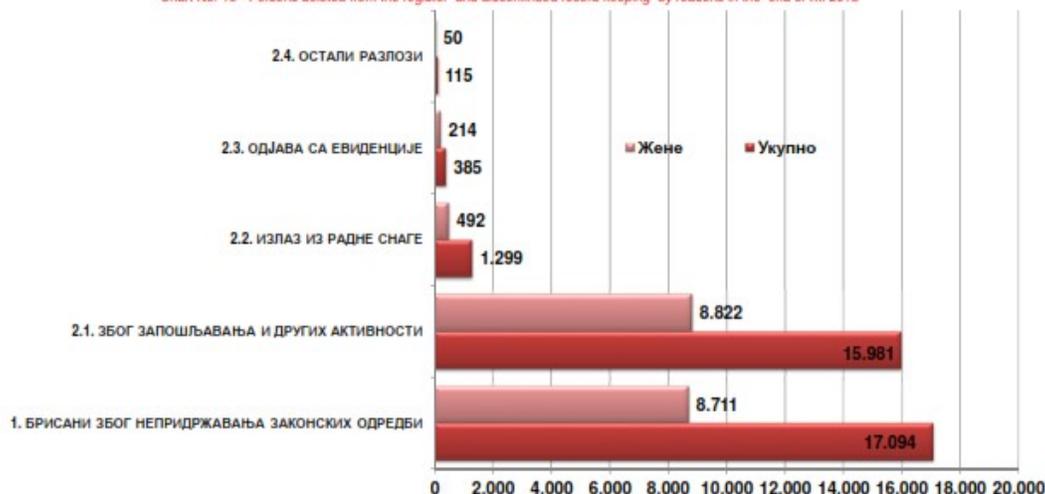
Chart from Monthly Statistic Newsletter December 2018 (NES)

The Serbian labour market is characterized by large structural disparities between the supply and demand of workforce. Obvious reason lies in high unemployment. In spite of a significant drop in unemployment over the previous several years, the unemployment rate is still high (see chart above). The unemployment is especially high among certain groups of labour market participants including youth, women, minorities (mainly Roma), returnees, etc. Persistency of structural unemployment is the characteristic of all transition countries, due in particular to rapid technological change and unreformed education and training system that cannot adequately respond to the labour market needs and inevitably induce skill mismatches.

In 2017, the unemployment rate was 14,7%, the lowest since 2014 (*Statistical Office of the Republic of Serbia*), showing overall positive employment trends. Despite the decrease in unemployment, the significant percentage of informal employment (19,8%) remains a concern. As does the high unemployment rate of the vulnerable groups, e.g. just over one fifth of Roma aged 15 to 64 was employed in 2017 in comparison to the overall population with 40% i.e. of their non-Roma counterparts. Furthermore, only one third of them participated in the labour market – down from 52% in 2011 (*Regional Survey on socio-economic position of marginalised Roma in Western Balkans, 2017. UNDP with support from DG NEAR, in cooperation with the World Bank, and in consultation with the EU's Fundamental Rights Agency and other UN Agencies.*), which is a significant decrease. Employment rate of Roma women was even lower (just 9%), whereas their labour participation was only 18%. One of the reasons for such low employment rates of Roma women are early marriages and early childbearing. According to Eurostat data from December 2017, the level of youth unemployment (15 to 24 years) was at an average of 33,3% which is still high, especially compared to a 16,1% rate of youth unemployment in EU. The percentage of youth which are not in employment, education or training (NEET) still relatively high at 15,3%. The figure is critical for Roma, where NEET rates for young Roma (18-24) are at 73% for men and 88% for women.

One should be very careful when looking at the statistics showing reduction in unemployment. According to the Monthly Statistical Newsletter of the National Employment Services for December 2018 the following chart shows reasons for persons being taken off of the official register of unemployed persons.

Графикон бр. 16 - Брисани и престанак вођења евиденције према разлозима на крају XII 2018. године
Chart No. 16 - Persons deleted from the register and discontinued record keeping by reasons in the end of XII 2018



According to this, it is clear that more than 17 000 persons were removed from the unemployment register due to non-compliance with legal regulations (see pg. 31 of the Newsletter December 2018), meaning they did not report to the NES for regular meetings and not necessarily that they have found employment.

An additional issue which exists is the issue of Returnees under the Readmission agreement. According to data of the Commissioner for Refugees and Migration of the Republic of Serbia the number of returnees is given in the chart.

Age structure of returnees									
	2012	2013	2014	2015	2016	2017	2018	TOTAL	
Younger than 18	830	1137	805	1317	1653	852	492	7086	
18+ years of age	1277	1440	911	1549	2002	1039	697	8915	

Data from the Commissioner for Refugees and Migration Office of the Republic of Serbia

What is concerning is that according to information from the local NES offices, the number of returnees registered as unemployed is minimal. This is concerning as the majority of the families returned are with young children, meaning that the parents are work capable and fall into an age group which would be registered in NES. Only explanations which were heard from NES representatives are the belief that they are finding income in the grey economy and informal employment.

Additionally, it can be stated that non-standard employment has increased in recent years in Serbia. This form of employment also contributes to the reduced percentage of unemployment. **Non-Standard Forms of Employment** is distinguished into four types:

1. temporary employment;
2. part-time work;
3. temporary agency work and other forms of employment involving multiple parties;
4. disguised employment relationships and dependent self-employment

Specific reasons for recent non-standard employment expansion in Serbia are various. In public sector, temporary contracts are a way to circumvent the legal decision on the prohibition of employment brought in 2014. Nonstandard employment growth in informal

sector is the result of unfavourable tax burden for companies hiring low-paid, temporary, part-time or seasonal workers due to a low level of progressivity in the taxation of wages. Compared to Serbian rate of 24%, the average temporary employment rate for EU countries is significantly lower, reaching 14.2% in 2016. However, the indicator that better reflects the negative aspects of temporary employment in Serbia compared to Europe is involuntary temporary employment rate, calculated as the proportion of employees who work on temporary contracts because they could not find a permanent job in the total number of employees. While the average involuntary temporary employment rate in the EU was 8.8%, it reached 21.5% in Serbia in 2016, suggesting that temporary employment in our country is not a personal choice that brings autonomy over the work and a high degree of flexibility as it might be in some other, developed countries of the EU. It is more likely to be a necessity characterised by economic insecurity, lower degree of social protection and poor working conditions.

According to data from the National Employment Action Plan for 2019, the rate of informal employment, the population aged 15+ is:

Age category 15+ , (%)	2016. average	I quarter 2017.	II quarter 2017.	III quarter 2017.	IV quarter 2017.	2017. average	I quarter 2018.	II quarter 2018.
% of non formal employment	22	19,0	22,1	21,8	19,8	20,7	18,6	21,0
% of non formal employment outside of agriculture	9,8	8,5	10,2	10,7	9,8	9,8	8,6	10,6

Some of the key challenges of Serbia are related to the **growing disparities in the socio-economic development of different parts of the country**. Strong disparities in economic development of Serbia's territories are caused by long-standing deficiencies in the key factors of competitiveness – poor infrastructure, maladjustment of workers to the market conditions, insufficient support for business, and inadequate innovative capacity of enterprises, a significantly degraded environment and resultant low investment attractiveness of territories. Disparities in Serbia have significantly increased during the socioeconomic transformation to the market economy, when territories with low level of competitive and comparative advantage did not manage to catch up with leading growth poles of the country.

Recognising the problem of high regional disparities, the Constitution of the Republic of Serbia emphasizes the need for regional development and the country's obligation to promote balanced and sustainable regional development (Article 94). In addition, the Constitution stipulates that the Republic of Serbia establishes and formulates "the development of the Republic of Serbia, policy and measures for stimulating balanced development of certain areas of the Republic of Serbia, including the development of underdeveloped areas" (Article 97, paragraph 12).

In January 2007, the Government of the Republic of Serbia adopted the Regional Development Strategy, as the main national strategic document for regional development. The goals of stimulating regional development are:

1. sustainable development;
2. enhancing regional competitiveness;
3. alleviation regional disproportions and poverty;
4. stopping negative population trends;
5. continuation of the decentralisation process;
6. economic integration of Serbian communities in AP Kosovo and Metohija;

7. building institutional regional infrastructure.

However, very little has been done so far in regard to the implementation of the strategy. The Parliament of the Republic of Serbia adopted the Law on Regional Development ("Official Gazette of the Republic of Serbia", No. 51/2009, 30/2010 and 89/2015 - other law). The Law outlined the legal, economic and institutional mechanisms for the implementation of state regional policy aimed at encouraging the development of regions and the removal of the conditions for stagnation in territories.

The Law introduced territorial units according to the NUTS classification². At the NUTS 1 level, Serbia is split between Serbia-North (comprised of Belgrade and Vojvodina) and Serbia-South (other three regions). At the NUTS 2 level, the Law introduced five regions: Vojvodina, Belgrade, Šumadija and Western Serbia, Southern and Eastern Serbia, and Kosovo and Metohija. Two autonomous provinces (Vojvodina and Kosovo and Metohija) and the City of Belgrade administratively and geographically coincide with the NUTS 2 regions, while remaining two regions are only planning (statistical) regions with no joint administrative functions. This asymmetry in political and administrative power between regions presents one of the key characteristics of the regionalisation in Serbia. NUTS 3 level coincides with the existing 30 administrative districts in Serbia.

Aware of the burning issue of unemployment, the Government of the Republic of Serbia has adopted numerous laws and strategic documents which regulate the area and which define the strategic direction toward achieving positive results. Additionally, the Government has made extensive effort in attracting investors to open their companies and production lines in a wide range of municipalities in Serbia. As different target groups are affected by unemployment, laws and strategies related to the specific target groups have integrated employment as one of the key issues, and as such is addressed in the strategies.

The Law on Employment and Insurance in Case of Unemployment ("Official Gazette RS", no. 36/09, 88/10, 38/15, 113/17 –and 113/17) is the foundation Law regulating employment, rights and obligations of unemployed, employers, active employment policy, insurance in cases of unemployment and other issues important for employment, increasing employment and preventing long-term unemployment in the Republic of Serbia. Article 7 of the Law regulates that the issues of employment is conducted by the National Employment Services (hereinafter referred to as NES). Article 43 states that by issues of employment, among others; also include conducting active employment policy measures which are directed toward increasing employment.

In line with jurisdiction given to them by Law, the Management Board of NES, 08 December 2015 adopted a Rulebook on Criteria, Manner and other Issues of Importance for Conducting Active Employment Policy Measures ("Official Gazette RS", no. 102/15, 5/17 and 9/18), which represents the most important subordinate regulation in this area, in which the criteria are more closely defined, manner and other issues of importance for conducting active employment policy measures by the NES in line with the Law and National Action Plan for Employment.

The National Employment Strategy 2011-2020 provides a long-term framework for employment policy development, which is operationalised by passing and implementing the National Employment Action Plans on an annual basis. In compliance with the Law on Employment and Unemployment Insurance and the national employment action plans, municipal authorities adopt local employment action plans, setting the local employment policy priorities and objectives, defining and implementing local employment measures. The National Employment Action Plan sets annual policy priorities and objectives and the implementation of active labour market policies. Active labour market policies are the key instrument for improving the functioning of the labour market through targeted support to the unemployed.

The National Employment Action Plan envisages the implementation of the following active labour market policies: job-matching services for jobseekers; vocational guidance and career counselling; subsidies for the employment of unemployed persons from the hard-to employ category (youth up to 30, people over 50, redundant workers, the Roma, persons with disabilities); support for self-employment; further education and training; incentives for hiring unemployment benefit recipients; public works; active labour market policies for persons with disabilities; co-financing of active labour market programmes or policies envisaged by local employment action plans with funds from the national budget (at the request of provincial or local governments); integration of financial social assistance recipients in the labour market.

Other relevant legislation addressing the issue of employment and labour of the identified target groups in Serbia have also been adopted. The normative-legal frame is completed with other laws and by-laws which are implicated indirectly, such as: Law on Migration Management ("Official Gazette RS", no 107/12), Law on Employment of Foreigners ("Official Gazette RS", no 128/14 and 113/17), Law on Foreigners ("Official Gazette RS", no 24/18), Law on Sending Employees on Temporary Work Aboard and their Protection ("Official Gazette RS", no 91/15), Law on Labour ("Official Gazette RS", no 24/05, 61/05, 54/09, 32/13, 75/14, 13/17-US and 113/17), Law on Evidence in Labour ("Official Gazette SRJ", no 46/96 and "Official Gazette RS", no 101/05-and 36/09), Law on Professional Rehabilitation and Employment of Persons with Disabilities (" Official Gazette RS", no 36/09 and 32/13), Law on Law on Mandatory Social Security Insurance Contributions ("Official Gazette RS", no 84/04, 61/05, 62/06, 5/09, 52/11, 101/11, 37/13, 108/13, 57/14, 68/14, 112/15 and 113/17),

Decree on Defining a Unique List of Regional and Local Self-Government Units Development for 2014 ("Official Gazette RS", no 104/14), Decree Defining a Programme of Incentives for Implementation of Measures and Activities Necessary for Achieving Defined Objectives in the Area of Migration Management in Local Self-government Units for 2018 ("Official Gazette RS", no 21/18), Rulebook on the Closer Content of Data and the Method of Keeping Records in the Field of Employment ("Official Gazette RS", no 15/10), The Rulebook on Detailed Conditions, Criteria and Standards for the Implementation of Measures and Activities of Professional Rehabilitation ("Official Gazette RS", no 112/09) and others.

Considering that one of the main target groups of the proposed project are **Returnees** a number of the above mentioned laws and regulations directly affect them. The Agreement on Readmission between the European Union and the Republic of Serbia was signed in Brussels on 18 September 2007. The Parliament of the Republic of Serbia ratified the Agreement on 07 November 2007. The aim of the Agreement on Readmission is to establish fast and efficient procedures for identification and a secure return of persons that fail to (or no longer) fulfil conditions for entry, stay or residence on the territory of any European Union member state or Serbia. Adopting the Law on confirming the Agreement between the Republic of Serbia and the European Union on readmission of persons who do not, or no longer, fulfil the conditions for entry to, presence in, or residence on the territories of Serbia or one of the Member States of the European Union (Official Gazette RS – International agreements no. 103/07), Serbia has legally defined the area of return and returnees who are returned according to Agreement of Readmission, which came into force 01 January 2008.

The Government of the Republic of Serbia adopted a Strategy on Reintegration of Returnees based on the Readmission Agreement on 13 February 2009. The Strategy defines the institutional frame, measures, activities and stakeholders for the sustainable reintegration of returnees.

Additionally, the Republic of Serbia has adopted other strategic documents which address the position of returnees, such as the Strategy for Combating Illegal Migration in the Republic of Serbia for the period 2009-2014, Strategy for Combating Illegal Migration in the Republic of Serbia; Strategy for Combating Irregular Migration in the Republic of Serbia for

the period 2018-2020 (Official Gazette RS no. 105/18) and the National employment Strategy for the period 2011-2020 (Official Gazette RS no. 37/11).

Important laws which should be mentioned are: the Law on Migration Management ("Official Gazette RS", no. 107/12), Law on Asylum and Temporary Protection ("Official Gazette RS", no. 24/18) and the Law on Refugees ("Official Gazette RS", no. 18/92, 45/02 i 30/10).

According to the Agreement on Readmission with the EU, a returnee is a person which does not fulfil or no longer fulfils the conditions in force for entry to, present in, or reside in/on the territory of the requesting member state provided that it is proved, or may be validly assumed on the basis of prima facie evidence furnished, that such a person is a national of Serbia.

The issue of readmission is of great importance for the Republic of Serbia having in mind that Serbia is first on the list of countries from which migrants seek asylum in Western Europe. The realization of the Agreement on Readmission with the EU opens the possibility of return of more than 100 000 people. The acceptance of this large number of people demands overall careful consideration of all issues related to efficient and quality protection of returnees. The social environment in which the issue of returnees to the Republic of Serbia will be addressed is very unfavourable due to the difficult living conditions which include: a large percentage of unemployed and the fact that a considerable number of socio-economic vulnerable Roma population live in Serbia, the issue of refugees from Croatia and Bosnia and Herzegovina and the internally displaced persons from Kosovo issues have not yet been solved.

What is expected as results of invested efforts and future activities in the area of readmission of returnees process are: sustainable integration of returnees respecting social and cultural aspects of integration, created conditions for the acceptance and accommodation, and capacitated returnees for independent and equal living conditions; active inclusion of the local self-governments and developed network of support services in line with the needs of the returnees, in the local self-governments and in the region which will contribute to increasing their capacities for meeting the social protection needs of citizens and support the decentralization processes, involvement of work capable returnees in work with the aim to reduce unemployment.

Total number of returnees and families									
	2006-2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
Number of families		851	870	597	945	1299	699	532	5793
Number of persons	5985	2107	2577	1716	2866	3655	1891	1189	21986

Data from the Commissioner for Refugees and Migration Office of the Republic of Serbia

Roma returnees (Roma make up more than 82% of the total number of returnees) are recognised as a particularly vulnerable category. Their needs in support in finding employment and in providing support to the Roma children in education are of highest priority. Children of returnees have difficulties to enter into regular educational system upon returning to Serbia for several reasons: lack of knowledge of the Serbian language, issues related to the acceptance and proof of their obtained education during their stay abroad, etc. In addition, returnees are recognised as a vulnerable category of citizens in the National Poverty Reduction Strategy and the Employment Strategy 2011-2020. However, due to lack of finances for initiatives targeting returnees and poor understanding of the problem among the stakeholders, primarily institutions (schools), etc, very little has been done to solve the problems with which returnees are faced. Thus, very limited employment is available for the returnees, for their children the return process represents a discontinuity in education. Often enough, insufficient knowledge of Serbian language and local culture is causing the situation where these children are perceived as outsiders and are not integrated into the community. Unfortunately, it is not rare that teachers have discriminatory attitude towards these children. From the educational point of view, school professionals, insufficiently acquainted with specific needs and constraints of these children, fail to realize the defined procedures which

require the elaboration and application of individual learning plans for such children in the educational system.

Legislation related to **other project target groups** also exist, in which employment is addressed. The Republic of Serbia adopted the Law on Youth, which regulates the measures and activities undertaken by national and local institutions aimed at improving the social position of young people and creating conditions for recognizing and meeting the needs and interests of young people in all spheres of interest to young people.

In the National Youth Strategy 2015-2025, which was adopted at the beginning of 2015, as well as in the Action Plans for the implementation of the Youth Strategy, one of the 9 main priorities and strategic goals is the employability and employment of young women and men. The Strategy and the Action Plan envisage a series of measures and activities that primarily relate to the improvement of the existing measures and programmes of employment of young people, i.e. creation of new ones that contribute to promoting the employability of young people. Also, the priority is to harmonize knowledge, skills and competences that are acquired in the process of lifelong learning with the current needs of the labour market.

In the National Youth Employment Programme up to 2020, the main problems of employment of young people were identified as: lack of practice, insufficient management and business skills, narrow spectrum of knowledge and inability to adapt to new trends in business, as well as an inadequate system of values and work ethics. As stated in this programme, and on the basis of the conducted surveys, as many as 43.3% of employers see the lack of business knowledge and skills and unpreparedness of young people as the main problem in youth employment. Additionally, youth expectations related to initial salaries are very high, leading to rejection of potential employment due to dissatisfaction of offered salaries.

Furthermore, in the framework of the Strategy for Support of the Development of Small and Medium Enterprises, Entrepreneurship and Competitiveness for the period 2015-2020, one of the conditions for development of SMEs, and at the same time the creation of new jobs and employment of young people, they also mention the needs of improving the knowledge, skills and attitudes of young people in accordance with the needs of a modern economy that competes on knowledge.

There are nearly one million people with disabilities in Serbia, of which only 21% earn for their own living, while number of Persons with Disabilities who are full-time employed is much smaller. As also stated in the Law on Professional Rehabilitation and Employment of Persons with Disabilities ("Official Gazette of the Republic of Serbia", No. 36/2009 and 32/2013) majority of Persons of Disabilities are outside the employment system, they are not legally economically active and they are mostly registered as unemployed. They represent one of categories of persons facing obstacles to employment, because of the problems such: health limitations (reduced working ability), low self-esteem, employers prejudices against their work abilities, inadequate education, lack of education or work experience, difficulties in adjustment/ adaptation (work environment, society), low level of social support, etc. Also, according to the respective Law, employers with 20-50 employees are obligated to employ one person with disability. An employer with 50 or more employees is obligated to have at least two persons with disabilities at work, and on each subsequent 50 employees, one PwD employee. If employers do not fulfil the requirements of the law, they make payment to the Fund for Rehabilitation, which is the case for most employers. These funds are used for encouraging employment, professional rehabilitation, financing salaries of persons with disabilities of employees in the professional rehabilitation and employment of persons with disabilities or social enterprise and organization and other purposes in accordance with the law. Irrespective of the legal provision for the quota system regarding the employment of persons with disabilities, granting subsidies to employers who give jobs to persons with disabilities, and other stimulating measures set out in this law, their effects still do not meet the expectations in practice.

On the other hand, a large number of persons with disabilities do not have sufficient qualifications (most of them only have primary school education or apprenticeship). Employers in domestic companies still need to learn from others/large enterprises which have been employing people with disabilities for years. Also, only 17% of companies in Serbia have some form of employment policy of persons with disabilities, but they are mainly foreign companies. Companies in Serbia are a little bit in fear because they were not faced before with this problem, but positive examples from the world and the region show that people with disabilities can be good workers. International employers believe that people with disabilities are more loyal, more reliable and more diligent. The Government has made efforts in and through the creation and application of the Rulebook on the criteria, methods and other issues of importance for active employment policy measures/Measures and incentives for the employment of persons with disabilities of National Employment Service: *"The employer who hires person with disability is entitled to subsidies. The amount of subsidy is: 75% of the paid gross salary person with disability in the period of 12 months. Also, National Employment Service gives soft loans for self-employment persons with disabilities."* - These measures should be promoted within the project and be presented to the local community and business and SMEs

The National Employment Strategy for 2011-2020 defines one of the strategic objectives of Serbia's employment policy to be the advancement of human capital and greater social inclusion of marginalized groups, including persons with disabilities. In this strategy the objectives and activities under priority 2.3 focus solely on "employability of persons with disabilities". Numerous local self-governments have adopted Local Action Plans for the Improvement of the Status of PwD, which define more in detail, actions and measures at the local level which should contribute to improving the living conditions and quality of living of PwD. The very difficult social and economic situation of people with the most severe disabilities and their families affects their general education and hard skills acquire (hard skills include job skills like typing, writing, math, reading and the ability to use software programmes), as well as soft skills development (soft skills are personality-driven skills like getting along with others, listening and engaging in small talk, language, personal habits, interpersonal skills). Generally, low level of education of persons with disabilities limits their opportunities in the employment process, combined with the low social benefits, lead to poverty.

The bloated public sector and the resulting unsustainable wage bill is another area of concern for the country's economic outlook. Almost 20 per cent of the working age population and one-third of the active population, around 900,000 people, are employed in the public sector (World Bank, 2015). Such a large public sector creates negative incentives, as the average public sector wage is approximately 20% higher than that in the private sector and the jobs are secure with more generous benefits. The fact that Serbia's pension spending is the second highest in Europe (in terms of both high benefit levels and a large number of beneficiaries) causes an additional problem (World Bank, 2015).

One of the major problems in the Republic of Serbia is related to the **negative demographic tendencies**: a declining number of inhabitants and aging of population. These long-term tendencies are also translated into the labour market.

Demographic trends in the country are very negative: the population is rapidly declining and aging, which adds to the problem of inactivity and lack of perspective and adds to general apathy in the society. Emigration of the highly educated individuals, who are looking for better perspectives in western countries, represents a serious challenge for a society, especially in the long run. Research conducted with university students, by the Government of Serbia in 2018, shows that one in three students are planning to leave the country after finishing their education. The statistics is similar even with other categories of youth between the ages of 18 and 29. They claim the reasons are lack of employment opportunities, appropriate income as well as lack of chances for professional improvement.

Due to that, the number of labour force in Serbia has decreased over years, while its age structure has deteriorated. The main demographic tendency in Serbia is a decrease in the total number of inhabitants. According to data of the 2011 Census, the total number of inhabitants in Serbia stood at 7.2 million, which is a decrease of more than 300 thousand in relation to the previous Census, conducted in 2002. The main contributing factor is the fact that over the last couple of decades the number of deaths has been higher than a number of births. Unfortunately, this trend continues and is expected to continue in the future. Natural increase of population has the negative rate and it has been growing. Namely, the negative rate of the natural increase of population, measured per 1000 inhabitants, increased over the last decade from -3.3 in 2002 to -5.2 in 2011 (Statistical Office of Serbia).

The negative tendencies related to the total number of inhabitants are translated into the negative structure of population according to age. Over the last 20 years the share of the working age population (15-64) has remained the same. At the same time, the share of persons older than 65 has increased, but the share of children below 15 years of age has decreased. Inevitable consequence of such demographic tendencies will certainly be that until the next census the share of the working age population will decrease, while the share of persons older than 65 years will continue to increase.

As far as migrations are concerned, data on emigration of the population are lacking, but data on internal migrants and immigrants are available. According to OECD data, which is mostly based on the records of countries receiving economic migrants, say that the number is as many as 598,200 emigrants, and only in OECD member countries and the age of 15 years or more. According to estimates recently published in the OECD Secretariat, emigration from Serbia has picked up and is growing fast paced. Namely, the average annual number of emigrants from Serbia to OECD member states only amounted to 31,000 in the period from 2005 to 2014. In 2014, around 57,000 people emigrated, reaching a record 60,000 in 2015. This makes Serbia rank 31st in the list of 50 countries in the world with the most numerous emigrations. How many migrants returned to Serbia is not known. Recent research shows that emigration intentions of young people are quite high - as many as two thirds of respondents, mainly young people and students, want to leave the country. Youth motivation for emigration is almost entirely economic (81.9 %). They want to improve living standards, easier find employment, better conditions for starting their own business, better education, and so on. The most attractive countries for emigration are EU countries, in particular Germany and Austria, and from overseas US and Canada are also very attractive.

As far as internal migration is concerned, nearly 550 thousand persons within Serbia moved to a new place of residence. Out of that number vast majority, refers to internal migrations, that is, persons who moved from one municipality to another or even from one settlement to another within the same municipality. The inflow of immigrant population over the past two decades is nearly 85 thousand persons. Out of that number two thirds refer to persons from the republics of former Yugoslavia, mostly from Bosnia and Herzegovina (33%) and Montenegro (17%).

Emigration generates both opportunities and challenges for countries of origin. In less developed and developing countries, the most common concern is the loss of highly qualified and professional workers, the so-called "brain drain", which can hinder development.

The ageing of the population and entry of the new cohorts of young people in the labour market changes the educational structure of the workforce. New generations of labour market participants have a better educational background, more graduates enter the labour market each year, but they do not necessarily have a greater chance of finding a job that matches their level of education. A comparison of the workforce education structure in the year 2004 and 2016 shows that individuals with low qualifications exited the labour market faster than those who possessed medium-level qualifications. Some comparative studies show that individuals with medium-level qualifications are the main source of the workforce

surpluses in Serbia and Croatia, whereas the labour markets of Macedonia and Montenegro suffer from the surplus workforce with low qualifications. When disaggregated educational levels are observed, for instance, data for Croatia revealed that skills shortages are characteristic of individuals with tertiary and secondary technical education. This can be considered as a common feature for most of the CEE countries (Ognjenović, Branković 2013).

The issues of labour migration and demography on the one side, and the labour market and regional disparities on the other, are tightly interrelated. Many processes are simultaneously at play and they often reinforce one another. The relation between labour mobility, the population's demographic aging, rural depopulation, unequal regional development and the labour force and labour market all contribute to the high level of unemployment, especially in South and Eastern Serbia. Research conducted through the NES showed that roughly two percent of the registered unemployed expressed willingness to dislocate in order to take up employment. However, when this information is examined in light of the Districts of Serbia (excluding data for Kosovo and Metohija) certain patterns were observed. The highest percentage - 10 % of those willing to move, was registered in the Pirot District which is among the most deprived districts in Serbia (in 2014 two out of the four municipality comprising this district were classified as devastated - the fourth and last category of the municipality development grading, one was classified as extremely underdeveloped and the fourth as average. Pcinja District (South Serbia), Macvanski (mainly due to the economic situation in the municipalities covered by the Loznica Branch Office, also rated as insufficiently developed and additionally severely hit by the flooding of May 2014) and Middle Banat District (apart from Zrenjanin which is the district centre and is graded as being averagely developed, the other municipalities in this district are considered insufficiently developed) follow, with 4% of the registered unemployed willing to move, while the traditional emigration zones of Podunavlje and Branicevo Districts are also above average with a 3 percent willingness to move, alongside Bor district of East Serbia and Srem District. The willingness to move was the lowest in the districts that host the most developed municipalities such as: Belgrade, Kragujevac, Novi Sad, Valjevo, Pancevo, Vrsac, Subotica, etc. where only 1% of the registered unemployed declared readiness to dislocate in order to obtain a job. Surprisingly, the least readiness (less than half a percent) was registered in the Jablanica District of South Serbia which is among the most deprived in Serbia signalling other factors are at play as barriers to labour mobility. (<http://www.regionalnirazvoj.gov.rs>)

As mentioned, the **discrepancies between the educational system and the labour market needs** are a weak point in the entire system. Efforts have been made in recent years to initiate changes in the educational system in order to direct educational profiles toward the needs of the economy. Unfortunately, the country lacks financial strength to implement bigger changes which would be most adequate to meet the needs of the economy. For example, the Organization for Economic Co-operation and Development (OECD) member countries spend, on average, around 5.2% of the gross domestic product (GDP) on education, including both the public and the private sector expenditures (OECD 2016). They expect a lower level of unemployment among those with vocational upper secondary education in comparison with general secondary education, as well as among those who acquired their degrees in the higher education institutions. The Government of the Republic of Serbia in the Strategy for the Development of Education envisages increasing the public expenditures for education from current 4.5 to 6% of the GDP by 2020 (Official Gazette 2012). Also, in order to continuously improve skills of the workforce, it is envisaged that at least 7% of the adult population attends some lifelong learning programmes. These objectives are harmonized with the employment policies included in the National Employment Strategy for the Period 2011-2020 (Official Gazette 2011). Support to the development of skills of the workforce is covered by active labour market policy measures mentioned above.

In the Serbian labour market, occupation-specific knowledge and skills form less than one quarter of all the skills required by the employers. Based on the Employers Survey, short-term anticipation of future needs for skills and occupations was collected by the economic sectors and regions. Results showed that transferable knowledge and skills are much more needed, employers opted for these skills in almost 50 percent of cases. Broader competencies and personal characteristics are perceived by the employers as more important than occupation-specific knowledge and skills. These findings are in line with some previous studies that show that the employers in the CEE countries pay more attention to transferable knowledge and skills, where foreign languages and knowledge of information and communication technologies occupy a special place (Ognjenović, Branković 2013).

The same Labour Force Survey does not reveal reasons for such a small percentage of women who are economically active, but some answers may be obtained by analysing data from the 2011 Census (Statistical Office of Serbia, 2013b). Analysis of the structure of inactive women of working age (15-64), shows that the majority them (36%) are those who stay at home and perform activities for their household. Out of these female home-makers of the working age, 16% are women below 30 years of age, while 44% refers to persons aged 30-49 years. It can be expected that within these two age groups a certain number of women may be willing to become economically active and engage in the labour market, provided that in the future the overall economic situation and prospects of finding work improve. Further analysis of existing data indicates that the presence of children of the preschool age in the household significantly decreases the probability of the participation in the labour force, while the presence of children under fourteen years of age is not an important factor for one's decision to participate in the labour force.

The unearned income also significantly constrains an individual's decision to participate in the labour force, while the marital status and residence in the urban area are not important factors of the participation for the total sample of working age individuals. Living in a particular region does not necessarily affect one's decision to take an active role in the labour market, while only citizens of the Southern and Eastern Serbia region, in comparison to those who live in the province of Vojvodina, are more likely to participate in the labour force. This is probably related to a reduced number of other opportunities for the engagement of an individual outside of the labour market. All the levels of education, relative to primary education and less, significantly increase the probability of the participation in the labour force.

In accordance with the theory of the female labour supply, the presence of small children under six and marital status significantly reduce the probability of the female participation in the labour force. As mentioned in the previous paragraph, other sources of the household income, also, significantly reduce the probability of the participation in the labour force, but the effect of this factor is smaller in comparison to the one in the male participation equation. Women who live in urban areas are more likely to participate in the labour force than those who live in other areas. Women who live in Belgrade are more likely to actively participate in the labour force than those who live in the province of Vojvodina, while no significant effects are found for women living in other regions in Serbia. The level of education strongly determines the probability of the female participation in the labour force. An interesting finding shows that the effects of education are higher across almost all levels, except for general secondary education, i.e. for those women who completed gymnasium, than in the male participation equation. This finding is related to the rising level of women's education in Serbia, in particular of those women who completed university education, but, in general, educational attainment of men is better in comparison to the one of women of the same age.

Another topic of interest is the share of youth who are "neither in employment, education or training" (NEET). NEET and youth unemployment are related concepts, but there are significant differences between them. NEET persons are categorized as falling within the economically active population, among which some youth can be numbered who are still in school. To isolate the portion of the unemployed who are still in school while also capturing

only the portion of those who are economically inactive who are out of school, an accurate calculation of NEETs is: inactive non-students plus unemployed non-students (Elder, 2015).

In 2015, 24.0% of youth were NEETs. The share of NEETs increases as youth age but that the composition remains relatively constant between unemployed and inactive NEETs; by the age of 29, young NEETs are primarily equally distributed between the two subcategories while, between the ages of 15 and 17, the small proportion of young NEETs are entirely inactive non-students. The rural NEET rate is higher than in urban areas (29.1 and 20.6%, respectively) and the female rate is slightly higher than the male rate at 26.1 and 21.9%, respectively.

Even though the aggregate rates are similar between the sexes, the composition of NEETs is different. For young men, the majority (56.5%) who qualify as NEETS are unemployed compared to 45.7% of young female NEETs. Female NEETs are most likely to fall within the category because they are neither in education nor in the labour market; 54.3% of female NEETs are inactive non-students, while 45.7% are unemployed.

As described above, in Serbia there is a discrepancy between the employee structure needed for the economy and programmes that are implemented in educational institutions. From this discrepancy, there are overwhelming educational profiles (most often with middle-level/secondary education) that will not be able to find employment in the profession, over a longer period of time, but will additionally be trained for other jobs at their own expense or at the expense of the employer.

The Decision on the Network of Public Secondary Schools (Official Gazette of the RS no. 49/2018), is applied as of July 5, 2018. The decision was made by the Government pursuant to Article 104, paragraph 9 of the Law on the Foundations of the System of Education and Upbringing ("Official Gazette of the Republic of Serbia", No. 88/17 and 27/18 - other law) and Article 2 of the Regulation on Criteria for Adoption acts on the network of public secondary schools ("Official Gazette of RS", No. 21/18).

The aforementioned article 104 of the Law on the Foundations of the System of Education stipulates that the number and spatial distribution of public institutions by type and structure. The Act on the Network of Public Secondary Schools sets the criteria as the basis of which determines the number and spatial distribution of public secondary schools.

The network of public secondary schools in Serbia consists of 520 schools distributed in 30 districts. An integral part of the decision makes an overview of the number and spatial distribution of public secondary schools in the districts and in the city of Belgrade. It defines that there are 107 General Gymnasiums, general and artistic education is realized in 39 secondary art schools, programmes of general and vocational education and training, i.e. general and artistic education, is realized by 44 mixed schools. Vocational and professional education programs for three-year and four-year duration, specialist and master education and other forms of vocational education: education in a two-year duration, vocational training and training lasting one year are realized in 308 vocational schools for full-time students and 21 schools for students with disabilities and disabilities.

Secondary vocational education is still in direct contradiction with the real needs of the economy. Within the framework of secondary vocational education, the largest percentage refers to legal-biotechnical and economic professions which, by number, have greater participation than gymnasiums and these profiles are very attractive for young people even though chances for employment are very small. The most popular areas of education for young people are: Social sciences, economics and law 29.7%; Engineering profile, production and construction 19.7% and Health 10.2%. However, in recent years, the interest in health professions is drastically increasing due to the increased potentials for employment abroad, especially in Germany.

On the other hand, employers lack all engineering profiles. According to the economic sectors research, the largest number of lacking occupations is in the metal processing

sector, wood industry, textile industry, the construction sector and information technology sector. Most of the listed sectors, key deficits are trades/crafts, unfortunately young people are not interested in these types of professions. These educational profiles, although they exist in formal education do not follow the current technological changes or are outdated, or simply, schools are unable to form classes (legally needed number of pupils to create a class), because there is no interest from students to educate themselves in such professions. Young people choosing education in the required profiles, after finishing their studies or schools, most often seek work outside Serbia, leading to better incomes, so that Serbia and other countries in the region are facing this problem of labour migration.

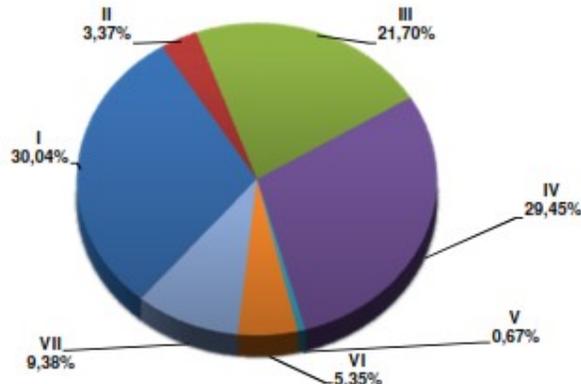
The Ministry of Education has taken steps toward adjusting the educational system to meet the needs of the economy. In 2017, the Law on **Dual Education** (Official Gazette of RS no. 101/2017) was adopted. The dual education model is learning through working approach and is applied in 84 secondary vocational schools in Serbia and includes more than 4200 pupils at the moment. For the past two years, dual education has been implemented as a pilot project in schools, and its full implementation will start from with school year 2019/2020. At present, there are 32 dual educational profiles, that at the moment about 600 companies are involved in the system in which students are studying. In the current school year, 12 new educational profiles were introduced in accordance with the needs of the labour market in the field of information technology, mechanical engineering, construction, production and food processing, hotel industry and tourism. For example, in Nis educational profiles included in dual education are: Industrial Mechanics, Butchers, Bakers, Mechanics of motor vehicles, Machine Operators, Locksmiths - Welders, Electricians, Electro-mechanics for networks and plants, Fashion tailors, and Traders. The pupils are engaged in 46 different companies in this process.

The first and crucial thing to boost performance, not just of the labour market, but also the national economy as a whole, is to improve the supply of labour in terms enriching the knowledge of both the unemployed and the employees, which of course implies significant investment in human capital. Investments in human capital are the fastest way for the increasing employment, and reducing poverty. Special attention must be put on the influence of free trade, foreign direct investments, transfers of new technologies and the free movement of people, capital and goods, and emphasis on the domestic labour market.

The relationship between skills and sustainable employment has become an important topic, especially in the developed economies struggling with a decline in the active population and the ageing of the workforce. Siničáková (2011) argues that labour mobility within the European Union (EU) member states increases the level of occupation-specific and transferable skills. On the other hand, it also induces skills shortages in the new member states because highly-skilled workers prefer higher wages and better working conditions that are usually offered in the old EU member states: which, as stated previously, is the main reason for emigration of educated youth from CEE countries.

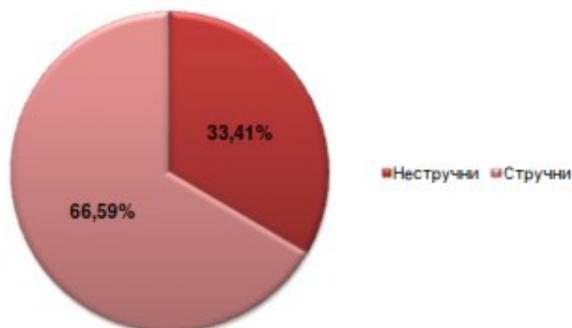
According to data of the National Employment Services Monthly Statistical Newsletter December 2018 the level/degree of qualification of unemployed is given in the pie charts below.

Графикон бр. 2 - Структура незапослених лица у XII 2018. према степену стручне спреме
 Chart No. 2 - Structure of unemployed persons in XII 2018. by qualifications



The data shows that 66,59% of the unemployed in December 2018 are unqualified persons.

Графикон бр. 2а - Структура незапослених лица у XII 2018.
 Chart No. 2a - Structure of unemployed persons in XII 2018.



In the case of Serbia, however, the importance of skills for the labour market participants' employability is further associated with the high and volatile unemployment, a pronounced rate of the increase in the long-term unemployment, especially among the youth, and considerable skill mismatches. All those issues characterize the structural unemployment. For instance, in the aftermath of the economic crisis, the employers hesitate to open job vacancies what causes a time lag between the business opportunities and the real needs for workers who possess certain knowledge and skills. In particular, this is a common feature of the economies that share similar paths of the transitional reforms, characterized by a weak business climate and where entrepreneurial intentions among the youth are not sufficiently developed and supported. In general, companies in Serbia have a low intention to train. However, the findings differ depending on the economic sector, region and the size of the company.

In the recommendations of the World Bank Report for CEE 2011, it is stated that it is necessary to resolve without delay the problem of the rigidities of the labour market and the incompatibility of the candidates' skills with the needs of the market. In the countries of the region there is no established practice in measuring skills and competencies, for what

reason it is necessary to establish a system for company surveys on skills that cannot be found on the market.

A survey conducted among the employers in Serbia by the International Labour Organization in 2009 showed that manufacturing companies consider that *interpersonal skills as well as technical skills are more important than basic cognitive skills* such as, for example, mathematical skills. When asked which skills are most important in the company, the companies that are engaged in production and want to develop specify the following: team work / communicativeness / interpersonal skills and efficient use of materials / technology / equipment. A similar pattern was observed in wholesale businesses. At the same time, the survey shows that the same group of manufacturing companies consider that 40% of the labour force in area of crafts and 55% in the "manufacturing and machine industry" does not have adequate skills. Other competencies listed among those that are missing are flexibility and readiness for teamwork.

Despite the fact that there are data on adult education, there is no information about the level of their technical, cognitive and non-communicative skills. The applicants are not motivated enough to get involved in the world of education. It is necessary to establish a mechanism within the system for inclusion of employers in carrying out practical classes for students of secondary vocational schools and students. In Serbia, there are also examples of successful companies involved in student and student practice programmes, which have recognized that in this way the selection and formation of staff in accordance with the requirements of the specific workplace, can be most effective.

The Serbian Chamber of Commerce, as an advocate of the interest of the economy, is committed to establishing a systemic approach in motivating employers to become involved in the education process through the establishment of the so-called " student and student jobs in companies", with a refund of part of the costs for implementing such a training system.

It is particularly important to encourage the development of entrepreneurship, which is an essential element of entrepreneurial learning that should enable economic growth and greater competitiveness. Under Entrepreneurial Learning (World Economic Forum) it is understood that:

- 1) development on a personal level: self-confidence, motivation, desire for activation
- 2) business development; financial and technical literacy
- 3) Entrepreneurial development: social skills, connectivity, creativity in problem approach, research of various options for problem solving, sales, presentation skills and public addressing, leadership, bureaucratic confrontation, local business culture and how to improve business.

Project-executing organization in the partner country (local executing organization)

Identified project partners of CARE International Balkans, for project implementation are two organizations outside of Belgrade and in the target areas of the project: Nexus in Vranje and ENECA in Nis. The assessment of organizations capacities; institutional, technical, staffing and financial terms was conducted through organized meetings with representatives of the two organizations. An overview of each of the partners is given below. The overall impression is that close attention was given in the selection of relevant, capable and reliable partners located directly in the field and who will be the main driving force of concrete activities in the defined region. The combination of experiences, general strategic orientation and work focus of the partners will provide the needed expertise and capacities to implement a project of this range. Local ownership, direct cooperation with local institutions, local

businesses and potential employers, should be looked at as one of the biggest assets of the partnership created for project implementation. The knowledge of the situation in the region, local specifics, local mentality and social aspects is very important and the partners are assessed as very competent and familiar with the topic of the project.

Nexus is local NGO established in Vranje in 2005 to contribute to establishing of a humane society through creating, coordinating and realising programmes for improving quality of life of people with social needs, endorsing citizen activism, as well as research and education. With over 50 implemented projects, independently or in the partnership with local or international organisations, NEXUS directly supported more than 8.000 beneficiaries - socially vulnerable groups with a focus on children, youth, women, Roma population and more than 30.000 migrants with direct humanitarian aid. Recently, Nexus is becoming increasingly engaged on socio-economic development, economic strengthening of vulnerable groups through vocational education, job creation, business start-ups, supporting more than 500 people in need. Other basic goals of the Association are: empowering the capacity of civil society, stimulation of multicultural and multi-ethnic cooperation, poverty reduction through empowerment of vulnerable groups, society sensitization on marginalized groups' position, promotion and support to processes of making decisions and public policies, active cooperation with all international and non-governmental organizations and associations of citizens. Its Organizational Structure: Association bodies are Assembly, Managing Board and Supervisory Board. President of Managing Board represents the Association in legal matters and has the rights and duties of financial contractor.

NEXUS has 4 full time and 1 part time employees - 1 psychologist, Program Coordinator of the Poverty reduction program; 1 school teacher, president of the Managing Board and responsible for representation of the Association, organizational, administrative and financial management; 2 school teachers, Program Coordinators of the Children's program and the Human rights program; cleaning lady. Around 20 full/part time volunteers and associates/co-workers. Approximate annual program budget is 328,000.00 EUR. NEXUS-Vranje is currently realising the following projects:

„Economic Strengthening for a Sustainable Return to Kosovo“, funded by the Delegation of the European Union to the Republic of Serbia in the partnership with CARE International in Balkans that will last 24 months (until mid 2020).

„Education for Child Rights“, funded by Pestalozzi Children's Foundation Switzerland through Uzice Child Rights Centre (UCPD) that lasts 9 years (until end of 2021).

NEXUS has assets necessary to perform its tasks as follows: office equipped with furniture and IT cabinet with 8 desktop computers as well as four more desktop computers, three laptop computers, two multifunctional printers, two printers, and one passenger vehicle.

ENECA is a local non-governmental organisation from Nis, with a mission of sustainable local development in the region. Since 2005, ENECA has implemented projects related to socio-economic development worth more than 5 million EUR, independently or in partnership with local or international organisations. Over 2.500 small businesses were supported with close to 4000 people employed, business and vocational trainings organised for around 2500 people and business mentoring and counselling provided to more than 1000 SMEs. ENECA was registered in 2005. Its mission is sustainable local development in the Southeast Europe (SEE). Its goal is to consistently follow and meet the clients' needs by providing the environment which would improve their business, knowledge, skills and abilities. The projects, implemented by ENECA, are based on a sustainable development concept, national and local strategies as well as the international standards.

ENECA's programme goals are: support to local sustainable economic development; employment and self-employment through support to small and medium enterprises; rising the living standards of vulnerable groups; creation of networks among local institutions, organisations, entrepreneurs and companies in SEE for further economic growth and

development; promotion of gender equality and equal opportunities; development of human capital through adequate education; protection and improvement of environmental conditions/health through education and advocacy.

ENECA has 7 full-time employees: Project manager and president of Managing Board, B.Sc. Electrical Engineering; Project manager, Executive MBA Specialization in finance, Project officer, B.Sc. Economics; Project officer, M.Sc. Industrial Management, B.Sc. Economics; Public relations & communications officer, M.Sc. Economics; Procurement specialist; Financial assistant. In addition, to answer to specific demands of certain projects, ENECA has developed pool of experts specialized for certain areas engaged according to specific needs.

ENECA has assets necessary to perform its tasks: office in Niš equipped with one server computer, four desktop computers, seven laptop computers, one multifunctional printer, two printers, office furniture and two passenger vehicles. The organisational budget for 2017 was 358234 EUR. ENECA is currently implementing 6 projects for various donors:

“EU Innovation & Media Partnership for Action, Collaboration and Transformation in the Western Balkans” (EU-IMPACT-WB) in Albania, Bosnia and Herzegovina, Kosovo*, Macedonia and Serbia, as a co-applicant - The project with the overall budget of 780.000,00 EUR ends in April 2021

“Social banking development in Serbia “Step by step” funded by ERSTE bank”, budget 25.000,00 EUR

“Start Up for Your Business”, as project holder. A continuous activity funded by „Phillip Morris International“, with the budget of 1.622.210,00 USD (current amount).

“Business acceleration support to SMEs in agribusiness and food-processing industry”, UNDP funded, 48.500,00 USD, the project ends in July, 2019.

“South Serbia delicates basket” 22,705.00 USD, UNDP funded, ends in July, 2019

“Trainings for start-ups”, funded by NALED Serbia, 14.400,00 EUR, ends in April 2019.

Strategic areas of focus of the partner organizations:

NEXUS

- Promotion of cultural values and tolerance;
- Active involvement in universal human rights protection;
- Preparation and publication of printed materials, pamphlets, brochures, books and others;
- Cooperation with educational, medical and humanitarian organizations and institutions;
- Preparation and realization of clear, volunteer and developmentally orientated and generally useful programmes;
- Education of citizens based on professional education and training;
- Coordination of humanitarian work among more municipalities;
- Encouraging volunteerism and philanthropy in community;
- Supporting prevention and repressing poverty;
- Supporting UN Sustainable Development Goals

ENECA

- Promotion and support to local sustainable economic development
- Employment and self-employment through support to small and medium enterprises
- Raising the living standards of vulnerable groups and encourage their further business expansion and sustainable development
- Creation of networks amongst local institutions, organizations, entrepreneurs and companies in SEE with the aim of further economic growth and development
- Promotion of gender equality and equal opportunities
- Development of human capital through adequate education
- Protection and improvement of environmental conditions and environmental health through education and advocacy

Target group and stakeholder analysis

Target groups

The action will focus on unemployed persons: returnees and economically deprived local populations with focus on Roma, youth who finished education, women and unemployed persons from South East Serbia. The following main target groups: ***returnees, persons with disabilities, refugees, IDPs, Roma women and men and other vulnerable groups.***

The vulnerability of certain categories can be the result of the influence of personal, economic and / or social factors, which puts them in an unfavourable position and negatively affects their lives. Factors such as age, level of education, disability, gender, ethnicity origin, etc. may constitute an obstacle to the realization of the principle of equal opportunities and accessibility a favour. When it comes to the labour market, vulnerability is usually determined by socio-demographic characteristics of certain categories and labour market indicators that are below average in comparison to total population of working age. Indicators used to determine the position on the labour market which are more favourable than those in the case of vulnerable categories than the corresponding average values for a total working age population are: unemployment rate, employment and participation rate, indicators related to the quality of employment and unemployment, the degree of employment of vulnerable categories and share long-term unemployed in the total number of unemployed. This means that people belonging to these categories can face additional obstacles when entering the labour market and need additional support to enter the labour market.

The general understanding of vulnerable groups related to employment and issues which they face are:

- Young people from 15 to 24 years lack practical experience, given that employers often need skilled workers;
- Long-term unemployed have inadequate / outdated skills, suffer from loss of self-confidence and de-motivation leading to reduced job search, faced with difficulties in overcoming negative perceptions of individual employers, are exposed to the collapse of social and business relationships that people need to secure employment;
- Roma often have low levels of education, are de-motivated, faced with prejudice / discrimination, lack of access to information;
- Older workers have obsolete skills and competencies, they lack confidence and motivation;

- The percentage of youth which are not in employment, education or training (NEET) is at 15,3%. The figure is critical for Roma, where NEET rates for young Roma (18-24) are at 73% for men and 88% for women.
- Single parents have to balance between caring for children and working responsibilities;
- Returnees by readmission - lack of finances for initiatives targeting returnees and poor understanding of the problem among stakeholders and institutions, these people face serious problems in the attempt to reintegrate into Serbian society. Returnee children are faced with the lack knowledge of language and support in the integration into the educational system, lack of understanding of the teachers and surrounding;
- Former convicts and addicts face prejudice and suspicion of the employer;
- Women and women from rural areas alternative opportunities for caring for others, such as is the care of children or family members with health problems;
- Low-skilled workers may lack knowledge about how to seek work and how to apply.
- Persons with disabilities face difficult access to the labour market due to lack of motivation for inclusion in the employment sector, work experience and possession of the level of qualifications, knowledge and skills whose demand is conditioned by the development and transfer of new technologies (which are important influenced changes in the structure of demand for labour) and prejudices about the real opportunities and abilities of PwD in the work process.
- With regard to COVID 19 pandemic, target group would be affected in the same way as the rest of the population in the targeted region, but those the most vulnerable, such as Roma, would be affected even more. In response to this, appropriate mitigation plan should be developed (adequate protective and preventive measures introduced, adjustment of field activities, introduction of training on health risk for target group, etc)

Discrimination can take many forms and happen at different stages of labour market access, which can affect an individual throughout his life (during schooling, in the community, during communication with public services, when trying to achieve their rights, etc.). In the context of employment, discrimination can be implemented by the labour market institution, the employer, and it can happen at the workplace. The International Labour Organization (ILO) defines discrimination as: *any making of a difference, exclusion or giving of advantages based on race, colour, sex, religion, political opinion, national or social origin, who are going to destroy or impair the equality of opportunity or treatment in terms of employment or occupation* ". (22 Convention Br. 111, Convention related to discrimination in employment and skills, MOR, 1985).

In Serbia, discrimination in the field of labour and employment is strictly prohibited. The ban on discrimination law defines discrimination as "distorting equal opportunities for establishing a workplace relationship or engagement under the same conditions of all labour rights, such as the right to work, on free choice of employment, on career advancement, on professional development and professional rehabilitation, equal compensation for work of equal value, on fair and satisfactory work conditions, vacation, education and entry into the union, as well as unemployment protection (Law on Anti-discrimination, Article 16).

Moreover, the Law stipulates that: the protection against discrimination is enjoyed not only by the person in employment, but also by a person performing temporary and occasional jobs or jobs under a contract of employment or other contracts, a person in complementary

work, a person performing public office, a member of the military, a job seeker, student and student in practice, a person on vocational training and training without establishing a working relationships, volunteers and any other person who participates in the work on any basis (Law on Anti-discrimination, Article 16).

The defined target groups cannot be strictly divided and the majority of persons which fall into the target groups unfortunately fit into more than one group. For example, Roma women - being both women and belonging to Roma population, they are faced with double discrimination. Returnees - Roma returnees (Roma are nearly 80% of the total number of returnees) are recognised as a particularly vulnerable category, especially concerning their needs in education and employment, etc.

Returnees per nationality									
	2012	2013	2014	2015	2016	2017	2018	TOTAL	
Roma	1303	2073	1301	2340	2696	1434	839	11986	
Serbian	239	215	202	287	414	285	165	1807	
Bosnijak	83	100	102	116	163	81	2	647	
Albanian	78	72	42	79	59	49	42	421	
Egyptian	26				7		1	34	
Ashkali	20	26	27	29	10	28	4	144	
Romanian	2	6		4	240	3	2	257	
Hungarian	1	14	3	7	26	3	4	58	
Slovakian		3			5			8	
German		2				1	1	4	
Macedonian		1	1	1	18	4		25	
Vlach			2		11		6	19	
Montenegrin		3					2	5	
Croatian					1	1	1	3	
Arabic				1				1	
Turkish					1			1	
Muslim							116	116	
Undeclared	355	62	36	2	4	3	4	466	
TOTAL	2107	2577	1716	2866	3655	1892	1189	16002	

As stated earlier in this study, and as shown in the chart above with official data obtained from the Commissioner for Refugees and Migration of the Republic of Serbia, the largest percentage of returnees are of Roma ethnicity.

The situation with returnees in the local self-governments planned within this project is given in the table:

RETURNEE NUMBERS IN PLANNED PROJECT LOCAL SLF-GOVERNMENTS									
	2012	2013	2014	2015	2016	2017	2018	TOTAL	
Aleksinac	26	19	9	26	28	14	7	129	
Babušnica				5	4			9	
Bela Palanka	2	1	12	8	6	12	4	45	
Bojnik	7	12	15	19	14	23	7	97	
Boljevac	2	1					4	7	
Bor	35	44	30	32	48	37	38	264	
Bujanovac	138	252	110	104	165	67	28	864	
Doljevac	3	5	5	15	15	15		58	
Knjaževac	3	12	12	14	56	5	3	105	
Kladovo		1			4	1		6	
Kuršumlija	11	26	12	4	9	6		68	
Lebane	11	16	10	28	39	16	2	122	
Leskovac	115	141	98	166	201	37	36	794	
Majdanpek					1			1	
Medveđa	1	1	1		1	1	1	6	
Merošina		4	5	9	24	14	2	58	
Negotin	5	14	3	8	3	12	4	49	
Niš	83	83	92	141	167	91	60	717	

Pirot		9	10	17	34	43	11	8	132
Preševo		50	45	4	42	45	20	12	218
Ražanj			2			4			6
Sokobanja		1		1	4	5			11
Surdulica		45	51	36	69	51	10	11	273
Svrljig					1			1	2
Vladičin Han		17	19	15	16	21	8	3	99
Vlasotince					4	16	5	1	26
Vranje		125	127	59	129	86	63	38	627
Zaječar		15	12	10	5	23	19	15	99
Unknown		33	88	42	41	40	17	17	278
T O T A L		737	986	598	924	1119	504	302	5170

Unemployment and the lack of constant income is directly linked with poverty, in turn, poverty is directly linked to social exclusion. People are poor if they do not have enough resources to meet the material needs and if the conditions in which they are they exclude living from active participation in activities that are considered commonplace in society.

Poverty is manifested in different ways: the lack of revenue needed to secure existence; hunger and malnutrition; poor health; unavailability or limited availability education, health care and other basic services; increased mortality, including mortality from illness; homelessness and inadequate living conditions; uncertain environment; social discrimination and isolation. The concept of poverty is generally defined as a disadvantage material or monetary funds, while the concept of social exclusion implies more than lack of money or material goods, and besides economic, includes social, cultural, political and other dimensions.

Project support must take such positions and situations into consideration during implementation and in line with the specific situation create adequate criteria in the selection of participants in the project activities, grant distribution, etc.

As identified in this study, an issue which is crucial for increasing employment and reducing unemployment is creating a skilled and experienced work force.

Employers are being faced with needs for employees but are not able to find the adequate work force with required skills, knowledge and in many cases motivation and will to acquire them. A potential solution for this issue is implementing changes in the educational system, types of educational profiles, increasing practical knowledge and application of acquired knowledge of pupils finalizing their education to be prepared for work and employment when exiting school.

The dialogue between educational institutions and the economy is extremely important and beneficial, starting from cooperation in organizing practical classes and interactive lectures through joint activities at the level of education policy and the development of the National Qualifications Framework and the National Classification of Occupations, all the way to harmonization curricula and enrolment quotas with the real needs of the economy. This role is at the level of the Ministry of Education but in direct cooperation and coordination with the Education Administrations at the district levels which in turn are the direct link between local schools and the ministry. Having in mind the decreasing population of youth and children, schools (especially secondary schools and secondary vocational school) are battling to attract pupils in order to maintain the number of pupils needed to avoid the employment redundancy of teachers. Even existing relevant educational profiles lack practice during their education which is to some extent being challenged and overcome through the initiation of dual education. Dual education also contributes to the increased cooperation of the business sector and the educational sector which is crucial for further development and human capacity building as lack of practical knowledge and skills that young people acquire during formal education can be overcome by establishing the systemic connection between employers, schools and faculties, especially in achieving quality and increasing the volume practical lessons.

Building partnerships between business sector and schools and educational institutions is essential, with the goal of introducing young people the world of work, with the areas that are important for their future work, to participate in the design of school programmes, to organize career days in their companies, to influence educational profiles, etc

Large economic systems which exist in developed EU states have developed models of organizing and realization of practical teaching and professional practices that include: competition, recruitment and selection as recruitment, defining the programme work by mentors and practitioners and evaluation. Their goal is to provide the best for their company personnel and invested funds represent an investment that will affect their competitive advantage on market, which can be introduced and replicated in companies in Serbia.

In an economic environment that encourages growth and development of small and medium-sized enterprises, organizing practical lessons and professional practices in this sector, is recognized as very significant. Also a very significant aspect to encourage employment is provision of financial support/subsidies to employers. Additionally, motivation of mentors is crucial to increase their devotion to quality training to practitioners.

No less important is the promotion of entrepreneurship, because entrepreneurs can motivate their experience and to mentor young people and members of all vulnerable groups who want to enter the world of entrepreneurship.

Bearing all this in mind, it is necessary to strengthen and invest further efforts to develop social dialogue in Serbia. Only by involving all participants in social dialogue and cohesion by joint engagement in solving serious issues related to the implementation of overall reforms in the country, a step forward can be made in dialogue for which all social partners are interested, especially when it comes to the status and position of vulnerable groups and better conditions for their employment and stay in the country.

To increase social inclusion and social cohesion in is of extreme importance to increase the level of understanding, tolerance and reduce discrimination toward vulnerable groups. The project target groups are all, in some respect, victims of discrimination, many of them are victims of multiple discrimination.

Roma, returnees and persons with disabilities are often faced with prejudices and rejection at a very young age in the educational institutions which often leads to their exclusion and early drop-out. In research conducted by Ecumenical Humanitarian Organization, on the territory of AP Vojvodina related to returnees, findings show that even teachers in schools have a discriminative approach in work with children of returnees. This issue must be tackled in direct work and trainings with the educational workers who are in direct contact with the children.

PwD are also victims of constant discrimination. Despite efforts invested by the Government to provide affirmative measures for the employment of persons from this group, lack of information, prejudices and scepticism to their work abilities are still high. In direct discussions with representatives of the business sector it was clear that they are not familiar with the existing subsidies, tax reductions and other affirmative measures which exist for the employment of PwD. Additionally, the lack of contact and experience with this target group is the major obstacle for employers to engage PwD. On the other hand, employers who have engaged PwD have had positive experiences and describe them as very dedicated and hard working employees. The project should address this issue through trainings related to existing legal obligations and benefits for employment of PwD and also focus on enabling PwD to conduct trail work or work practice in local businesses in cooperation with the local business sector.

An overview of the latest statistical data available in the NEAP 2019 is given in the tables below for the target groups:

Comparison of data Men and Women:

Age category 15+	2016. average	I quarter 2017.	II quarter 2017.	III quarter 2017.	IV quarter 2017.	2017. average	I quarter 2018.	II quarter 2018.
Men								
Active %	61,8	60,0	62,5	63,5	62,8	62,2	61,4	63,6
Employed %	52,8	51,5	55,6	55,8	54,0	54,2	52,7	56,4
Unemployed %	14,6	14,3	11,0	12,0	14,1	12,8	14,1	11,3
Women								
Active %	45,5	44,1	47,1	47,8	46,2	46,3	45,0	47,3
Employed %	38,2	37,5	41,1	41,1	39,1	39,7	37,9	41,4
Unemployed %	16,1	15,0	12,7	14,0	15,4	14,3	15,8	12,6

In the second quarter of 2018, the activity rate of women was 47.3%, and men 63.6%, which differs by 16.3 %. The female employment rate of 41.4% is still significantly lower than the male employment rate of 56.4%, and this difference is 15%. The unemployment rate of women in the II quarter of 2018 is 12.6%, and men 11.3%, which represents a difference of 1.3%.

Youth employment data:

Age category 15-24	2016. average	I quarter 2017.	II quarter 2017.	III quarter 2017.	IV quarter 2017.	2017. average	I quarter 2018.	II quarter 2018.
Active %	30,3	28,0	29,2	33,3	32,1	30,6	28,3	29,7
Employed %	19,7	17,6	20,8	23,7	21,4	20,9	18,5	21,5
Unemployed %	34,9	37,1	28,9	28,8	33,3	31,9	34,6	27,5
Inactive %	69,7	72,0	70,8	66,7	67,9	69,4	71,7	70,3

NEET data:

The NEET rate (participation of young people who are not employed and not in education and training) in the total number of young people in the II quarter of 2018 was 14.6% and decreased by 0.7% compared to the II quarter of 2017.

Age category 15+	2016. average	I quarter 2017.	II quarter 2017.	III quarter 2017.	IV quarter 2017.	2017. average	I quarter 2018.	II quarter 2018.
HEET %	17,7	18,7	15,3	17,1	17,6	17,2	17,3	14,6

At the end of June 2018, there were 13,443 **persons with disabilities** on the register of unemployed who were ready for active job search, of which 5,291 were women (39.4%). Low participation of young people up to 30 years of age of 15.1%, as well as very high participation of persons aged 50 and over of 42.6%, are the basic characteristics of the age structure of this category of unemployed persons. Their educational structure is also a significant challenge for providing support in job search and employment, as 39.6% of unemployed persons with disabilities are without qualifications or unqualified, while only 6.4% have acquired higher education.

The need to have a clear profile of skills and competencies of persons from the project target groups would be an initial starting point on one side and on the other have a clear analysis of needed work profiles and skills needed by the local employers.

Stakeholders

Project stakeholders identified range from the national level to the local level, from different sectors, but their involvement and relevance in the project differ greatly.

Ministry of Labour, Employment, Veterans' Affairs and Social Affairs - Pursuant to the Law on Ministries, the competent authority for employment policy-making in Serbia is the Ministry of Labour, Employment, Veteran and Social Affairs (MoLEVSA). Active labour market

policies are implemented by the National Employment Service (NES), while private employment agencies are also authorised to conduct employment affairs in accordance with the Law on Employment and Unemployment Insurance. This Law also provides for the establishment of local employment councils and the possibility of co-financing programmes and measures envisaged by local employment action plans with funds from the national budget.

According to the provisions of Article 16 of the Law on Ministries (Official Gazette of the Republic of Serbia, No. 44/14), the Ministry of Labour, Employment, Veterans' Affairs and Social Affairs performs state administration tasks related to: system in the field of labour relations and labour rights in all forms of work except in state bodies and bodies of local self-government units and autonomous regions, public agencies and public services; Safety and Health at Work; inspection in the field of labour relations and occupational health and safety; trade union organization; strike; exercising and protection of rights deriving from the employment of workers temporarily employed abroad; concluding an agreement on sending employees to work abroad and sending employees to temporary work abroad; records in the field of labour; cooperation with international organizations in the field of labour and employment; international conventions in the field of work, safety and health at work; anti-discrimination policy; social protection system; family protection system; marriage; gender equality; population policy; family planning, family and children; realization of rights and integration of refugees and displaced persons, returnees based on readmission agreements, Roma population and other socially vulnerable groups; pension and disability insurance system; social security and protection of military insured persons; participation in the preparation, conclusion and implementation of international agreements on social insurance; veterans' and invalidity protection, protection of civilian invalids of war and members of families of military personnel; cultivating the tradition of the liberation wars of Serbia; protection of monuments and memorials of the liberation wars of Serbia, military graves and cemeteries of fighters, at home and abroad; veterans' and invalidity organizations and associations, as well as other tasks determined by law. Ministry of Labour, Employment, Veterans' Affairs and Social Affairs performs state administration tasks related to: employment in the country and abroad; sending unemployed citizens to work abroad; monitoring the situation and trends in the labour market in the country and abroad; records in the field of employment; promotion and encouraging employment; strategy, program and measures of active and passive employment policy; employment of people with disabilities and other hard-to employ people; development and provision of social employment and social entrepreneurship; redundant of employees; realization of rights based on insurance in the case of unemployment, other rights of unemployed persons and surplus of employees; preparing a national standard of qualification and proposing measures to improve the adult education system; proposing and monitoring the implementation of strategies in the field of migration in the labour market; participation in the conclusion of employment contracts with foreign employers and other employment contracts, as well as other tasks determined by law.

National Employment Services - The National Employment Service consists of the Directorate, two Provincial Departments, 34 branches, 21 departments and more than 120 departments in all districts in the Republic of Serbia.

As defined in their Statute, the activities of NES are: (1) perform employment, provide unemployment insurance, exercise of the right to unemployment insurance and other rights in accordance with the law, i.e. keeping records in the field of employment, as well as professional-organizational, administrative, economic-financial and other general jobs in the field of employment and unemployment insurance, in accordance with the law, the Statute and other acts of the NES. (2) The scope of work of the National Service is:

- 1) Informing on the possibilities and conditions for employment;
- 2) Implementation of measures of active employment policy:

- Mediation in the country and abroad in employment of persons seeking employment;
- Professional orientation and counselling on career planning; - employment subsidies;
- Support self-employment;
- Provide additional education and training;
- Incentives for users of financial compensation;
- Public works;
- Other measures aimed at employment of persons seeking employment;
- Etc. (more details can be found in the Statute of NES)

The program of work of the National Employment Service (NES) the National Employment Action Plan for 2019 is operationalised (in NEAP), which is the basic instrument for the implementation of the active Employment Policy in 2019. The NEAP defines the objectives and priorities of the employment policy that is needed achieved through the implementation of the program and measures of the EAP in the course of 2019, with the goal improvement of employability and sustainable increase of employment, the basic goal employment policy, established by the National Employment Strategy for the period 2011-2020, which refers to the establishment of an efficient, stable and sustainable trend of employment growth in the Republic of Serbia by the end of 2020, with the harmonization of the employment policy, as well as the labour market institutions, with of the European Union. In line with the basic objective of employment policy, strategic and reform documents of importance and impact on employment policy, at the same time respecting the characteristics of the national labour market, have been established the following employment policy priorities in 2019:

- 1) Improving conditions in the labour market and improving market institutions work;
- 2) Encouraging the employment and inclusion of employable persons on labour market and support to regional and local employment policy;
- 3) Improving the quality of the workforce and investing in human capital.

Programmes and measures that will be implemented by the NES, which have been established in the NEAP, shall be implemented in accordance with the law, bylaws and general acts of the NES. The unemployed persons falling into vulnerable groups have priority (in accordance with the law, the hard to employ are unemployed persons due to health condition, insufficient or inadequate education, socio-demographic characteristics, regional or professional the mismatch of supply and demand on the labour market, or because of other objective circumstances have more difficulty in finding employment. Certain programmes and measures of EAP encourage more equal position of these persons on the labour market, while the procedure of selecting a person with records of the NES for inclusion in EAP measures regulated by the Terms of Reference for the inclusion of the unemployed in the EAP measures ("Official Gazette of the Republic of Serbia", No. 97/09).

For 2019, the focus according to the NEAP are: young people up to 30 years of age, redundant employees, older than 50, persons without qualifications and low skilled, disabled, Roma, working age beneficiaries of financial social assistance, long-term unemployed (on record longer than 12 months and especially unemployed persons looking for a job for more than 18 months), the young in housing, young people in foster families, young people in guardianship/foster families and victims of domestic violence.

Defined Active Employment Measures are:

Active job search	Active job search training Self-training training
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	Active job search club Job fairs Work for overcoming stress due to job loss Training for Entrepreneurship Development
Additional education and training:	Programme of professional practice Acquisition of practical knowledge for the redundant employees and long-term unemployed persons Acquisition of practical knowledge for unqualified persons of higher qualification / unqualified unemployed Training for labour market needs for PwD Trainings at the request of the employer Functional basic education of adults Recognition of prior learning
Employment subsidies	Self-employment subsidies Subsidies for employment of unemployed persons from the category of difficult to employ Employment subsidy for PwD without work experience Measures of PwD support
Public works	Public works

In addition to this, the state has envisaged different NES service packages for unemployed who have a priority in engaging in active employment policies (employee surpluses, young people, unemployed without or with low qualifications and PwD).

Commissioner for Refugees and Migration of the Republic of Serbia is the most relevant stakeholder for returnees upon arriving in Serbia. Their roles are to coordinate and organize primary and urgent admission of returnees, create conditions for the successful returnees reintegration based on the Readmission Agreement, resolves issues relevant to the prevention of secondary migration, human trafficking prevention, promotion of principles of affirmative discrimination, etc. Also their role is to cooperate with local self-government units related to returnee issues, inform returnees on procedures as well as implement and monitor, on the operational level, implementation of planned activities. In short, they deal with the status issues, accommodation issues, and access to all basic rights, implementation of projects and programmes relevant for the returnees and migrants.

Local Self-Government Units- The local self-government units are responsible for the overall situation on their territory. Local authorities have a central role in providing sustainable development of local areas and better management. Such a role needs the local authorities to have a more energetic and integrated approach to the establishment of local policies, through a harmonization of economic, social, environmental and other development goals. The task of the local government is to activate the citizens, social and non-governmental organizations, companies and associations, in order to have an active role in an integrated local development planning. The main objectives of the development of local government units are improving the quality of life through new jobs and by integrating local communities into a wider social system (health, educational, cultural institutions), creating a network of relations and cooperation of different actors (from the state and public sector to private enterprises, local authorities and local associations), defining policies of education, scientific research, cultural creativity, sports, information, housing, health and social care, and socioeconomic integration of vulnerable social groups (the disabled, single mothers, refugees and displaced persons, the Roma, etc.), crime prevention, improving the level of safety, environmental improvement, and more.

Regarding returnees, generally, there is no law which explicitly prescribed obligations of the LSG regarding returnees. Indirectly, these obligations may be subordinated to the LSG, through its organs, in accordance with the Constitution and the law "to ensure the protection of the rights of vulnerable groups" (Article 20, paragraph 5 of the Law on Local Self-Government), or "on the realization, protection and promotion of human and minority rights" (Article 20, paragraph 10 of the Law on Local Self-Government). The indirect obligations of the LSU are also derived from the Law on Migration Management, which relates to the obligation of the LSG to establish the Migration Board (Article 12 of the Law on Migration Management), whereby this Law stipulates above all the obligations of the Republic (through the Commissioner for Refugees and Migration) to care for returnees (e.g. Article 14 of the Law concerning the accommodation of returnees, etc.). In part, the obligations of the LSU (indirectly) can be derived from the National Strategies in this field.

The Centre for Social Work/Welfare exists in all local self-governments in Serbia and is a nationwide network which is staffed and professionally well-equipped social protection institution for vulnerable citizens including: persons with disabilities, refugees, IDPs and returnees based on the Readmission Agreement, etc. Their role is to provide assistance in accessing rights in the field of social protection, in accordance with the Law on Social Protection and local Decisions related to social protection services. In addition to the direct work with persons in need, their role regarding returnees is to provide counselling and mediation, provide one meal a day in the soup kitchen, provide one-time assistance - in the Centre for Social Welfare in the municipality in which returnee resides, provide a free one-way ticket for returnees to the place of residence, and provide accommodation in a shelter i.e. CSW issues a decision on accommodation of individual returnees.

The Serbian Chamber of Commerce, together with the European Association of Chambers of Commerce and Chambers initiated various initiatives and recognized a number of measures that need to be developed in order to lay the foundations and ensure the sustainable integration of migrants and returnees. It is necessary to conduct an analysis of the educational level, profile and qualifications of returnees, because, many of them spent many years abroad in countries such as Germany, Austria, etc and there is a possibility that during their stay that they developed some skills with which they could immediately find employment. The CoC and other relevant institutions could initiate such a process: identification of needs of employers and potentials of the returnees and other vulnerable groups and to connect them and include them in the labour market.

Short overview of stakeholders and their role in employment issues

<i>Local self-government unit</i>	<ul style="list-style-type: none"> • It establishes the Council for Employment and guides the formulation of a local employment policy; • Creates an adequate environment for local economic development; • Adapts local services for promotion / support of employment (e.g. kindergartens, transportation, day care centres, etc.); • Provides space and facilities for the development and implementation of innovative programs (e.g. technology parks, incubators, training centres).
<i>National employment service</i>	<ul style="list-style-type: none"> • Collect data, monitor the situation and trends in the local labour market; • Analyze data on registered unemployment and unemployment of hard-to-employ categories; • Support the identification of local labour market characteristics and employment opportunities; • Realizes and monitors the dynamics and quality of the Employment action plan /active measures of employment

	<p>implementation;</p> <ul style="list-style-type: none"> • Prepare follow-up reports for LSG.
Educational institutions (primarily vocational schools, universities, faculties)	<ul style="list-style-type: none"> • Provide data on students of the final years who will enter the labour market; • Develop and improve the competitiveness and employability of the workforce.
Representatives of institutions for continuous adult education and training providers	<ul style="list-style-type: none"> • Provide information on existing programmes / trainings; • Develop and improve the competitiveness and employability of the workforce.
Trade unions	<ul style="list-style-type: none"> • Provide LSG information on expected and / or implemented programs for solving redundancies; • Provide input data for formulating Employment action plan /active measures of employment implementation • Inform members about the available Employment action plan /active measures of employment implementation.
Employers	<ul style="list-style-type: none"> • Provide information on future needs in terms of knowledge, skills and competencies required (demand data); • Participate in the definition of qualifications and working standards; • Participate in the implementation of Employment action plan /active measures of employment implementation
Chamber of Commerce, development agencies for SMEs, Regional Development Agencies, Start-up Centres, etc	<ul style="list-style-type: none"> • Provide information on expected investments and local / regional development trends; • Provide information on sectors in which there is demand for jobs; • Provide consulting services to companies (existing and beginners).
Centres for Social Welfare/Work	<ul style="list-style-type: none"> • Identify beneficiaries who are at social risk, beneficiaries of services and rights from the social protection system that are of unemployed status, who can be referred to and included in the Employment action plan /active measures of employment implementation and other services; • Provide data necessary for Employment action plan /active measures of employment implementation planning to improve employability and employment of users of rights and services from the social protection system; • Provide support during Employment action plan /active measures of employment implementation.
Civil society organizations, Youth Offices	<ul style="list-style-type: none"> • Provide support in identifying and understanding the specificity of certain target categories of the unemployed; • Provide support for Employment action plan /active measures of employment implementation planning / design; • Contributing to better informing the community of opportunities and opportunities related to employment; • Develop new support services and create opportunities for employment of more difficult to employ categories of persons

National Employment Strategy 2011–2020 was adopted in 2011. The main goal of the Serbian employment policy is to establish efficient, stable and sustainable employment growth by 2020. Specifically the Strategy focuses on stimulating employment in the less developed regions and developing regional and local employment policies, enhancing human capital and greater social inclusion, improving labour market institutions and developing the labour market and reducing labour market duality.

Serbia is implementing a wide range of active labour market programmes targeting the most vulnerable unemployed and is making special efforts to help jobless young people. Special focus is put on hard-to-employ categories, such as youth up to 30 years of age, redundant workers or people over 50 years of age, unemployed people with no or low skills, etc.

During the implementation of the Poverty Reduction Strategy 2003–2008, poverty was reduced by half. In 2009, Serbia engaged in a broader approach for poverty reduction and social inclusion. Systemic steps were taken for the establishment of a social inclusion process in Serbia: the institutional framework was established and strengthened, indicators were introduced, first inclusive laws were enacted, the SILC (Statistics on Income and Living Conditions) survey was introduced, and impact assessments of specific inclusive measures were taken. A first National Report on Social Inclusion and Poverty Reduction was adopted in March 2011 covering the period 2008–2010. It reviewed the trends and the status of social inclusion in Serbia for the first time against EU social indicators, introduced ambitious social inclusion policies and integrated the recommendations of the EU 2020 Strategy and the Platform against Poverty related to candidate countries. A second National Report on Social Inclusion and Poverty Reduction was adopted in October 2014, covering the period 2011–2014. It was based for the first time on SILC data and includes independent reports and findings of the civil society sector. It also provided all relevant data needed for the development of the Employment and Social Reform Programme (ESRP).

A Law on Professional rehabilitation and employment of people with disabilities adopted in May 2009 regulates the quota system for employment of people with disabilities, the measures of vocational rehabilitation, measures to stimulate employment, etc. Special attention is paid to employment of women with disabilities.

In 2009 Serbia adopted a National Strategy for Improving the Status of Women and Promoting 2015. The objective of the strategy is to improve the economic situation of women. On average, women are still paid lower salaries than men, including for the same job, and their unemployment rate is higher.

In December 2016, the authorities enacted a Decree on the Manner of Involving Persons Recognized as Refugees in Social, Cultural and Economic Life (“Integration Decree”) which foresees assistance in accessing the labour market as an integral part of integration. The assistance is to be provided by the Commissariat for Refugees and Migrations and is to form part of every individual beneficiary of refugee status’ integration plan. The assistance includes assistance in gathering all of the necessary documents for registration with the National Employment Service, the recognition of foreign degrees, enrolling in additional education programmes and courses in line with labour market requirements and engaging in measures of active labour market policy.

Assessment of the planned project based on OECD/DAC criteria

The assessment of the planned project is conducted systematically and objectively as possible. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. This assessment should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process during the further elaboration process and the donor decision on funding.

This study elaboration and the assessment should provide the adequate information and propose the direction of project action. It should relate to the developmental results and impact of development assistance.

Findings must be perceived as relevant and useful and are presented in a clear and concise way. They should fully reflect the different interests and needs of the many stakeholders involved in development co-operation. The evaluation process itself promotes a further clarification of objectives, implementation direction and proposals for implementation approach.

Relevance: Are the planned project activities appropriate for addressing the problem?

The proposed project approach addresses the key issue of importance presently in Serbia. The high unemployment rate, especially of the different vulnerable groups is a burning issue for the State.

However, in the first quarter of 2020 the corona virus outbreak became a major concern for the health of global population, as well as for the global economy and international projects implementation. The Republic of Serbia has also been affected by the pandemic, but with adequate prevention and protection measures, it responded quickly to contain the impact. However, the nationwide shutdown has caused project delays, postponement, cancelations due to supply chain disruptions, unavailability of manpower, issues in obtaining project financing, etc.

According to WHO forecasts, it is possible that a new pandemic wave might follow at the beginning of autumn. In that regard, it is necessary to adjust the project implementation to such conditions, to recognize potential risks and anticipate adequate mitigation measures. Given that during the state of emergency introduced due to the COVID-19 virus pandemic, CARE international and its project partners ENECA and NEXUS continued to implement ongoing projects, while respecting the recommended prevention and protection measures and adjusting project implementation to newly arisen conditions. Further planning steps to consider are as follows:

- To develop a mitigation plan for potential slowdowns, shutdowns of particular project activities and eventual project restarts
- To consider canceling, postponing or modifying field activities (field visits, trainings, mentoring...) and replacing with mobilization of partner network and intensified implementation of digital tools
- With regard to the beneficiaries willing to return to Serbia, to take into account that return process would slow down due to global shutdown, closing the country borders and new state regulations due to the pandemic
- To design and introduce training on health risk for target group as an additional module of planned trainings in order to raise awareness on COVID 19 protection and prevention measures of returnees and other vulnerable groups in South East Serbia
- To actively work on preventing segregation in targeted communities in regard to COVID 19, especially towards Roma, as a most disadvantaged group among returnees

As it is expected that COVID-19 will continue to spread with a trajectory difficult to predict, the crisis will affect not only the health system, but also the economy, humanitarian work, social life, etc. How quickly and to what extent the world will recover will depend on the scope of that impact.

According to the World Economic Forum, the trends seen over the past few months would have been unimaginable in 2019. As far as the economy is concerned, the aviation industry, for example, is facing its deepest-ever crisis, with 90% of the global downturn and tourism is forecasted to fall this year by between 58% to 78%. In regard to the social impact of the pandemic, global poverty is expected to increase with predictions that 40 to 60 million people are expected to be pushed into extreme poverty in 2020. This is the reason to consider

support measures to target the most vulnerable population groups in order to ensure an adequate response to the pandemic's impact on the increase of poverty globally and in the Republic of Serbia in particular. These measures are particularly important in case of a new wave of the pandemic, as well as in the post-crisis period.

The official government data indicate that during the pandemic about 400.000 citizens have returned to Serbia from abroad. Also, according to some studies, about 200.000 people have lost their jobs after the pandemic started in Serbia. It is expected that these figures would grow further as the pandemic continues. The general conclusion is that the employment needs will increase in Serbia in the following period, not only among those returned as returnees according to the readmission agreement, but among those returned during the pandemic or those being redundant because of the economic crisis within several sectors.

These new circumstances not only justify but even increase the need for this particular project implementation.

In such a situation as described in the context, problem analysis and description of target group needs, employment is the result of many different problems such as; lack of skills, discrepancy between the employee structure needed for the economy and programmes that are implemented in educational institutions, prejudices toward the target groups, inadequate knowledge of the employment sector and the unemployed on active employment measures available, etc.

One of the biggest assets and positive aspects of the proposed action is the selection of the territory for implementation. The selected region for implementation (South and Eastern Serbia) is the most underdeveloped area in the Republic of Serbia which has in turn led to the enormous emigration from these districts and region in general. Economic independence and security of the population will enable members of the vulnerable population groups to improve their living conditions and enable them to remain in their home towns and jointly contribute to development of the region.

The defined project is complex and widespread in terms of topic areas. Assessment shows that the initial project design took into consideration and viewed the overall picture and problem sources and through the project wishes to tackle the ground root problems and contribute to their resolving.

The overall project objective: *Improved socio-economic perspectives of vulnerable populations in southeaster Serbia, through strengthening of local economy and job creation*, and defined project results, and activities are clearly in line with the national legislation, strategic orientation and most importantly in line with the needs of the target country, region and population.

Defined priority target groups: returnees, persons with disabilities, refugees, IDPs, Roma women and men and other vulnerable groups Project target group selection was conducted adequately and is also in accordance with the social classification of vulnerable groups in Serbia. Hence, the main focus will be put on the returnees.

Through analysis conducted during the elaboration process of this document, there is plentiful evidence that over the years a number of programmes and projects respectively have addressed the needs and managed to direct support toward the targeted groups. They have targeted unemployed and other various vulnerable and marginalized groups in the delivery of employment oriented services such as training, consultations, information sharing and business counselling. Additionally, the NES have extended support to start-up initiatives, trainings, and subsidies by providing what was crucial at that time: business plan preparation, IT support and other support. Other programmes have directed support to local entrepreneurs to employ target groups. During information meetings with relevant stakeholders it was confirmed that the set of services provided ranged from: provision of information, counselling, training, work practice possibilities, administrative support in initiating businesses, etc. Also that they are well designed and attend to the needs of the

local economy, meet the general demand and address the concrete needs of the end-users (unemployed, marginal groups, SMEs). Specific for this proposed project is the increased focus on returnees as a target group and addressing the needs of not only the adults in finding potential employment but also addressing the needs of the children upon returning to Serbia i.e. addressing issues of discrimination and inclusion in the educational system, which is crucial as a precondition to avoid potential future marginalization and to influence the returnee youth to continue in education, reduce drop-outs and contribute to their skills development and potentials for employment at a later age.

The project concept has defined awareness building, capacity building, grant schemes, internships, and self-employment actions which are all in complete accordance with the national strategic orientation related to reducing unemployment and also with that active employment measures defined.

The added value of the project design is the concept to address the stakeholders in the educational system related to the integration and reduction of discrimination toward returnee children.

The project can meet the defined objective: *Improved socio-economic perspectives of vulnerable populations in southeaster Serbia, through strengthening of local economy and job creation*, as and the project is highly relevant to the defined target groups as well as the defined region. The project has been designed with an emphasis on the delivery of a standard core package of services with some limited diversification through the life of the project in an attempt to address a wide spectrum of needs in the target groups.

The project realization will contribute to the increased employability, capacities, skills in line with labour market demands, employment of a realistic number of persons from the vulnerable categories, establish a practice and cooperation and collaboration between the local employers and educational institutions, NES, CSW, etc to encourage apprenticeships, work practice, use of subsidies, encourage self employment through grants, and grant provision. Upon provided project support and realization results which remain should be the increased employment of vulnerable groups population, increased skills and competencies of target group members, increased awareness of employers and beneficiaries on existing potentials, increased cooperation and established system of cooperation and collaboration to be used in the future in finding adequate employees and employers.

Effectiveness: What is the most suitable project approach to achieving the objectives?

The FS elaboration team has reviewed available documentation made available by the Contractor related to the project idea, design and proposed approach. From the provided information, it can be assessed that a sound base for further project elaboration is set. The need to further develop the entire project and conceptual design is needed and development of concrete methodology and implementation strategy. With the available information it can be said that the objective is reachable as are the expected results achievable.

The positive aspects of the project design are the focus of the project actions at the meso level and provision of concrete support directly to the target groups. Securing the local organizations as project partners from Nis and Vranje is a large asset, and will greatly contribute to the more effective and efficient project implementation. Engagement of organizations in the field, with direct insight into the specific situations in the targeted regions will enable better and more effective project targeting of beneficiaries and stakeholders. The support could be adjusted or tailor-made to the specific needs of the regions and communities.

Project implementation partners must have the adequate team capacities to spend time in the field to secure constant contacts with potential employers, beneficiaries, schools, local authorities in the local self-governments, etc.

Envisaged variety of support cannot be defined and innovative in any manner in respect to the support and assistance provided by other programmes and project already implemented or which are under implementation in Serbia now, but the crucial difference can be in the implementation approach. A number of the implemented programmes were conducted through the direct support to NES; which we allow ourselves to assess as the easiest approach, but at the same time not the most effective approach.

The project should not and cannot be realized without the involvement of the NES and other stakeholders whose direct jurisdiction and work is in the field of employment, but one must keep in mind experiences of projects which have targeted employment through the implementation of similar activities as NES. Project teams were faced with unwillingness of local NES offices to actively participate in the dissemination of information, identification of potential participants, etc. Reasons for such attitudes of NES were explained with the justification that they also apply for funding with the same ideas and it is not in the interest for other organizations to be involved and to send "their" beneficiaries to participate in other projects as this will in-turn reduce the funding which they receive.

Synergies and cooperation should be established with programmes and projects which will be implemented during the same time as this project. In addition to large programmes being implemented at the national level, project partners should investigate smaller projects being implemented at the local level, most often by civil society organizations or the local self-governments, in order to avoid overlapping of activities and to coordinate activities and avoid duplications either of target group or beneficiaries.

To achieve the set objectives, foreseen measures (ways through which you intend to achieve the defined objectives) should follow a logical order: while defining them, one should always remember that they should be logically placed, which means that while implementing a project a step by step procedure should be in place. This will also help in planning all activities accordingly.

This means that they should be clear and unambiguous, giving details of how and what is intended to be achieved. Attention should be put on defining measurable indicators and results, means that they should be quantifiable so that achievement or non achievement can easily be defined. This is most easily achieved through defining the numeric value.

It is important to define the project objective, expected results and measures clearly and they should be assessed as achievable. The best way to secure this is through the control/capacity of the partner organizations involved in the direct implementation of the project. While drafting the proposal, the organizations should keep their own capacity, constraints and abilities to achieve the set objectives. In defining the project details, elaborators of the project must be realistic and aware of what can be conducted and attained within the available resources and set timeframe.

To establish cause-effect relations, a logic model based on change theory must be developed, which explains the action of the programme and the expected effect on the population. The hypothesis, the relation between the action and expected effects of the project should be considered, in addition to specific aspects which may affect the expected outcome. For example, as regards to beneficiaries finding employment, the numbers should be determined not only of those who find employment, but also of beneficiaries who attended trainings, work practices, vocational trainings, and all other project activities and what proportion of them obtained employment. It is consequently important to establish appropriate hypothesis for each of these aspects, defining the direct variables of the intervention and those affecting how the outcomes are obtained.

Available information for the elaboration of this study did not provide further insight into the number of beneficiaries (aside from the indicators defining target number of beneficiaries for trainings-360, and 250 persons employed) which would be involved in the wide range of

project activities and as such it is not possible to assess the level of feasibility and potential impact.

Monitoring is a form of evaluation or assessment, though unlike outcome or impact evaluation, it must be planned shortly after an intervention/project has begun (formative evaluation), throughout the course of an intervention (process evaluation) or midway through the intervention (mid-term evaluation). Monitoring of project implementation will allow project management to determine what is and is not working well, so that adjustments, if necessary can be made in time and during the implementation process. Quality and objective monitoring should enable the team to have insight into what is actually working or happening versus what is actually planned. It will allow the introduction of remedial measures to get the project back on track and remain accountable to the expected results the project is aiming to achieve, determine how funds should be distributed across the programme activities and in the case of this project across the large region it foresees to cover.

As the case is often with projects, monitoring of activities is conducted and carried out directly by the project implementation team, it is crucial that they are objective and realistic in the monitoring process. Information from monitoring activities can also be disseminated to different stakeholders outside of the organization which can help in promoting transparency and provide an opportunity to obtain feedback from key stakeholders.

Considering that there are no standard monitoring tools and methods. They must be created by the implementation team to fit the intervention and objectives outlined in the project logframe.

In order to secure the adequate impact monitoring and evaluation at the project end the entire monitoring and evaluation system must be put into place from the beginning. This meaning that activity monitoring and qualitative and quantitative monitoring techniques must be set in place and defined. Outcome evaluations for which it is important to be very clear from the beginning of a project or intervention, what the expected objectives and outcomes will be, and to identify what specific changes are expected for what specific population.

Impact monitoring and impact evaluation will measure the difference which the project made and also what would have happened if it wasn't implemented. The key question which it should answer is: how much of a change occurred, in the target group population, because of the project?

The evaluation system includes the supervision and evaluation of processes, cost-benefit analyses and impacts. In other words, impact evaluation "aims to determine more generally whether the programme has produced the desired effects on persons, households and institutions and whether these effects are attributable to the programme's intervention.

To facilitate outcome and impact assessment, monitoring and evaluation of baseline information on key indicators will have to be collected and agreed upon. It will not be possible to have full sets of baseline data for all project activities. Therefore, choices need to be made to focus on some key indicators. Special attention will be paid to monitoring changes in knowledge, attitudes and practice of project beneficiaries and stakeholders.

The proposal for this project is for impact monitoring to be outsourced and to be conducted mid project implementation and for the final project evaluation upon project completion. The project team should consist of a member who will be responsible for the overall project implementation monitoring but the entire project team should actively participate in regular monitoring of activities and achievement of defined indicators.

Efficiency: Can the objectives be achieved in an economically efficient way through the planned project?

Taking into consideration the available information related to project financial, institutional and human resources are very limited or were not available, such an assessment is not possible.

In order to successfully implement a project of this diversity and size and taking into consideration the region in which it is planned to be implemented, all of the listed resources will be demanding.

As stated previously, the project should focus on the meso level and this approach is more demanding in regards to resources but it also contributes greatly to the feeling of ownership, more intense communication and cooperation with the local stakeholders and the better identification of beneficiaries which will definitely contribute to the better achievement of defined objectives. The distribution of human resources among the project partners should carefully be assessed and planned. One should also consider that a great deal of the foreseen activities, mainly related to trainings, can be outsourced and this should be considered as one of the best solutions which would also have an added value in respect to the employment topic.

Considering the timeframe of three years planned for project implementation, the foreseen project can be successfully implemented and during this time secure the achievement of desired impacts.

Significance / overarching development impact: Will the project help achieve broader development impacts?

Analysing the existing problems and needs of the defined target groups and also the proposed project action, the most impact should be felt by the youth and returnees. As stated the main intervention focus is planned toward returnees. Considering the regions of Serbia which are planned to be covered through the project, caution must be taken in the selection of beneficiaries. The opportunity to participate in the project activities must be made available to members of all of the vulnerable groups and difficult to employ persons in order to avoid creation of negative attitudes toward this population.

Actions planned for the increasing capacities of teachers and other school actors for more successful inclusion of returnee children into the education process, should be expanded and not only focus on returnees but to promote the inclusion and tolerance toward all vulnerable groups.

One aspect which should also be considered is to focus some awareness building activities toward the vulnerable groups. It is crucial to increase their knowledge and awareness on the rights which they have and potentials which exist, and to inform them on whom to address for achieving certain rights.

If successfully implemented, the project can serve as a model for further actions not only related to donor programmes and projects. If the project succeeds in establishing the practice of internships, work practice, etc, it can be continued through the created project cooperation with local employers, institutions and relevant stakeholders. For these reasons it is important that the project pursues a micro and meso level approach and in this manner increase the significance of the support and also secure the effectiveness of the intervention.

In respect to gender sensitivity, inclusion of persons with disabilities, cultural sensitivity, conflict sensitivity and human rights, it is safe to state that the project is fully focused on these topics. The involvement of vulnerable groups, activities related to social inclusion and

cultural sensitizing of given stakeholders, human rights are not being mainstreamed through the project yet are the main project content.

Sustainability: Will the positive impact last after the project has been completed (without further external support)?

Sustainability of results and impact can be secured after project completion. Capacity building of all stakeholders and final beneficiaries through the project will contribute creating preconditions that these capacities are utilized. The working practice example will also be a base and guide for institutions, organizations and private sector to continue and establish cooperation and practice to enable returnees and other vulnerable groups to conduct work practice in their organizations and increase their employability. Capacity building of all stakeholders and final beneficiaries through the action will contribute creating preconditions that these capacities are utilized. Inter-sector cooperation will also contribute to building of capacities and creation of platform for experience exchange.

In order to secure the institutional sustainability, the project should consider formalizing cooperation on working practice organization to be signed by LSG institutions, business sector and CSOs to secure long term cooperation for work with vulnerable groups and other disadvantaged groups. Institutional sustainability could also be secure through integrating activities related to the revision or elaboration of local strategic documents and action plans for the vulnerable groups and for employment (local action plans for Roma, refugees, IDPs and returnees, youth, persons with disabilities, or local action plans for employment).

Social sustainability encompasses notions of equity, empowerment, accessibility, participation, sharing, cultural identity, and institutional stability. It seeks to preserve the environment through economic growth and the alleviation of poverty.

Project investment into human capital is in all respects sustainable. Investing in increasing the employability, knowledge and development of skills of the beneficiaries is the main aspect of the economic sustainability. The obtained knowledge, skills and competencies will enable the beneficiaries to either find employment or initiate their own business. The sustainability of the established employment of the beneficiaries during the project can in no way be controlled or influenced through the project and solely depends on the individual beneficiaries and their attitudes toward work and willingness to continue in upgrading their skills and knowledge.

Local potentials should be used as much as possible. The project has the opportunity to use the civil society sector potentials and at the same time contribute to strengthening cooperation between sectors at the local level. Cooperation between the public sector, mainly the local self-governments and civil society organizations, exists. The level of cooperation and partnership naturally differs from municipality to municipality. The cooperation between the business sector and the civil sector is one which is lacking in Serbia and it could be promoted and introduced through the project. This could be achieved through the involvement of local CSOs representing the different project target groups in the identification of beneficiaries, as a link between potential employers and their members, and the project could contribute greatly to increasing their capacities in the area of promoting employment potentials, promoting equality and human rights, etc. This could also greatly contribute to strengthening local ownership, launching initiatives, and increase the participation of citizens in local community decision making processes and also in active participation in solving community problems jointly.

The project may need to provide a level of implementation flexibility in order to address any socio-cultural barriers which may appear during implementation. This issue has been addressed in the previous sections of this study. Prejudices toward the project target groups exist, stereotypes, over generalizing that all people belonging to the same culture as having similar characteristics and categorizing people accordingly. It is a belief about a certain

group and is mostly negative. Negative stereotyping creates prejudices as it provokes judgmental attitudes. Stereotyping can be done on the basis of many things like nationality, gender, race, religion, ethnicity, age, etc. This can cause delays in project implementation, rejection of potential employers to cooperate with vulnerable groups, etc. such obstacles will demand much more work and effort to be put on building awareness and promotion of equality, rights and tolerance through the project.

The existence of socio-cultural barriers, existing prejudices, etc could be increased through project implementation unfortunately. In order to avoid this risk, as mentioned, the project potentials and support opportunities must be accessible and available to all hard to employ persons. The project management must elaborate selection criteria which will be used to identify final project beneficiaries but access must not be restricted. Through a well developed selection criteria and potential ranking of beneficiaries, the foreseen project target groups will be crystallized.

Another risks which may appear, during project implementation, is in the public or individual groups which may express antagonism towards affirmative measures of support to the employment inclusion of returnees, Roma, etc. This risk can be mitigated and minimized through the active involvement of project partners who will clearly and continuously communicate the basic human rights approach and take other legal actions against discrimination, if necessary. A risk which is assessed as high is related to the Roma community, which is incorporated in the cultural background, which prevents the Roma girls and women from continuous employment. The project will need to give full contribution to overcoming this risk in continuous communication with Roma families.

Other risks which may appear are:

Lack of willingness of institutions to cooperate (NES, CSW, etc) - which they could see involvement in the project as additional work load and burden. In order to reduce or minimize this risk it is necessary to address and reach agreement and establish cooperation with the relevant national institution which would give instructions to the local offices to cooperate on the project. Possibility is to include local civil society organizations in the identification of beneficiaries, information sharing and dissemination.

Another risk is the rejection of unemployed persons to begin work for low salaries which are often offered by employers. This is an issue especially stressed with youth who set high standards for their initial salary but are not aware of their limited experience and contribution to the work process and results. Low salaries are, in addition to the unemployment the main reason for the increasing number of emigration to EU states and further.

Finding official employment leads to losing the right to social assistance, which many, especially the Roma population, look at as a secure and constant source of income. In past experiences in research conducted with the Roma population it was clear that even if employment is possible, they reject it for the sake of secure social assistance for their family. This will be a bottleneck for employment of some vulnerable groups which must be considered during the selection of participants within the project.

Risks related to the participation of the stakeholders and representatives of the different target groups must be carefully considered and indicators set with precautions. Difficulties can be overcome considering the large areas planned by the project.

All research documents have been submitted with this report as supporting documentation.

