

SKILLS 2020

SERBIA

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The full list of all those who took part is provided in Part II.

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List of acronyms

Abbreviation	Term
BRPM	Body Responsible for Priority /Measure
CSO	Civil Society Organisation
CSP	Country Strategy Papers
ETF	European Training Foundation
EU	European Union
FDI	Foreign Direct Investment
FS	Foresight
GDP	Gross Domestic Product
HE	Higher Education
HRD	Human resource development
ICA	Institutional capacity assessment
ILO	International Labour Organisation
IPA	Instrument for Pre-accession Assistance
IPAI	Instrument for Pre-accession Assistance programming period 2014 - 2020
IVET	Initial vocational education and training
LFS	Labour Force Survey
LLL	Lifelong learning
LM	Line Ministries
MIS	Monitoring Information System
MoFE	Ministry of Finance and Economy
MoESTD	Ministry of Education, Science and Technological Development
MoLESP	Ministry of Labour, Employment, Veterans and Social Policy
MoH	Ministry of Health
MoRDL	Ministry of Regional Development and local Self Government
MoYS	Ministry of Youth and Sport
NAD	Needs of the Republic of Serbia for International Assistance 2014-2017 with 2020 projections (Needs Assessment Document)
MTEF	Mid-Term Expenditure Framework
MTBF	Mid-Term Budget Framework
MTFF	Mid-Term Fiscal Framework
NAD	Needs of the Republic of Serbia for International Assistance 2014-2017 with 2020 projections (Needs Assessment Document)
NDP	National Development Plan
OP	Operational Programme

OS	Operating Structure
PAF	Performance Assessment Framework
PAR	Public Administration Reform
PEFA	Public Expenditure and Financial Accountability
PEF	Public Expenditure Framework
PEP	Pre-Accession Economic Programme (PEP)
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Finance Management
PBB	Programme-Based Budgeting
PPF	Project Preparation Facility
RIA	Review of Institutional Arrangements
SA	Sector Approach
SEIO	Serbian European Integration Office
SIGMA	Support for Improvement in Government and Management
SSP	Sector Support Programmes
VET	Vocational education and training
WBL	Work based learning

Overview

Foreword

IPA, the Instrument for Pre-Accession Assistance, offers assistance to countries engaged in the European Union (EU) accession process. In the following period (2014-2020), IPA II will support the accession countries in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership. This new programme is more strategic, efficient and better targeted than before, and aims to adopt a 'sector wide approach', connecting Human Resources Development (HRD), employment and social cohesion issues.

Under IPA II HRD, labour market and social cohesion will be treated as a single coherent sector (policy area) that requires joined up policies across a variety of domains such as:

- Higher Education
- Vocational Education
- Life Long Learning
- Social Inclusion
- Job creation
- Industrial competitiveness
- Poverty reduction
- Entrepreneurship
- Skills and capabilities needed for accession to the EU

The sector-wide approach poses a challenge because it requires a wide number of policy areas that moved ahead more or less independently in the past, to cooperate more closely, to develop more coherent and evidence-based policy approaches for HRD in line with the EU 2020 Strategy. There is a need to integrate these fragments so that it is easier for the relevant actors to plan their response, identify their needs and acquire the resources necessary to enable them to function over time.

To help pre-accession countries to get the most out of this new approach, the European Commission has contracted the European Training Foundation to launch the *Frame – Skills for Future* initiative to help in the development of coherent policy approaches for human resource development in line with the EU 2020 Strategy. As such, the FRAME exercise has aimed at providing a clear overview of the main priorities of Serbia in the HRD sector so as to have a coordinated action plan among key stakeholders and a linked monitoring instrument to be consequently used to assess progress.

The vision document, together with the capacity development plan for institutions in charge of HRD and the monitoring instrument, can allow to better align the education and training system with the needs of the economy and the labour market and to strengthen institutional capacities and inter-institutional co-operation to ensure joined-up policy approaches across government. This has required a future-oriented participatory approach that brought together all relevant stakeholders involved in higher education and research, vocational education in a lifelong learning perspective, including labour market policy, job creation, entrepreneurship and social inclusion, to create a skills vision for Serbia in 2020 along with a roadmap that accommodates all HRD-related initiatives in a coherent strategy involving the national actors and stakeholders.

In order to make the most of existing experience, the FRAME initiative consists of 4 interrelated components, which will be treated as unique interventions as they constitute the building blocks of the sector approach in HRD, namely:

- **Component 1 – Foresight:** Implement a foresight methodology for vision-building of future skills towards 2020 as an input for building coherent national HRD strategies in EU enlargement countries, including priorities and roadmap for the vision. The methodological approach will be road-tested in two of the enlargement countries (Montenegro and Serbia) and then rolled out in the other beneficiary countries.
- **Component 2 – Review of Institutional Arrangements:** Implement a methodology to review institutional arrangements in the HRD sector in relation to the capacity to achieve the country vision for skills 2020, and consequently to develop capacity-building responses. The methodology developed will be rolled out directly in all beneficiary countries.
- **Component 3 – Monitoring:** Develop a performance-monitoring and indicators-based system to monitor progress and strengthen accountability in implementing the sector-wide approach in HRD in line with the national strategic objectives and EU 2020 goals, as well as headline targets put forward in the South East Europe Strategy 2020.
- **Component 4 – Regional:** Facilitate a mutual learning process among enlargement countries in the region through the organization of regional meetings and peer learning activities that will allow exchange of results and will pave the way for future joint activities.

Through the foresight component, ETF assists the accession countries to formulate a shared vision for Skills 2020, with priorities and a roadmap. As such, the exercise is very inclusive and comprehensive, as it puts together stakeholders in charge of local HRD with the objective of elaborating a shared vision, built on previous work and existing national strategies.

Serbia is one of two pilot countries where foresight has been implemented. Skills are at the centre of the foresight component, addressing the question:

Which skills should Serbia develop towards 2020,
and how can these skills be generated by the education and training system?

The aim is to elaborate a visionary and strategic orientation on skills development, instead of coming up with a qualitative or quantitative list of skills. The outcome of the exercise represents the shared opinion and work of the country stakeholders, who have jointly worked on the content of the document in the course of 2013 and 2014, through the organization of a series of workshops and continuous bilateral contacts.

ETF has been working together with national policy leaders and stakeholders to define what should be achieved in the mid-term, by 2020.

- What are possible, feasible and preferred options, based on resources and capacities?
- How should the education, training and lifelong learning system be adapted in order to produce the necessary skills?

Executive Summary

As part of the European Commission's support for the preparation of the second cycle of IPA II, the European Training Foundation has been developing the FRAME initiative..Serbia was one of the two pilot countries to develop a Vision, Priorities and a Roadmap for the Human Resource Development (HRD) sector. The results are presented in this Report. The following report is designed primarily as a preparatory input to IPA II programming and specifically should inform the Country Strategy Paper (CSP) for Serbia.

This work aimed at considering what the European Commission refers to as a sector-wide approach, which links all policy initiatives related to education and training in a lifelong learning (LLL) perspective, with employment and social inclusion in a single unified framework. The work on the foresight component started in November 2012 with a number of exploratory visits by the ETF team, followed by a series of interactive workshops using a highly participatory foresight approach that brought together the relevant ministries, government agencies and other bodies, along with major actors in education, training and lifelong learning, as well as business associations, NGOs and organizations representing employers and employees, under the coordination of the Ministry of Labour, Employment and Social Policy.

A recurring theme in discussions is the fact that skills entail the ability to use knowledge and competencies to complete a task or solve a problem, whether in a professional or learning context and in personal and social life. The FRAME initiative places skills and knowledge at the centre of HRD and social development as they are key elements contributing to national prosperity and better quality of life for all. For individuals, skills mean employability and social mobility. For society, skills represent a major driver of its productivity, competitiveness and innovation. The choices made by policy-makers, enterprises and individuals in terms of investments in education and skills are a crucial prerequisite for the long-term performance of economies as well as for social inclusion. It is crucial to prepare and plan in order to avoid undesirable outcomes and to make the most of opportunities encountered. By engaging in foresight, policy actors and relevant stakeholders explore the future and use these insights in deciding on the direction of jointly designed policies which relate to skills development balancing demand and supply.

The vision building process for Serbia has resulted in this shared vision:

Serbia is a socially cohesive, flexible, innovative, knowledge-based society with globally competitive skills which reflect the economy's demand for them. It fosters an entrepreneurial mind-set in a lifelong learning perspective, creates opportunities and facilitates the achievement of potential.

Four main priorities were identified for achieving the skills vision:

- making education more response to labour market needs;
- facilitating the transition to the labour market;
- extending entrepreneurial learning;
- strengthening the sectoral approach to skills development.

In line with the Serbian Strategy for Policy for Industrial Development (2011-2020), priority is given to five economic sectors: Agri-food, Auto-transport, Information and Communication Technologies, Metal industry and Pharmaceutical industry. Preparation and implementation of the Foresight Component was conducted in close coordination with the EU Delegation to Serbia, SEIO and the EU funded project "Project Pipeline Facility 5".

A review of institutional capability to manage the policy cycle was undertaken from September 2013 till April 2014 with an emphasis on four main functional capacities corresponding to the policy cycle phases: policy design; planning and budgeting; implementation and monitoring and evaluation (including reporting and learning).

This entailed a mapping of capacities, interviews and the convening of a policy design workshop to discuss the findings. The **RIA Report** highlights the main policy making challenges:

- to empower the different institutions, agencies and centres in the HRD sector,
- to promote a wider and better involvement of the social partners
- to improve the policy accountability and the policy delivery, including better financial planning and execution of the providers in the sector.

The monitoring component involved a participatory approach which allowed the customization of the tool to the country's readiness to use certain indicators and identification of main challenges and problems encountered at national level. The Serbian team provided valuable input confirming the relevance of all the common indicators.

The main points that emerged referred to missing data in the administrative information system of the Ministry of Education, Science and Technological Development, the slow pace of adaptation to new data requirements and different timing of data collection. To assure that the monitoring system functions, one crucial pre-condition is a close and regular coordination and communication between all institutions involved in collecting data or statistical work. A thorough data availability and relevance check was carried out for all national indicators within the roadmap combined with further identification of comparability problems for the common indicators.

PART I – VISION FOR SKILLS 2020: THE FORESIGHT VISION BUILDING PROCESS

1. Background and Context

1.1. Economic Backdrop

Competitiveness is a crucial issue for Serbia, since as a small country its internal market is not sufficient to fuel economic development. A competitive economy is one that experiences high and sustained productivity growth leading to an increase in the standard of living. Many factors determine productivity performance, including the level of competition and market reform. The latter opens up opportunities to stimulate investment and the ability to innovate, through increased spending on R&D and human capital development, notably education and training. Other important factors include the capacity to rapidly transform technological and non-technological innovations into economic goods and the reorganisation of working practices through the adoption of information and communication technologies and access to modern infrastructure.

Competition regulations and consumer protection rules play a role in ensuring that competitive market pressure operates fully, thus maintaining incentives for higher productivity. This highlights the increasing need for companies to become and remain competitive which is also driven by the globalisation of markets. Finally, an integrated market for goods and services is necessary to ensure that all potential gains are accomplished. Many countries have responded by strengthening their economies, including concentrated efforts to shift towards a knowledge-based economy, attracting investment and increasing exports. These changes establish the essential prerequisites for long-term economic development.

The strategic objective of Serbia's economic policy¹ is to accelerate European integration /EU accession by implementing the systematic reforms needed to meet the Copenhagen criteria. The progressive achievement of these reforms and subsequent closer integration of Serbia with the EU should create a more attractive economic environment which will propel an increased economic development and social cohesion e.g. by incentivising entrepreneurship and promoting social inclusion.

According to Serbia's Fiscal Strategy for 2013, including projections for 2014 and 2015, the main economic policy goals for 2013-15 are:

- Macro-economic stability;
- Economic recovery and acceleration of economic growth;
- Increase of employment and living standards.

Serbia experienced steady growth until the global economic crisis in 2008, when the national economy shrank rapidly and went into recession in 2009. Recovery started in 2010 and the economy registered a real 1% growth of GDP due in large part to increased exports to the EU. The national economy slowed down again by mid-2011 due to the negative effects of a second wave of global economic crisis and difficulties in the Eurozone. However, despite the worsened economic circumstances in 2011, real GDP growth reached 1.6% in Serbia, due to growth in industrial and agricultural production, the building industry, transport and telecommunications, and an increase in investments. The Gross

¹ As given in the Fiscal Strategy for 2013, with projections for 2014 and 2015, Government of the Serbia, November 2012.

Domestic Product (GDP) in Serbia expanded to 1.4% in the third quarter of 2013 over the previous quarter and GDP growth of 3.5% per year is projected for 2014 and 2015².

Serbia's economy depends on manufacturing and exports, driven by foreign direct investment. It is estimated that in 2011, the country attracted more than 2 billion dollars in FDI, concentrated in a variety of industries including metal processing, building, textile, beverage, electronics and financial. However, for historical reasons the state still accounts for a large part of economic activity, but reforms are being implemented to change this.

The highest positive contribution to the 1.5% increase in gross added value derives from the ICT sub-sectors and industry, while the main negative contribution originates from the wholesale and retail trade sub-sector. In terms of regional distribution, the Belgrade Region accounts for almost 40% of GDP, while the Sumadija and Western Serbia Region accounts for 19% and the Southern and Eastern Serbia Region less than 15%. The modest growth in the economy was not sufficient to reduce unemployment. According to the April 2013 Labour Force Survey the rate of unemployment rose to 24.1%³ and represents one of the country's key economic policy challenges (NAD, version 8/7-2013.).

The industrial structure of GDP based on GVA consists of: Real estate, renting and business activities (18%); Manufacturing (17%); Wholesale retail trade & repairs (13%); Agriculture, forestry, water & fishing (11%); Transport, storage & communications (9%); Health & social work (6%); Education (5%); Construction (5%); Public administration, defense & social security (4%); Utilities (electricity, gas & water supply) (4%); Financial intermediation (3%); Other community, social & personal service activities (3%); Mining & quarrying (1%) and Hotels & restaurants (1%). It is evident that services account for the largest share of GVA, which is comparable with European economies – Industry as a whole is very close to the EU 27 average (18%)⁴.

In terms of labour productivity, Serbia lags behind the EU: at the end of 2011, average EU productivity was three times higher than in Serbia⁵. However, the trend over the 2005-2011 period, reflects an increase in Serbia's productivity as a share of the EU average from 17% to almost 32%⁶, indicating a steady improvement in efficiency. There is a strong correlation in the economy between the GVA of a sector and the number of persons employed in that sector. The highest discrepancies are recorded in Real estate, renting and business activities, and Agriculture (where the percentage of GVA far exceeds the share of employed persons), as well as manufacturing (the higher percentage of employed persons, compared to GVA, can be explained by the labour-intensive food and other processing activities) (NAD, version 8/7-2013.).

According to the Global Competitiveness Report (2012-2013), Serbia ranks 95 out of 144 countries, (unchanged from 2011-2012). This ranking signals the need for further improvement and structural change in every aspect of the economy. The overall operating environment for enterprises remains a major challenge. High disparities among the regions and districts are one of the main development limitations of the Serbian economy and may be linked to a lack of both basic and sophisticated infrastructure. The disparity in regional distribution is growing as reflected in the ratio between the maximum and minimum number of regional enterprises and the difference in turnover of enterprises between regions is high and also shows an increasing trend.

According to the South East Europe Regular Economic Report, June 2013, Serbia is expected to grow at a projected 2%, in part as a bounce-back from last year's recession. It also expected to benefit from

² Fiscal Strategy for 2013, with projections for 2014 and 2015 -GDP Growth Rate is reported by the Statistical Office of the Republic of Serbia.

³ Unemployment rate in Belgrade Region stands at 19%, Vojvodina Region 24%, Sumadija and Western Serbia Region 25,9% and Southern and Eastern Serbia Region 26,3%.

⁴ Eurostat data.

⁵ Serbian Enterprises and Global Competition Challenges, Dejan Đorđević, Dragan Čockalo, Savina Đurin using National Bureau of Statistics of Serbia; EUROSTAT as sources.

⁶ Serbian Enterprises and Global Competition Challenges, Dejan Đorđević, Dragan Čockalo, Savina Đurin using National Bureau of Statistics of Serbia; EUROSTAT as sources.

increased foreign direct investment (FDI), the solid performance from the large FIAT factory, and a return to normal agricultural output, which dropped nearly 20% in 2012. In terms of labour productivity, Serbia is lagging behind the EU: at the end of 2011, EU average productivity was three times higher than in Serbia⁷ (NAD, version 8/7-2013.)

The SME sector in Serbia accounts for 99.8% of enterprises, with microenterprises making up 96.3%, small firms 3% and only 0.7% qualifying as medium-sized companies. As is the case in the EU, the SME sector has a strong influence on the performance of the Serbian economy, accounting for 65.3% of all employees, generating 65.5% of total turnover and 55.2% of gross value added. Serbia has a relatively similar SME base in terms of structure to the EU-27, but its productivity is considerably lower.

Serbia has limited capacities in almost all aspects of innovation and technology transfer. Improved commercialisation of domestic research requires upgrading the quality of the R&D being performed and re-orienting efforts in the public research organisations (universities and research institutes) towards applied R&D and less on pure (fundamental) research. Serbia's prolonged under-investment in its public R&D infrastructure has been coupled with a lack of modernisation of the education system, including at PhD level, leading to a loss of talented researchers to other countries. The low level of assistance available from public R&D organisations has a knock-on effect on enterprises who might otherwise invest in R&D activities with a national public partner.

1.2. The Panorama of Skills Related Strategies

Human resource development, education, employment, lifelong learning as well as industrial development are policy areas that are conceptualised in key national strategies in Serbia. For each strategy there are a number of related actions plans, laws and by-laws. Within these strategic lines a number of projects have been implemented through the IPA 2007–2012 framework.

Of the national strategies identified as relevant for the purpose of the Foresight component, where skills are considered as one of the key elements contributing to economic growth, social mobility and improved employability, at least two documents address the overall development of the country, namely:

- Post-crisis Economic Model Growth and Development of Serbia. USAID, Faculty of Economy 2011-2020
- The Strategy and Policy of Industrial Development in Serbia 2011-2020

While at least four other strategies deal with various aspects of the development of the education, training and lifelong learning systems themselves:

- The Strategy of Development of Education, 2012-2020
- The Strategy for the Development of Vocational Education and Training 2007-2015
- The Strategy for Adult Education, 2007-2015
- The Strategy of Career Guidance and Counselling in Serbia

⁷ Serbian Enterprises and Global Competition Challenges, Dejan Đorđević, Dragan Čockalo, Savina Đurin using National Bureau of Statistics of Serbia; EUROSTAT as sources

At least two strategies focus on scientific and technological development:

- The Strategy of Scientific and Technological Development of Republic of Serbia from 2010-2015
- The Strategy of Development and State Support for the Information Technology Industry

One document addresses employment:

- The National Employment Strategy, 2011-2020

One strategy addresses the development of enterprises:

- The Strategy for Development of Competitive and Innovative Small and Medium-sized Enterprises (2008-2013)

At least six strategies address social inclusion:

- The Strategy on Development and Promotion of the Corporate Social Responsibility in Serbia 2010-2015
- The National Strategy for Improved Status of Women and Gender Equality Promotion
- The Strategy for Improving the Position of People with Disabilities
- The National Strategy for Children Protection and Prevention of Violence until 2015
- The Strategy for Improvement of the Status of Roma in the Republic of Serbia
- First National Report on Social Inclusion and Poverty Reduction 2010.

The main Ministries involved in the elaboration of the strategies are:

- MoFE – Ministry of Finance and Economy
- MoESTD – Ministry of Education, Science and Technological Development
- MoLESP – Ministry of Labour, Employment and Social Policy
- MoH – Ministry of Health
- MoRDL – Ministry of Regional Development and Local Self-Government
- MoYS – Ministry of Youth and Sport

Table 1: Overview of Strategies and Lead Entities responsible for Implementation

Strategies Referring to Human Resource Development and the Main Ministries Involved	Lead Ministry	Other Ministries	Ministries Consulted during drafting process
(Post-crisis Economic Model Growth and Development of Serbia. USAID, Faculty of Economy 2011-2020)	MoFE		
The Strategy and Policy of Industrial Development in Serbia 2011-2020	MoFE		MoLESP MoESTD MoRDL
The Strategy of Development of Education, 2012- 2020	MoESTD		MoLESP MoFE MoRDF MoYS
The National Employment Strategy, 2011-2020	MoLESP	MoFE	MoESTD MoRDL MoYS
The Strategy for Development of Competitive and Innovative Small and Medium -sized Enterprises (2008-2013)			
The Strategy on Development and Promotion of the Corporate Social Responsibility in Serbia 2010	MoLESP		MoFE
The Strategy of Career Guidance and Counselling in Serbia	MoYS	MoLESP MoESTD	
The Strategy of Scientific and Technological Development of Republic of Serbia from 2010 – 2015	MoESTD		
The Strategy of Development and State Support for the Information Technology Industry	MoFE	MoESTD	
The National Strategy for Improved Status of Women and Gender Equality Promotion	MoLESP		MoH
The Strategy for Improving the Position of People with Disabilities	MoLESP		MoESTD MoH
The Strategy for the Development of Vocational Education and Training 2007-2015	MoESTD		MoLESP MoFE
The Strategy for Adult Education, 2007-2015	MoESTD		MoLESP MoFE
The National Strategy for Children Protection and Prevention of Violence until 2015	MoESTD	MoFE	MoLESP
The Strategy for Improvement of the Status of Roma in the Republic of Serbia	MoLESP	MoESTD	MoFE

1.3. The current priorities and initiatives of major actors

Govern of Serbia

Post-crisis Economic Model of Growth and Development of Serbia 2011-2020

The Post-Crisis Model outlines how in the next decade Serbia has to become a new model of economic growth and development that is pro-investment and export-oriented. The Study has 2 parts: The first relates to the macroeconomic forecasts for economic growth, employment and productivity activities until 2020 (it traces how an increase in productivity increases the international competitiveness and how the Serbian economy, while doubling the share of exports in GDP, has achieved high growth rates of investment, leading to a restructuring of the economy towards tradable

goods, while maintaining internal and external macroeconomic balance). The second part of the study shows what needs to be done to achieve the desired scenario of growth and development through appropriate macroeconomic policies leading to a reform of the public sector, a restructuring of the economy and an emphasis on infrastructure development.

Ministry of Finance and Economy

The Strategy and Policy of Industrial Development in Serbia 2011-2020

This is the first document that consistently and comprehensively outlines the main development priorities of Serbian industry and the means of implementation in the next decade. Serbia's primary strategic goal is the sustainable and dynamic development of industry in order to fit into the European Union single market and withstand the competitive pressure from its members.

The Strategy for Development of Competitive and Innovative Small and Medium-sized Enterprises (2008-13)

This document aims at developing an entrepreneurial economy based on knowledge and innovation, thus creating a sustainable, competitive and export-oriented SME sector, based on the "think small first"-principle. The strategy was prepared using a consultative process directly involving SMEs and their representatives, with the aim of addressing their needs. It is based on 5 pillars, covering promotion and support for entrepreneurship and establishment of new enterprises, human resources for a competitive SME sector, financing SMEs and taxation of SMEs, and ensuring their competitive advantage on export markets and legal, institutional and business environment.

Strategy of Development and State Support for the Information Technology Industry

This strategy highlights IT as one of the leading drivers of competitiveness and innovation and envisages support for IT entrepreneurship and start-ups through grants, development of business incubators and technology parks. It is focused on tax relief for software companies and support for exporters of software products and solutions. Improvement of the legal framework is planned to create better conditions for electronic payment services, exchange of electronic accounting documents and e-government, while changes in the education system should enable young people to acquire useful and up-to-date IT knowledge and skills.

Ministry of Education, Science and Technological Development

The Strategy of Development of Education, 2012-2020

This strategy is concerned with identifying goals, objectives, directions, instruments and mechanisms for development of the education system in the Republic of Serbia in the next ten years. It focuses on defining a national system of education in 2020 to meet the development needs of its citizens, outlining a set of strategic policies, actions and measures. The mission of the education system in the XXI century is to provide the basic foundation of life and the development of each individual, state and society based on knowledge.

The Strategy of Scientific and Technological Development of the Republic of Serbia (2010-2015)

The Strategy of Scientific and Technological Development has defined Government objectives to create a national innovation system, by promoting applied research and technology transfer and by creating partnerships between the public R&D sector and industry. Among its goals, it envisages reorganising existing R&D institutes and ensuring the application of knowledge based innovations into products and services that will enhance the Serbian knowledge based economy and its competitiveness.

The Strategy for the Development of Vocational Education and Training 2007-2015

This Strategy aims at providing youth and adults with the opportunity to gain the knowledge, skills and competencies needed for work and employment and to ensure conditions for further education and learning in the perspective of society's sustainable development. The recommendations relate to legislative activity, institutional development, human resources, information gathering from the labour market modernisation curriculum (experiments), organisation of the teaching process, and modernisation of management at school level.

The Strategy of Adult Education 2007-2015

The primary purpose of this strategy is to build a social environment and the basic mechanisms for adult learning and education. The aim is to create a system of adult education and training (including institutions and mechanisms for the support and development) defined by relevance, flexibility, efficiency and effectiveness, accessibility and sustainability. The strategy is to provide accessibility of education and training, a decentralization and partnership approach in management, the implementation of adult education and quality assurance through legislation and the establishment of educational standards.

The National Strategy for Children Protection and Prevention of Violence

The National Strategy for Children Protection and Prevention of Violence up to 2015 sets as a goal that every child in Serbia, regardless of gender, age, ethnic origin or social status, should grow up in a safe environment, respecting the integrity of his/her personality and dignity. The Strategy covers physical and psychological violence, exploitation, neglect and maltreatment as well as sexual abuse of children.

The National Plan of Action for Children

This document has the following priorities up to 2015: poverty reduction, quality education and better health for all children, the improvement of the position and rights of children with disabilities, children without parental care, the protection of children against abuse, neglect, exploitation and violence and the strengthening of national capacities for dealing with problems related to children.

Ministry of Labour, Employment and Social Policy

The National Employment Strategy, 2011-20

The primary goal of employment policy, as set out in the National Employment Strategy 2011-2020, is to create by the end of 2020 an efficient, stable and sustainable employment growth trend and to fully harmonise the employment policy and labour market institutions with the *acquiscommunitaire*.

Reducing the gap in labour market indicators between Serbia and the EU is identified as a priority for Strategy implementation. The strategy supports the future development of the country focusing on employment and poverty reduction and targeting the sectors and priorities identified in the new post-crisis model of economic growth and development, including support for pro-investment and export-oriented industries. Promotion of employment in underdeveloped regions and development of regional and local employment policies, improved quality of human resources, institutional capacity building and expansion of active employment policy programmes and the reduction of dualities in the labour market are the specific objectives until 2020. The main instrument used in the implementation of active employment policies, setting out the objectives and priorities of employment policy and defining the programmes and measures which will be implemented (on the basis of labour market indicators), is the Action Plan on Employment (adopted annually).

The National Strategy for Improved Status of Women and Gender Equality Promotion

The Strategy sets out a number of actions in the following areas: increased representation of women in public and political life; improvement of the economic position of women; achievement of gender equality in education; improvement of the health state of women and improvement of gender equality in the health policy; prevention and suppression of violence against women and elimination of gender stereotypes in the media and promotion of gender equality.

The Strategy for Improving the Position of People with Disabilities

This strategy promotes a multi-sectoral approach in improving the status of people with disabilities and providing equal opportunities in the area of social policy, education, employment, housing and labour market.

The Strategy on Development and Promotion of the Corporate Social Responsibility in Serbia 2010-15

This document promotes sustainable development and an evolution of business supportive to social inclusion and environmental protection.

The National Strategy on Ageing

The National Strategy on Ageing promotes the lifelong development of individuals, quality of life in old age, the full integration and participation of the elderly into the community, the elimination of all forms of social negligence due to the regression of functional abilities in old age and disability, and inter-generational and intra-generational transfers, solidarity and dialogue.

The Strategy for Improvement of the Status of Roma in the Republic of Serbia

This Strategy defines the basis for the improvement of the status of Roma in the Republic of Serbia and reducing the gap between the Roma population and other populations. The document also creates a basis for identifying and applying affirmative action measures, primarily in the areas of education, health, employment and housing. The National Action Plan for its implementation covers 13 areas: education, housing, employment, health, culture, media and information, social welfare, access to personal documents, political participation, fighting discrimination, gender equality and the status of internally displaced persons and returnees upon readmission agreement.

Ministry of Youth and Sports

The Strategy of Career Guidance and Counselling

This Strategy establishes a system of career guidance and counselling in the Republic of Serbia. Its recommendations are based on the on-going activities of modernisation and improvement of vocational education and training, adult education and reforms in the area of employment. This strategy is directly derived from the Serbian National Strategy for Employment, Vocational Education Development Strategy in the Republic of Serbia, the Strategy for Adult Education and the National Youth Strategy and Action Plan for the implementation of the National Youth Strategy 2009-2014.

The National Youth Strategy

The National Youth Strategy along with the Action Plan for its implementation over the period 2009-2014 aims to resolve the needs and concerns of young people systematically. The Strategy addresses important problems in various fields of youth life such as: security, health, education, employment, social care, leisure time and active participation in community life. The Strategy identifies 11 general objectives, of which almost half relate to career guidance and counselling (active participation of young people in society, establishing system of informing youth, equality of opportunity for all young people, establishing an open and efficient system of formal and non-formal education, encouraging and stimulating all forms of employment, self-employment and youth entrepreneurship).

1.4 Overview of HRD challenges and priorities

The HRD sector targets sub-sector specific groups and cross-cutting groups whose needs and interests are mainstreamed in the priorities and measures for employment, education, social policy and health. Cross-cutting groups refer to vulnerable and underserved categories of the population, specifically: Roma, People with Disabilities (PwD), women and groups with multiple dimensions of vulnerability (for example: Roma women with disabilities), refugees and IDPs.

Labour market policy is closely connected with economic development and should reflect the needs of the market economy, in particular whether labour is mobile, adaptable and skilled, as well as to support the development of a flexible labour market. This includes the need to promote entrepreneurship, innovation, export, and development of a knowledge-based economy, improve the business environment, and strengthen links between education and entrepreneurship. Labour market factors to consider include the situation of employment, unemployment rates, profiles of the unemployed, active labour market policy measures, wage developments, labour relations and working conditions.

Employment and the situation in the labour market have been affected by the global economic crisis, the overall mismatch of supply and demand and other internal negative trends. According to the latest LFS⁸, the overall employment rate among those aged 15-64 decreased from 47.2% in 2010 to 46.4% by October 2012, before rebounding to 49.2% by October 2013. During the same period, the unemployment rate rose from 20% in 2010 to 23.1% by October 2012, before dropping to 21% by October 2013. Nation-wide gender-sensitive data for October 2012 revealed gender-gaps in employment between women at 28.7% and men at 42.8%. Statistics show slightly positive trends also in terms of youth employment which has increased to 36.7% (2.4% more from April 2012) and youth unemployment which has gone below the national average at 22.3% (3.1% less than in April 2012). However, inactivity rates are highest amongst youth, who together with women, Roma people, low-skilled individuals with secondary education or less, people with disabilities and multiple vulnerabilities (ethnic and socio-economic backgrounds) are the most disadvantaged on the labour market and the least employable. Uneven regional social and economic developments account for differences in the economic activity of the working age population between urban and rural areas and for varying levels of unemployment throughout Serbia (Source: NAD, 8/7-2013 version).

Apart from discrepant socio-economic development, the effects of the global economic crisis and varying and multiple levels of social vulnerability, in Serbia other factors negatively affect the labour market and employment rates. Labour mobility is very low, while by contrast, Serbia's outward-migration is very high and remittances constitute an important share of income. Regional mobility as an important instrument for balancing demand and supply of the workforce, has not been analysed due to the lack of data. However, trends in internal migration indicate migration from economically underdeveloped regions to regions with greater employment opportunities (from rural to urban areas, for instance). Unfavourable demographic trends have also contributed to a worsening of the main labour market indicators in Serbia. Furthermore, the share of the informal labour market has been traditionally high in Serbia and accounts for an estimated 20% of employment. This figure is expected to be higher and to include a larger share of older workers, better educated persons with secondary education or higher, self-employed persons and unpaid family workers.

The structure of unemployed by level of educational attainment is quite stable. Unemployment is most prevalent among individuals with secondary level of educational attainment, as more than two thirds of the unemployed have secondary school degrees (66.8% in April 2012). The employment rate projections for 2013-2014 are based on projected GDP and investment growth, which indicate a slowing down in the decline of overall employment in 2013, after a sharp drop registered in the previous four years. A factor of particular importance for productive employment in the forthcoming period is the coordination of employment, educational, scientific and technological development policies, with the aim of raising the level of knowledge and skills in accordance with labour market needs.

The National Employment Strategy 2011-2020 has as one of its priorities, recognition of informal employment and the labour market mismatch of skills and competences as key structural challenges. Employment policies, especially through active labour market measures and programs, concentrate

⁸Statistical Office of the Republic of Serbia, Labour Force Survey, October 2013, available at: <http://webbrzs.stat.gov.rs/WebSite/Public/ReportResultView.aspx?rptKey=indId%3d240100IND01%2635%3d6%266%3d1%2c2%262%3d201000%2c201210%2c201310%2640%3dL15-64%26sAreald%3d240100%26dType%3dName%26lType%3dEnglish>

on reducing market dualities and mismatch. However, despite progress in the structuring, design, targeting and implementation of ALMPs, structural problems have not been resolved. Aligning the needs of the heterogeneous group of unemployed and market requirements through relevant ALMPs remains a challenge. Further individual tailoring of ALMPs is required to strengthen targeting and effectiveness. Another weakness of the employment policy is its low coverage: only 16.7% of the registered unemployed benefited from ALMPs in 2010, and a reduced fraction of them were involved in training and retraining courses (0.63%). The main constraint is the small annual budget for ALMPs, representing only 0.1% of GDP in 2012. In order to strengthen the impact of employment policies, it is compelling to broaden the coverage and the targets of ALMPs. Budget allocation needs to reflect a focus on active rather than passive labour market measures (Source: NAD, 8/7-2013 version).

Current circumstances dictate that all key aspects in the development of **education** in the Republic of Serbia need to be comprehensively reviewed and reformed. The starting point is the current state of the system but renewal should be driven by future development needs of individuals and society in Serbia. This requires an understanding of the modern world and direction in which it will evolve, in order that based on a robust, evidence-based approach, a desired, feasible future for Serbia is elaborated based on the envisioned development of the education system. In other words, there is a need to see as much as it is possible today, what Serbia would look like in the foreseeable future and what the education system should look like in order to achieve this future vision for Serbia. Ultimately, the future of the country depends on the acquisition and use of knowledge.

VET in Serbia is one of the most developed parts of the system and includes an extensive network of 327 secondary vocational schools with about 250 three- and four-year profiles in 12 sectors. Secondary vocational schools are appealing – the basic advantage of them is the possibility of continued education and employment opportunities. The introduction of experimental classes (58% of vocational schools have at least one experimental class which covers around 15% of students in the system) has further increased the appeal of vocational schools (the necessary number of points for registration in experimental classes often surpasses the necessary number of points needed for gymnasiums, *MoES - registration results VT 2005-2010*). Unfortunately there are no accurate data on the coverage achieved by the system for training, additional training and prequalification. The schools network does not reflect current demographic trends, which has resulted in decreasing aggregated enrolment rates (approximately 89%) and moreover, enrolment does not respond to labour market needs. Systematic data collection on existing training in the market does not exist and there is no data on the number of adults enrolled in secondary vocational education. One of the findings from research undertaken (MOESTD, 2012) is that the structure of secondary VET enrolment in terms of duration has shifted towards four-year programmes, at the expense of three-year programmes, which do not provide access to higher education. The share of three-year educational profile declined by about 4%, while the share of four-year profiles increased (by 4%). It is evident that four-year VET is more popular than the three-year option because it enables students to progress to higher education.

As in previous years enrolment quota fulfilment figures indicate that the majority of students are interested in health care and economy and less in mechanical engineering, civil engineering, wood processing and agriculture. Educational profiles in other sectors remain empty, especially where there is a significant reduction in the number of students enrolling in a vocational school. Despite the great demand for qualifications related to certain professions such as bricklayers, welders, moulders, primary school graduates have not been interested in these professions for many years. Enrollment policy does not take into account the unemployment situation (the highest enrollment rate is in Economics, Law and Administration with only a four-year education programme, despite the fact that a very similar number of the unemployed are graduates in this field seeking first time employment opportunities). Therefore, although the coverage and appeal of vocational education is seemingly satisfactory, its structure generates unemployment since it creates experts which are not needed in the labour market.

There is a discrepancy between the learning outcomes of certain study programmes, the higher education studies being undertaken by graduates and the needs of the Serbian labour market (as can

be seen from the structure of the unemployed persons). There is no professional needs assessment for academically educated citizens (there is no institution to deal with this in a qualified and professional manner), and no detailed analysis of the level of education required by employees. There is no institution, systematically tracking and addressing in a reliable way the current mismatch between graduate qualifications and the skills required, and, in addition to that, forwardlooking projections of skills needs in Serbia. At the time of accreditation, all study programmes have defined their outcomes, but the problem remains that they are not coordinated with the requirements of the labour market and the country's long-term needs.

It is estimated that slightly less than 23% of those aged 30 to 34 hold higher education degrees. In 2009, 56,843 students completed a four-year secondary school programme, 37,417 students (65.8% of graduates) enrolled in the first year of BAS, out of which 80.7% at state HEIs, and 19.3% at private HEIs. The total number of graduates in 2008 amounted to 40,330. Out of these, 36.1% (14 399 students) graduated from vocational studies. Universities educate 183,065, and vocational schools 43,707 students. Out of these, at universities 83,528 students (45%), are budget-funded and 15,081 students (35%) are budget-financed in vocational studies. One reason for this situation is the lack of defined policy on the number and structure of budget-funded students. The practice is to determine the number of students according to a multi-year situation, which is adjusted annually, based on the proposal of HEIs.

Social inclusion has become fully-fledged as an educational philosophy and policy, since the Law on the Foundations of the Education System came into force in 2009. The Law promotes inclusive education, and adherence to the principles of equal opportunities and accessibility, based on non-discrimination and freedom of choice as to the language of teaching.

The Strategy for Development of Education introduces the concept of social inclusion as a specific approach and as a strategic direction connecting persons with a disability and developmental disabilities, people with learning disabilities and people from underprivileged backgrounds and social groups and their full right to quality education, and education with respect to their specificity (OECD classification). The fundamental strategic goal in education is a comprehensive approach that ensures social inclusion. Some significant developments in inclusive education have taken place through various projects to build the capacity of schools for implementing inclusive practices. The basis of a quality assurance system has been developed, with mechanisms for evaluation and self-evaluation of schools, as well as several handbooks and guides about inclusive education and development of inclusive culture and practice in educational institutions. Scholarships are increasingly awarded to students from different vulnerable groups. Moreover, cooperation and coordination among the social welfare, education and health care systems is taking place on issues of inclusive education.

There is a strong correlation between poverty, labour market status and education level. The economic dependency ratio has increased steadily and there are now two persons belonging to one of the social categories (the unemployed, pensioners and young persons under 15 years of age) for every employed person and this ratio has been increasing every year. Some key statistics include: 670,000 individuals are poor (9.2% of the population); 670,000 are unemployed persons (according to the Labour Force Survey); 120,000 children lack the bare necessities for a decent life; 1.7% of highly educated persons are poor; the rural population is twice as likely to be poor compared with the urban population; and the Roma population is the most vulnerable social group.

2. The Foresight Approach and Process

2.1. Foresight Approach and Rationale

Foresight is a change management tool that helps leaders and those responsible for change to:

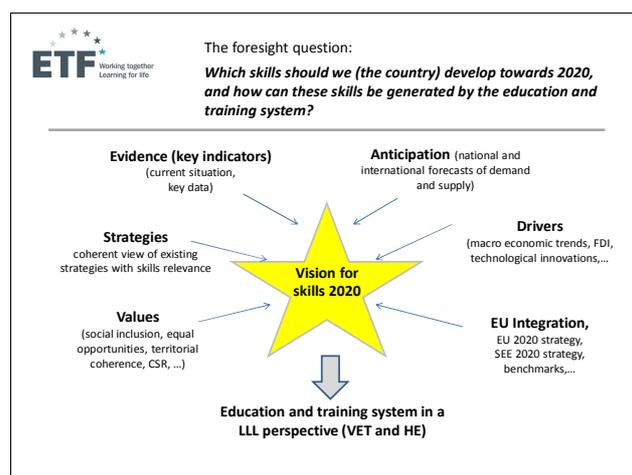
- Clarify the challenges they face;
- Elaborate a hopeful vision of what can be achieved;
- Prioritize the actions required;
- Understand the kind of collaboration needed to succeed.

It anticipates change rather than reacting to it. It employs techniques that are useful in contexts of complexity and rapid change such as horizon scanning, futures studies and scenario writing. It makes use of a participatory approach because this provides better insight and intelligence for the future and, at the same time, creates alignment among key actors, mutual awareness of the interdependence of their actions, the need for coordination and the opportunities for mutual reinforcement and support.

It is a tool for managing complexity that involves a participatory approach to develop a shared vision, roadmap and action plan. It uses forecasting to help visualize, understand and analyse trends. It also uses more qualitative techniques such as the analysis of trends and drivers and scenario writing to explore alternative futures. It pays especial attention to trend breaks, addressing new and emerging issues and issues where forecasting is at best of limited use.

The ETF FRAME project is novel in its scope and focus as it applies a foresight methodology to the education and training sector for the first time in the EU Enlargement region⁹. The approach supports countries to develop their own vision for skills policies in a medium-term perspective (up to 2020), with selected priorities and a roadmap for the adaptation of the national education and training systems. Broader issues and trends are taken into account and existing evidence is used to substantiate decisions. A qualitative approach has been considered to be the most suitable to launch a vision building activity, given the high number of stakeholders involved in skills policies and the availability of data.

Box 1: the ETF Frame foresight question and related issues



The key objective of the foresight exercise is to promote a more future-oriented approach to skills policies, involving key stakeholders (public and private) and bringing together different existing

⁹This paper refers to the pilot implementation of the FRAME project in Serbia and Montenegro. The roll out in the other Enlargement countries took place over the period October 2013-September 2014.

country strategies relevant to education, training, skills development, employment and economic development into a coherent vision on skills for the future. Moreover, the process aims at breaking down silos between ministries in charge of skills development and to develop more joined-up policy approaches for skills development by bringing together the key players in the sector and by identifying the interfaces between the existing strategies related to skills development.

The methodology designed for the project aims at addressing some fundamental questions, such as:

- Which skills should we (the country) develop towards 2020, and how can these skills be generated by the education and training system?
- What would policy leaders like to achieve in the current situation, what can be achieved by the country?
- What are the feasible and preferred options, based on resources and capacities (available and further developed)?
- Which strategic vision for the complexity of skills, in terms of skills levels and technical/generic skills, for which sectors?

HRD is an area that tackles responsibilities of different actors including politicians, Ministries of Education, Labour, Economy, public employment services, regional authorities, social partners, NGOs, research bodies and international and national donors.

Accordingly, a participatory approach for the strategic development of human resources is necessary for ensuring policy coherence and relevance to the emerging socio-economic challenges of the countries. The active involvement and close cooperation with EU delegations and Commission country desks will be a core principle in conducting the exercise.

An effective and efficient implementation of a sector-wide approach, as planned under IPA II will require a future-oriented strategy for the human resources development, with adequate institutional settings and capacities and monitoring systems.

2.2. The FRAME Foresight Process

The FRAME foresight process consists of four main phases: a pre-foresight phase; an engagement phase, aimed at ensuring commitment, representativeness and ownership (stakeholders); a foresight proper implementation phase based on a participatory approach that aims to formulate a shared vision for skills in 2020, with priorities and a roadmap; and a follow-up phase to ensure optimal use of the results. The methodology conceptualised by the ETF was implemented on a piloting basis in Montenegro and tailored and fine-tuned to the country context (see Table 2).

In the pre-foresight phase, consultations with national government institutions and agencies, social partners and donor organizations led to the development of success scenarios. A government institution responsible for overall coordination of the foresight process was assigned, and other stakeholders consulted and were invited to participate in the process. The added value of foresight for skills development and expectations were discussed with the main stakeholders, so as to tailor the practical implementation of the methodology to the concrete context in each country.

Table 2: Overview of phases and tasks

Phases	Tasks/Steps
A. Pre-Foresight	<ul style="list-style-type: none"> ▪ Scoping phase with basic preparation of the exercise ▪ Preliminary analysis of reference documents in skills development (education, employment, etc.) ▪ Collection and analysis of existing data ▪ Information gathering among a wider group of potential stakeholders
B. Engagement of stakeholders	<ul style="list-style-type: none"> ▪ Securing political and technical support and resources ▪ Engaging stakeholders (bringing on board relevant stakeholders) ▪ Teaming (bringing together different actors)
C. Foresight Proper	<ul style="list-style-type: none"> ▪ Issue analysis, strategic panorama and its skills relevance ▪ Trends and drivers at global and national level ▪ Developing success scenarios ▪ Developing a shared vision, setting priorities and elaborating a roadmap
D. Follow-up	<ul style="list-style-type: none"> ▪ Lock-in (ensure commitment after the exercise) ▪ Formal debriefing of results for policy makers ▪ Communicating results to a wider audience ▪ Building on this foresight and implementing the high level plan

The first three phases were implemented in Serbia during the period November 2012 – June 2013 and are briefly described below. In order to ensure a broad commitment to the FRAME initiative among relevant stakeholders and in order to tailor the Foresight workshops to the national context and in particular the preparation process for IPA II, ETF implemented two preparation missions in Serbia (November 2012 and January 2013). Coordination with on-going activities in SEIO with regards to the planning and programming of IPA II is of utmost importance. In particular the coordination with PPF5 is crucial for the FRAME Initiative since it is providing assistance to SEIO in the drafting of the NAD, including the Sector Working Group for HRD and Social development. SEIO was identified as coordinator of the FRAME Initiative. A key outcome of the missions was the level of commitment and interest generated, with the FRAME initiative's placement of skills at the centre of HRD and social development is considered an innovative approach which could serve as bridge builder between different sub-sectors of the HRD sector and driver for an efficient HRD sector approach.

The foresight process entailed the organisation of three logically interlinked workshops:

- Workshop 1: "Diagnosis" - What is the current situation?
- Workshop 2: Visioning - Where do we want to go?
- Workshop 3: Policy action planning - What actions do we need to get there?

Workshop 1: “Diagnosis” – What is the current situation?

Process	<ul style="list-style-type: none"> ▪ Integrated part of the drafting meeting in the Sector Working Group for HRD and Social Development of the NAD; ▪ Presentations focused on: <ul style="list-style-type: none"> - FRAME and foresight approach; - Overview of key economic figures and trends; - Joint panorama of relevant strategies, underlining skills reference. ▪ Group work on matching of skills challenges.
Main Outputs Results	<ul style="list-style-type: none"> ▪ Validated List of issues and challenges in relation to matching demand and supply of skills. ▪ SEIO emphasised the need to apply a concrete and action-oriented approach in the Foresight process with a focus on ‘how’ and ‘with whom’ (Skills Vision Roadmap) ▪ This focus would support the sector approach in practice and promote joined up actions between sub-sectors in the HRD sector ▪ The Foresight process, highlighting the ‘how’ and ‘with whom’ in the Skills Vision roadmap.

Workshop 2: Visioning – Where do we want to go?

Process	<ul style="list-style-type: none"> ▪ Presentations and discussions: <ul style="list-style-type: none"> - ‘Skills’ concept, practical foresight experiences and references to skills foresight; - Overview of global trends and drivers; - Input on social cohesion measures by EU Commission, DG Employment. ▪ Group work focused on identification and validation of trends and drivers and future skills needs and vision formulation for Serbia. ▪ Featured the results and recommendations provided in the “HRD Sector Evaluation 2007-2011” report: <ul style="list-style-type: none"> - The urge for overarching HRD strategy, which the Skills vision is intended to fill; - The need for cooperation between sub-sectors; - With the skills focus at the centre of HRD and social development, there can be an opportunity to establish linkages to other sectors, in particular the sector of Competitiveness.
Main Outputs Results	<ul style="list-style-type: none"> ▪ Joint priorities and roadmap area response to the need for breaking down the silos in HRD sector. ▪ Agri-food, Auto-transport, Information and Communication Technologies, Metal Industry and Pharmaceutical Industry have been confirmed by high-level representatives (MoLESP, MoESTD, MoFE, MoYS) as the reference for skills development¹⁰. ▪ Identification of skills relevant priorities and measures in the draft NAD. ▪ Formulation of draft vision statement for Skills 2020.

¹⁰ These five sectors were selected in the Serbian Strategy for Policy for Industrial Development (2011-2020)

Workshop 3: Policy action planning – What actions do we need to get there?	
Process	<ul style="list-style-type: none"> ▪ Breakfast panel discussion with industry and youth representatives on the enabling environment for skills development. ▪ Presentation on FRAME Component 2, 'Review of institutional arrangements'. ▪ Two rounds of group work focused on: <ul style="list-style-type: none"> - Revisiting the Skills Vision draft statement; - Discussing priorities and concrete policy actions for achieving the Skills Vision.
Main Outputs Results	<ul style="list-style-type: none"> ▪ Confirmation of the Skills Vision 2020 for Serbia, a set of Priorities for the Skills Vision and Roadmap: list of concrete actions under each of the priorities. ▪ Results of the Foresight process would inform the work of DG ENLARG and the national authorities (drafting process for the Country Strategy Paper, third quarter 2013).

2.3. The Partners and Participants

The organisations that were consulted and those that participated in one or more of the workshops are as included in Annex 1.

2.4. Key Issues and Challenges Identified

"Serbia needs to urgently address structural rigidities in the labour market, including the mismatch between demand for and supply of skilled workforce". European Commission Opinion on Serbian application for membership of the European Union, October 2011.

During the foresight workshop discussions, the participants identified a list of key issues and challenges which need to be given particular priority, when formulating the Skills Vision and Roadmap. This list has been organized under three broad sections specified as follows Governance, Demand Forecasting and Supply Side Issues.

2.4.1. Governance

a. Insufficient linkages between sector policies

Labour market and education policies should be closely connected with economic development and should reflect the needs of the market economy, particularly in terms of labour mobility (including the development of a flexible labour market) and matched supply and demand in the labour market (in terms of knowledge and skills). The key for overcoming these challenges is the adoption of a broad multisectoral approach, ongoing processes for labour market demand forecasting, coordination between the education system and the labour market and the development and implementation of sector policies. In the field of human resources development, there are linkages between sector policies and cooperation between relevant social institutions and stakeholders. However, it is necessary to further strengthen the established cooperation mechanisms and extend them to the

fields of industrial/economic development and competitiveness, rural development, and other policy areas.

b. Insufficient policy dialogue

Stronger political will is needed to introduce a flexible education system to meet labour market demand and satisfy employers' needs. There is a low level of social dialogue for designing policies and a lack of engagement on the part of employers as well as a lack of capacity at local level to operationalise Social and Economic Councils. The main future challenge is to enhance the cooperation between employers and the education system and maintain the good practice of cooperation, which has been initiated with the Sector Councils.

c. Insufficient budget for the education system and active employment policy measures

Public investment in education is relatively low in Serbia. In 2010, the education share of the whole public budget was 16.9%, amounting to EUR 1.35 billion. The salaries of education staff account for 95% of the public education budget, allowing very little investment in innovation and physical infrastructure. Formal adult education is not earmarked as a dedicated budget line, so it is not possible to identify how much is allocated to adult education within the budget lines for primary, secondary and higher education. It is widely accepted that there is a need to gradually increase the percentage of GDP spent on education from 3.8% to 6 % as has been stated in many inter-sectoral strategic documents. However, it is essential that the macro-level perspective is followed up with micro-efficiency analyses on the allocation of disposable funds.

The funds allocated for active employment policy measures (ALMP) have been insufficient for a number of years and in 2013 there were very significant cuts following the budget revision, which reduced the national budget allocation for ALMP from approximately 0.1% of GDP to 0.03%. This is well below comparable allocations made by other countries in the region and also below the expected amount envisaged by the National Employment Strategy 2011-2020. In this regard, in the coming period it is necessary to improve the situation and increase the funding significantly, with the aim of improving the labour market indicators in Serbia to a level comparable to that of EU Member States.

2.4.2. Demand Forecasting Issues

a. Lack of forecasting systems

There is a need to establish a permanent, systemic and multisectoral mechanism for forecasting and monitoring labour market demands, in terms of the knowledge and skills required by the workforce. This would ensure full harmonisation between the education system and active employment policy measures on the one hand and the needs of the economy on the other.

The identification of the skills required by the labour market is crucial in order to plan education policies and training programmes that respond to identified and stated needs. In 2012, four Sector Skills Councils (SSCs) were established on a pilot basis, as a way to implement the social partnership concept in VET and to reduce the mismatch between education and labour market needs. This experience will inform future efforts with SSCs to ensure education and training better meet current and future labour market needs.

There is significant lack of administrative capacities for skills analysis, forecasting and anticipation. There is a need to build up systems for forecasting at regional and sector level. The on-going national programme for Serbia under IPA 2011 funded by the EU, entitled "Further integration of systems for forecasting, monitoring and evaluation in the design and implementation of active employment policy measures and harmonization of national classification to ISCO 08 occupational standards" or "Support

to Evidence-based Employment Policy Creation” supports the improvement of existing procedures and methodologies for forecasting of labour market trends.

2.4.3. Supply Side Issues

a. Lack of relevance in education

The general observation is that the education system does not prepare students for the world of work. It is not sufficiently responsive to the needs of the economy and does not offer enough training opportunities for workers to upgrade their skills and improve their employment prospects. There is an urgent need to establish and improve the systems for practical education and enhance the quality of internships. This implies a need for supporting entrepreneurship, innovation, exports and development of a knowledge-based economy, improvement of the business environment and strengthening of linkages between education and entrepreneurship. However, one of the main weaknesses of the political system is the lack of coordination between relevant ministries and services, which is required to develop more innovative, labour market relevant education and training systems.

b. Lack of quality in education

One of the key challenges relates to the need to improve the quality of education. International surveys (e.g. PISA) indicate that in Serbia many students aged 15 are functionally illiterate (1/3 of the population according to PISA 2009) and their knowledge is mainly of a replicative type with a degree of applicability which is below world and regional average. There is a very small proportion of students in the highest categories of knowledge (less than 1 %) and a large proportion in the lowest categories of achievement. These results are directly linked and due to out-dated curricula and obsolete teaching methods, with little focus on the acquisition of transversal key competencies and poor implementation or lack of quality assurance standards and accreditation systems at all levels of the education system. The quality of teaching and teachers is a factor determining the quality of education that highlights the importance of teachers' education and the development of teaching careers.

c. Slow process of reforms in the education system in Serbia

The EC Progress Report for Serbia noted that despite the progress achieved in making the education system more socially inclusive, and the introduction of quality assurance standards in elementary education, implementation of higher education reforms remains a challenge and reforms in the VET sector need to be speeded up. Further steps remain to be taken to implement a strategy of reforming the education and training system in order to improve its performance and responsiveness to labour market needs.

The declining number of pupils in primary and secondary schools has not been reflected in a decline in teacher employment or in the number of classes taught. This may partially reflect the strong position of teachers' unions in Serbia. Admission policies have not been updated and do not match demographic changes and as a result the efficiency of the system has deteriorated.

There are no systemic data on the efficiency of the system, or the number of persons who have continued to further education after completing secondary vocational education, have passed through the qualification system, additional qualification, re-qualification, additional training or have found employment. Such systematised data was collected by the Institute for the Improvement of Education for graduates from secondary vocational schools that had completed experimental programmes. In general, there is a lack of data concerning adult training at the level of secondary vocational education. From the broader policy perspective, there is no feedback mechanism to correct enrolment trends which generate unemployment. In terms of flexibility, there are some good initial results but, these range on the one hand, from no norms to a set of norms which are too rigid and complicated, on the other. An obstacle to bridging the gap is the absence of coordination and coherence in the strategic management of vocational education. This creates numerous problems and consequences

which directly hamper the development of vocational education, or dilute the effects of the strategic innovations and reform activities which have already been achieved or initiated.

d. Lack of recognition of informal education

There is a poor system in place for recognition of informal education. In the absence of an operational and functional NQF and without a quality assurance system, there is little incentive for the development of education and training offers outside the mainstream adult education system. The establishment of the NQF for lifelong learning provides support for the development of a modern, relevant and flexible system of education. However, the creation of a system for certification of education and learning will require substantial changes in the education system.

e. General lack of knowledge and skills in SMEs

Different employers' surveys, for example the one conducted by the Serbian Chamber of Commerce indicate that companies face difficulties with respect to their workforce, due to a lack of knowledge and skills, a shortage of workers in some professions and a lack of work experience on the part of employees with higher education. In addition, the companies' perception is that schools do not prepare students for certain professions. Ideally, their staff should have technical and social skills, foreign-language abilities, and more information and communication technology skills. Employers want staff with better communication, negotiation and persuasion skills, as well as a willingness to learn and to undergo professional development, and showing more motivation, and the ability to work as a team (i.e. stronger soft/transversal skills).

Although human resources and the skills base for many micro, small and medium-sized companies are the most important factors for competitiveness and success, only a small number of SMEs participate in staff training opportunities. SMEs, and in particular, micro and small companies face both external and internal barriers and obstacles with regard to improving their skills base. Employers lack management knowledge and recognition of the importance of continued education and training of their employees. This is due to a lack of long-term vision and HR strategies within the enterprises which make it difficult for SMEs to identify training programmes suited to their specific needs. Another obstacle is how and when to organise training especially for workers in micro-enterprises where it is difficult to release workers from their daily work routine. It is more difficult for micro and small firms to find the financial resources needed to offer training to their employees. Another obstacle for SMEs are the limited means for sending experienced staff and workers on longer training courses. Moreover, training programmes and methods available on the market are often unsuited to the size and needs of this type of company.

f. Lack of incentives to participate in training

In relation to the issues identified above, employees lack incentives and motivation to participate in training and upgrading of their skills. The situation is compounded by the lack of a budget for funding LMP measures, training and for setting up the system. The Law on Adult Education adopted in 2013 and the adoption of bylaws in the upcoming year are expected to address the provision of incentives for adult learning.

3. The Vision, Priorities and Roadmap

In this document *skills* are defined as follows:

- Skills entail the ability to use knowledge and competencies to complete a task or solve a problem, whether in a professional or learning context or in personal or social life. For individuals, skills mean employability and social mobility. For society, skills represent a major driver of its productivity, competitiveness and innovation
- Knowledge represents the outcome of gaining information and know-how through learning. Knowledge is the body of facts, principles, theories and practices that is related to a field of work or study.
- Competence means the proven ability to use knowledge, skills and personal, social and/or methodological abilities, in work or study situations and in professional and personal development.

The structural changes in certain sectors have direct implications on the demand for skills because occupational employment within sectors varies greatly. Knowledge and skills intensive jobs are generally on the rise, both because of changes in sectoral employment structures in favour of service industries, but also because of changes occurring within sectors due to the development of new technologies. In the current crisis when unemployment is rising, it is even more important to ensure that as many available jobs can be filled by those possessing the required skills, and that retraining measures provide job seekers with the skills that maximise their immediate employability. Education and training systems must maintain and upgrade the skills of those in and out of employment.

Tomorrow's jobs will be different from the present jobs? Is it important to identify the skills which will be needed up to 2020? In future, jobs are likely to require higher levels of skills and a different mix, including transversal key competences. This underlines the importance of adapting qualifications and skills on an ongoing basis, and to provide opportunities for individuals to participate in training and lifelong learning to be able to adapt to a variety of jobs over one's working life. The choices made by policy makers, enterprises and individuals in terms of investments in education and skills are crucial for the long-term performance of economies as well as for social inclusion.

3.1 The Vision Statement

The FRAME Foresight component addresses the core foresight question:

Which skills should Serbia develop towards 2020, and how can these skills be generated by the education and training system?

The fundamental points which require coordinated responses in terms of strategies and policy actions by different stakeholders are:

- In which sectors and occupations is employment envisaged to grow up to 2020?
- For which qualifications will demand increase or decrease?
- How can the education and training system generate the appropriate supply of skills over time up to 2020?

Skills matter for every country and are a cross-cutting issue for economic growth, improved competitiveness, social inclusion, education and training as well as improving employability. A highly skilled and adaptable workforce both helps boost the competitiveness of the economy as a whole, and

benefits employers and employees. Developing skills ensures greater employability in the long term, and can lead to better job opportunities and wage increases. Workers' skills play a key role in their job satisfaction – an important component in ensuring quality of work – and are vital for active citizenship.

Young people and adults need to have the generic competences that will enable them to adapt to change and engage in further learning. Over their lifetime, learners and workers should also develop job-specific skills which should be kept up-to-date. For employers, investing in skills is a way to enhance their employees' motivation and productivity, and to boost capacities to innovate and adapt. Increasingly the jobs available at all skills levels will be those which are not easily replaced by technology or organisational change. These will be jobs requiring people to think, communicate, organise and decide. An entrepreneurial mind-set should become embedded in policies across industry, education and employment.

These topics were discussed during the Foresight workshops and have been the basis for the formulation of a joint Skills Vision for Serbia 2020:

Skills Vision for Serbia 2020

Serbia is a socially cohesive, flexible, innovative, knowledge-based society with globally competitive skills which reflect the economy's demand for them. It fosters an entrepreneurial mind-set in a lifelong learning perspective, creates opportunities and facilitates the achievement of potential.

3.2 Priorities and Objectives

Priority for skills development should be given to five strategic economic sectors: Agri-food; Auto-transport; ICT; Metal and Pharmaceutical industry.

Four key priorities have been selected for actions to be implemented jointly between different stakeholders, representing industry, employment and education.

Priorities	
Priority 1	Making the education system more responsive to labour market needs.
Priority 2	Facilitating the transition from the education system to the labour market.
Priority 3	Extending entrepreneurial learning
Priority 4	Strengthening the sectoral approach to skills development.

The priorities are broad and involve a number of actions which are considered as concrete measures for a sector approach in the HRD sector, providing a significant starting point for multi-annual programmes in the next EU financial perspective, within the framework of the IPA II programming cycle.

The priorities supplement the challenges identified in the national strategies and in particular the NAD for the Human Resource and Social Development sector as the skills priorities are intended to serve as bridge builders in particular between NAD Priority 1: “Strengthen the establishment of an efficient, stable and sustainable growth trend in employment” and NAD Priority 2: “Build a knowledge-based society through enhancement of formal and non-formal education”.

For each priority, a set of actions have been identified as outlined below.

Priority 1: Making education more responsive to labour market needs

The responsiveness of education and training systems to labour market needs is a precondition for tackling unemployment and social exclusion and for reducing the skills mismatch in the labour market. However, the formulation of skills, knowledge and competence requirements to inform education and training provision remain a critical issue for policy making.

Employers are looking for a useful mix of knowledge, skills, abilities and attitudes. There are increasing skills requirements within occupations at all levels, including transversal or generic skills (e.g. communication and analytical skills, learning to learn, etc.) as well as emerging skills and competencies. The identification of the skills required by the labour market is crucial to plan education policies that respond to real needs. The development of tools to forecast labour market need as well as to monitor and evaluate education and training programmes is a pre-requisite for ensuring that the education and training system can be responsive to labour market needs. Adult learning and continuous training should play the key role in short to medium term skills adjustment. In the face of the global economic crisis and consistently high unemployment levels, and emerging environmental, technologies and demographic changes, ensuring an adequate supply of skills to match labour demand is key to promoting economic growth, employment and social inclusion.

For this Priority, four actions were identified:

Action 1.1: Sectoral analysis, forecasting and monitoring of labour market needs at the national, regional and local levels

Action 1.2: Participation in lifelong learning, including validation of non-formal education and informal learning

Action 1.3: Finalising and implementing the National Qualification Framework

Action 1.4: Creation of knowledge triangles to ensure better links between research, education and innovation and to address the five strategic sectors.

Priority 2: Facilitating transition to the labour market

The main cause of the skills mismatch is most often explained by the disconnection between “school” and “work”. The education system in Serbia provides knowledge and skills without systematic and effective collaboration with the labour market, although there were significant efforts in previous years to alleviate this problem. The shift towards competence and skills-based approaches is already leading to a significant change in the education system, the labour market and their interaction. However, high rates of unemployment especially among young people in Serbia highlight the need for an efficient career guidance and counselling system to drive the reform and post-crisis recovery process. Career guidance needs to be more effective in assisting individuals, to make more informed educational, training and occupational choices and to better manage their careers.

For this Priority, six actions have been identified.

Action 2.1: Further development of the career guidance and advice system and support from schools, NES and other employment services targeting both young people and their parents.

Action 2.2: More work-based learning, through the extension of regulated internship and apprenticeship schemes.

Action 2.3: Introduction and promotion of alternative/flexible types of work to ease entry of youths and other unemployed individuals into the labour market.

Action 2.4: Use of international and cross-sectoral mobility to improve the status of VET and confer transversal skills.

Action 2.5: Further support to establish new business incubators, sharing best practices of existing incubators and other support for entrepreneurs

Action 2.6: Active labour market measures tailor made for vulnerable groups.

Priority 3: Development of an entrepreneurial mindset

An entrepreneurial mindset is needed for future economic growth and entrepreneurship is a key competence which should play a stronger role in Serbian society. Entrepreneurship refers to an individual's ability to turn ideas into action. It includes creativity, innovation, showing initiative and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives. These skills support day-to-day life at home and in society, making employees more aware of the context of their work and better empowered to seize opportunities, and provides a foundation for entrepreneurs in establishing a social or commercial activity.

The development of an entrepreneurial mindset is a process, which enables pupils and learners to acquire a broad set of competencies, based on various forms of learning/educational activities, which can bring greater individual, social and economic benefits, since the competences acquired lend themselves to application in every aspect of people's lives. This translates into life-wide as well as lifelong competence development. As well as contributing to Serbia's competitiveness, entrepreneurial learning and education, it also helps to ensure a number of positive social benefits.

For this Priority, five actions have been selected:

Action 3.1: Re-skilling teachers with entrepreneurial mind-set and modern skills

Action 3.2: Curricula reform to encourage entrepreneurial mind-set, modern skills and to reflect sectoral skills needs

Action 3.3: Creation and realisation of entrepreneurial mindset in education including empowerment of learners to generate ideas, communicate and take action

Action 3.4: Informing and inducting learners on entrepreneurship and self-employment opportunities

Action 3.5: Broader provision of business start-up training (e.g. marketing, innovation, social entrepreneurship, etc.).

Priority 4: Strengthening sectoral skills governance

Inter-ministerial cooperation is crucial for tackling interlinked issues and challenges in the HRD sector, particularly in relation to skills topics, so that appropriate changes can be made in the curricula, in the reallocation of teachers between subjects, in teacher retraining and school restructuring, and in

increasing school autonomy and widening the range of parental and pupil choice. This will result in a more responsive supply of skills in response to the short term and medium term demands from industry and in relation to specific sectors.

Functional coordination frameworks for policy making, including financial planning and strong mechanisms for strong stakeholders, are considered a pre-requisite for an improved matching of skills supply and demand. Similar institutions will need to be created at regional level or on a sectoral basis and supported by tripartite agreements and partnerships between the state, employers and trade unions at either national or local level.

For this Priority, two actions were identified:

Action 4.1: Improve inter-ministerial coordination to ensure effective co-design and implementation of policies and strategies.

Action 4.2: Improve mechanisms for stakeholder involvement at different levels and in relation to different economic sectors.

3.3. The Roadmap and Indicators

Priority 1: Making education more responsive to labour market needs.

Action	Activities	Actors		What Should be Achieved by 2020	
		Main responsible	Together w/	Indicator	Results
Action 1.1 Sectoral analysis and forecasting at the national, regional and local levels	<ul style="list-style-type: none"> Build capacity within public administration to enable staff to carry out and use macroeconomic and sectoral skill forecasts and to develop effective policies to reduce skills mismatch. Testing of decentralised 'bottom-up' approaches (Supported with Amendments to the Law on Local Self-Government) to skills matching policies using training subsidies to facilitate the matching of supply and demand for skills to supplement more traditional top-down forecasting approaches. Establishment of mechanisms for sectoral skills forecasts based on employer and employee surveys for provision, to meet current demand for training providers, school leavers and labour market participants seeking retraining. 	<p>Ministry of Labour, Employment and Social Policy;</p> <p>Ministry of Economy and Ministry of Regional Development and Local self-government.</p>	<p>Ministry of Education, Science and Technological Development;</p> <p>NES;</p> <p>Universities;</p> <p>Sector skills councils;</p> <p>Regional Development Agencies.</p>	<p>Number (#) of administrative staff trained to develop evidence-based policies</p> <p>Prognostic reports drafted at national/ local level</p> <p>Unified job vacancies</p>	<ul style="list-style-type: none"> Improved signalling of skills needs in economic sectors through the development of coherent approach and appropriate systems for anticipation of skills needs based. The ability to anticipate future skill needs and communicate these to recruitment agencies and educational service providers is an important element of a dynamic responsive education and training system. This requires collaboration among different actors and new anticipation systems. Also there is a need for conducting analyses on missing skills and presenting results in order to identify which of the transversal skills are lacking the most and informing relevant stakeholders.
Action 1.2: Participation in lifelong learning, including validation of non-formal education and informal learning	<ul style="list-style-type: none"> Development of the legal framework for recognition of prior learning Develop professional training programmes for persons in employment, short courses and training at universities, for the realisation of ECTS credits and the provision of flexible learning paths. 	<p>Ministry of Education</p>	<p>Ministry of Labour.</p> <p>Ministry of Economy</p> <p>Ministry of Youth and Sports.</p>	<p># and structure of participants in formal and non-formal education system.</p> <p># and diversity of programs for lifelong learning.</p> <p>Geographic distribution in</p>	<ul style="list-style-type: none"> Legal framework and system of recognition of prior learning competences and qualifications acquired through non-formal and informal education in accordance with national (NOK) and the EQF Training programmes for adults developed. There is no clearly defined legal framework for recognition of prior learning. The basis for the

Priority 1: Making education more responsive to labour market needs.

				offered programs and adult education institutions.	development of the system of recognition of non-formal and informal learning is the EQF and the NQF. Serbia is still in the process of defining and adopting NQF.
Action 1.3: Finalising and implementing the National Qualifications Framework	<ul style="list-style-type: none"> ▪ Issue a decision at the level of the Ministry of Education, Science and Technological Development (MPNTR), Council for Vocational Education and Adult Education (SSOOO) and National Council for Higher Education (NSVO) on joint activities, required legislation governing the management, responsibilities and the structure for implementation of NQF. ▪ Drafting of legislation. ▪ Capacity development of all relevant actors for the development and implementation of NQF. ▪ Set qualification standards per sectors pursuant to the predetermined action plan which determines the establishment of sectoral councils. 	<p>Ministry of Education,</p> <p>Council for Vocational Education and Education of Adults,</p> <p>National Council for Higher Education .</p>	<p>Other ministries and relevant institutions</p> <p>Institute for Improvement of Education (ZUOV),</p> <p>Schools,</p> <p>Universities,</p> <p>Employers.</p>	Qualification Framework established	<ul style="list-style-type: none"> ▪ Legislative and institutional framework for NQF established. ▪ NQF approved. ▪ Capacities (human and material) of institutions responsible for management and implementation of NQF developed ▪ Individual sub-systems within the education system in Serbia are developed to a lesser or greater extent. However there is no regulated non-formal education system or validation of informal learning. The Serbian Qualification Framework, like the EQF, is built on learning outcomes. The development of NQF will ease inter-transferability between Serbia and other education systems and mobility in the enlarged labour market. An Action Plan for the development of the NQF for secondary vocational education and vocational adult education has been agreed and the first steps taken. Compilation of basic documents for pre-university and university levels of education is underway, it is planned to merge them into one document, adopt legislation and establish structures required for the implementation of NQF at all levels. The priority is now to finalise and implement NQF in

Priority 1: Making education more responsive to labour market needs.

					Serbia.
<p>Action 1.4: Creation of knowledge triangles to ensure better links between research, education and innovation to address the five strategic sectors.</p>	<ul style="list-style-type: none"> Set up a portal which provides access to a range of information and knowledge sources, including policy and market intelligence, for example sector-specific good practices, partner search (local and international), information on high potential niche areas in the five sectors. Increase and make more accessible the funding for knowledge triangles linking entrepreneurs, SMEs and regions to research, education and innovation actors, particularly in the priority sectors. Set up a Task Force for young researchers to act as mentors for business and regions (focus on specific regions, sectors and niches) and incentives for academics to provide this support. 	<p>Ministry of Education (units and National Contact Point for EU Program.)</p> <p>Ministry of Trade,</p> <p>Ministry of Labour and Sectoral Ministries.</p>	<p>NES,</p> <p>Universities,</p> <p>Regional development authorities,</p> <p>local authorities,</p> <p>Chamber of Commerce,</p> <p>Trade Unions,</p> <p>Employers,</p> <p>NGOs (national and local level).</p>	<p># of innovating entrepreneurs.</p> <p># of innovative companies.</p> <p># of innovating regions.</p> <p>New vacancies and jobs.</p> <p>Entry into new markets.</p>	<ul style="list-style-type: none"> Portal providing dedicated information on the five sectors which is relevant for policy-makers, business, regions, multipliers (including universities) and general public. Mechanisms to enhance R&I support and mentoring to business and regions. In the knowledge-based society, on-going efforts to strengthen the collaborative links between research, education and innovation actors are of paramount importance as the basis for producing new or modified knowledge leading to new/modified policies and practices as well as innovative products, processes and services. The pathways between knowledge and market require a range of skills (technical and non-technical) and other investments to ensure an enabling environment for innovation for entrepreneurial actors, including entrepreneurs, and large and small enterprises. The action will be implemented in alignment with measures supported by MoRDL on regional studies as basis for balancing regional development through activation and better engagement of the endogenous potential. In Serbia there are several challenges faced in this context relating to: Insufficient efforts to capitalise on knowledge generated by local

Priority 1: Making education more responsive to labour market needs.

					research, education and innovation actors by synthesising and organising this knowledge to make it more accessible to potential users. There is a need to provide timely access to knowledge and promote knowledge exchange processes to promote learning among the key entrepreneurial actors in driving research and innovation. There is insufficient data available on knowledge triangles in terms of how to mobilise them and success stories of those which already exist. Efforts need to focus on how to mobilise and strengthen knowledge triangles in the five priority sectors and to link the sectors.
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Priority 2: Facilitating the transition to the labour market.

Action	Activities	Actors		What Should be Achieved by 2020	
		Main responsible	Together with	Indicator	Results
Action 2.1: More comprehensive career guidance advice and support in schools, NES, schools and other employment services targeting both young people and their parents.	<ul style="list-style-type: none"> ▪ Feasibility Study on the setting up of the National Resource and Information Centre for Career Guidance and Counselling in Serbia and Further Development of Career Guidance and Counselling System in Serbia. ▪ Establishment of an effective and efficient model of NRC in line with European and international standards and best practices. ▪ Preparation of programmes and standards of career guidance and counselling for different age groups. 	Ministry of Youth and Sport.	Ministry of Education; Ministry of Labour; Ministry of Finance and Economy; NES; Universities; Association of	# of people received through CGC measures.	<ul style="list-style-type: none"> ▪ National Resource Centre for Career Guidance and Counselling is operational. ▪ The programmes and standards for career guidance and counselling have been developed (for all ages) ▪ Cross-sectoral cooperation established. ▪ Since Serbia does not have a functioning continuous career guidance and counselling system, but rather occasional projects and voluntary based initiatives,

	<ul style="list-style-type: none"> Support for cross-sectoral cooperation (signing the MOU between all relevant stakeholders). 		<p>Youth Offices; NGO sector (Belgrade Open School)</p>		<p>young people are left without quality help and guidance in choosing future career prospects and education. During their school years young people get very poor information on labour market demand and opportunities. Universities and faculties usually promote their educational programmes to secondary education students, offering only little information on employment possibilities available for students after their graduation, or information on skills required by employers. Career related information is hard to access especially for those youngsters from undeveloped and rural areas. The action will build on the IPA 2012 FWC feasibility study on the establishment of a National Resource Centre.</p>
<p>Action 2.2: More work based learning, through the extension of regulated internship and apprenticeship schemes</p>	<ul style="list-style-type: none"> Adjustment/development of legal framework. Adjustment of existing strategic framework. Establishment of formal mechanisms of collaboration and coordination between educational institutions, business and labour market organisations. Revision of educational plans and programmes to include compulsory practice and work based learning. Enhancement of different types of programmes (short term as well as long term) and development of new innovative ones. Strengthening regional cooperation in design as well as delivery of contemporary programs (particularly those intended to foster economic cooperation in the region). Effective promotion of available programmes. 	<p>Ministry of Labour, Ministry of Education, Ministry of Youth and Sport.</p>	<p>Employers unions, Chamber of commerce, Universities NGOs.</p>	<p># of WBL programs introduced in formal education system. # of SMEs included in the WBL programs. # of companies included in the programs. # of public institutions included in the program.</p>	<ul style="list-style-type: none"> Strengthened link between education system and economy. Facilitated growth of fast-developing sectors. Enabled transition from education and better access to labour market. Increased employability Changes in the broader economic environment, including new technologies call for adequately educated and trained workforce. Globalisation and “new economy” can bring a higher standard of living, better services and more choices, but require innovation in know how and skills New economy, which implies highly dynamic and complex working processes, depends on individuals who possess a broad spectrum of high-level skills and abilities, that cannot be developed solely through theoretical but

					more WBL.
Action 2.3: Introduction and promotion of alternative types of employment to ease entry of youth and other unemployed individuals to the labour market	<ul style="list-style-type: none"> Adjustment/development of legal framework (Labour law); Enhancement of different types of contracts and types of employment (short term as well as long term) 	Ministry of Labour, NES and Ministry of Economy.		<ul style="list-style-type: none"> # of new types of employment contracts. # of employed from target group 	<ul style="list-style-type: none"> Legal framework for flexicurity established. Types of employment enhanced Changes in the entire economic environment and the economy's needs call for efforts to reduce asymmetries between non-standard and standard employment by integrating non-standard contracts fully into labour law that will lead to enhanced employment opportunities.
Action 2.4: Use of international and cross-sectoral mobility to improve the status of VET and confer transversal skills	<ul style="list-style-type: none"> Improve institutional mechanisms for stakeholder involvement in the realisation of education processes at national, regional and local level Establishment of five functional Sector Councils National promotion of VET through use of international and cross-sectoral mobility schemes 	The Ministry of Education	Ministry of Labour, Ministry of Economy, Chamber of Commerce, NES Institute for the development of education.	<ul style="list-style-type: none"> # of students in VET. # of VET students being employed. 	<ul style="list-style-type: none"> VET reforms more responsive to labour market needs. Status of VET improved The Serbian economy suffers from a shortage of skilled labour. Labour supply has only gradually adjusted to the increasing demand for highly skilled workers, especially in manufacturing. This mismatch of qualification and skills continues to act as a drag on the development of the economy. Reforms have been implemented to improve an effective link between education system and VET programs, but VET reforms are still suffering from: insufficient involvement of social partners and other stakeholders; partial analysis of labour market needs; fragmented curricula; inconsistent monitoring methodology; and uneven commitment of the responsible government structures.
Action 2.5: Further support to establish new business incubators,	<ul style="list-style-type: none"> To review past/on-going business incubator support programmes with a view to identifying strengths and weaknesses and good practices. 	Ministry of Economy.	Ministry of Education and other sectoral Ministries and other key	<ul style="list-style-type: none"> Number of new incubators. Number of innovative start- 	<ul style="list-style-type: none"> The setting up of incubators to target niches in the 5 priority sectors. Provision of an enabling environment for entrepreneurs to pursue innovative

<p>sharing best practices of existing incubators and other support for entrepreneurs</p>	<ul style="list-style-type: none"> ▪ To develop an incubator scheme drawing on past experiences to target niches in the five priority sectors and in particular new entrepreneurs with innovative business ideas. 		<p>stakeholders and intermediaries.</p>	<p>ups.</p> <p>Number of new entrepreneurs operating in the incubators.</p>	<p>business ideas.</p> <ul style="list-style-type: none"> ▪ This entails providing an enabling environment and support infrastructure in particular for young entrepreneurs to develop their innovative potential. Incubators and hubs/hotspots provide them with a creative, innovative space to develop their entrepreneurial activities in their locality. By focusing these incubators on particular niches within and across the priority sectors, the potential for developing the sectors and generating employment will be enhanced.
<p>Action 2.6: Active labour market measures tailor made for vulnerable groups</p>	<ul style="list-style-type: none"> ▪ Establishment of short training courses for unemployed hard-to-employ persons and adjusted to the needs of people with low or no qualification, or for persons that are lacking the skills and knowledge required by the employers for specific tasks and jobs, with special focus on practical tuition. ▪ Implementation of education and training programme according to the needs of employers ▪ Provision of special support to target group (mentoring, follow-up, provision of tailored social services). 	<p>Ministry of Labour, Ministry of Education NES.</p>	<p>Regional and local authorities, employers/CSR companies, Chamber of commerce, Local branch offices, Sector Councils, NGOs/social economy organisations.</p>	<p># of persons in AMLPs (based on individual employment plans).</p> <p>Share of hard-to-employ and vulnerable categories participating in ALMPs.</p> <p>Employment rate for vulnerable groups</p>	<ul style="list-style-type: none"> ▪ Targeted education and training programmes according to the labour demand. ▪ Acquisition of additional knowledge and skills to improve competencies, competitiveness and employability of the target group ▪ In a socially cohesive society special actions targeting vulnerable groups are needed. As recognised in the National Employment Strategy 2011-2020, additional education and training programmes offered as part of active labour market measures (additional training, re-training) should be expanded and targeted at the most vulnerable groups and individuals facing multiple vulnerability risks, primarily by building local capacities for education and training development.

Priority 3: Developing an entrepreneurial mindset

Action	Activities	Actors		What Should Be Achieved by 2020	
		Main responsible	Together with	Indicator	Results
Action 3.1 : Re-skilling teachers with entrepreneurial mind-set and modern skills	<ul style="list-style-type: none"> ▪ Establish Teachers Training Council responsible for annual training of teachers ▪ Develop a curriculum framework for initial training i.e. additional teacher training. ▪ Train the training providers in formal and non-formal systems. ▪ Train teachers. 	Ministry of Education	Universities, Institutes, Independent experts, Employers	Number of teachers trained.	<ul style="list-style-type: none"> ▪ Action plan and curriculum framework for training and re-training of teachers. ▪ Trained teachers (at least 15% of teachers). ▪ The Education Development Strategy is aimed at developing entrepreneurial competences in relation to secondary vocational education, LLL and HE. This requires radical changes in the approach to education, emphasising active learning and provision of new experiences for students outside the classroom. Teachers need to be equipped with the right skills, knowledge and attitudes for the new curricula, pedagogies and learning environments. ▪ At present teacher competences in the field of entrepreneurship are very restricted. There is lack of work experience in teacher training in secondary vocational education in relation to business. Entrepreneurship has still to be made compulsory secondary vocational education and it has not been explicitly recognized in legislation as an education goal at pre-university level.
Action 3.2: Curricula reform to encourage entrepreneurial mind-set, modern skills and to reflect sectoral skills needs	<ul style="list-style-type: none"> ▪ Enactment of the proposed set of laws in the field of education with required amendments. ▪ Preparation of action plans in accordance with the Serbian Education Strategy 2020. ▪ Implementation of activities prescribed under action plans with a special focus on entrepreneurial learning, student and pupil apprenticeship and practical instructions in the educational process. 	Ministry of Education.	Institute for Improvement of Education (ZUOV), Institute for Quality Assessment of Education (ZVKOV), National Employment Service (NSZ),	Number of harmonised curricula with qualification standards Relevant entrepreneurial competences in all areas or work.	<ul style="list-style-type: none"> ▪ Curricula within all five economic priority sectors enabling acquisition of required knowledge and skills. ▪ The objective of the action is to have qualifications developed in accordance with the five priority sectors and the Skills Vision 2020. Target group is people having surplus occupations, unqualified persons, persons over 50, youths without working experience. ▪ The activities will require the development and

Priority 3: Developing an entrepreneurial mindset

			<p>Serbian Chamber of Commerce (PKS),</p> <p>Serbian Association of Employers,</p> <p>Trade unions</p> <p>Ministry of Labour, Employment and Social Policy.</p>		<p>promotion of thesectoral councils and links with line institutions and bodies for development of qualifications and curricula in terms of establishment of a state level system.</p>
<p>Action 3.3: Creation and realisation of entrepreneurial mind-set in education including empowerment of learners to generate ideas, communicate and take action</p>	<ul style="list-style-type: none"> ▪ Implementation of baseline studies in ICT, agriculture and food production sectors to identify opportunities for the development of entrepreneurial mind-set, market niches and gaps to be filled in terms of education and training and other forms of support required. ▪ Pilot start-up initiatives to stimulate innovative enterprise in ICT, agriculture and food production sectors. 	<p>Joint responsibility between</p> <p>Ministry of Economy;</p> <p>Ministry of Education,</p> <p>Ministry of Agriculture;</p> <p>Ministry of Trade and Telecommunication/Digital Agenda</p> <p>Directorate and Ministry of Labour.</p>	<p>Chamber of commerce;</p> <p>Trade unions; Employers unions;</p> <p>Other relevant stakeholders.</p>	<p># of persons from target groups covered by outreach activities.</p> <p># of persons from target groups implementing new skills acquired.</p>	<ul style="list-style-type: none"> ▪ Identification of sectors and niches offering high potential for entrepreneurial actors (current and new). ▪ Development of training material based on sound opportunities. ▪ Launch of pilot start-up initiatives in key sectors. ▪ The current mind-set towards enterprise has its roots in a socialist legacy dating back 50 years, characterised by procuring technology from abroad, stifling development of local technologies, and protection of local enterprises from external competition. One of the 8 key competences identified in the recently enacted Education Law is entrepreneurship and developing an entrepreneurial mind-set. The transition is taking too long and there is an urgent need to nurture a proactive, entrepreneurial mind-set and competitive spirit at all levels of society (macro, local, personal level). There is a lack of coordination between line Ministries, decision makers, social partners other stakeholders in generating the new mind-set and skills for entrepreneurship, innovation and competitiveness.

Priority 3: Developing an entrepreneurial mindset

					<ul style="list-style-type: none"> There is a need to assist governmental institutions, organisations, businesses, civic associations and individuals in order to raise awareness of the importance of entrepreneurial learning and the development of related skills and competencies throughout society.
<p>Action 3.4: Informing and inducting learners on entrepreneurship and self-employment opportunities</p>	<ul style="list-style-type: none"> Enhance the current career advice and support services to offer comprehensive targeted support to learners on emerging entrepreneurship opportunities in the 5 priority sectors, including web-based information through the portal, face-to-face advice and other information support services. Develop web-based and email alerts on emerging opportunities and organise dedicated networking events bringing together learners and mentors to identify training and other needs. Provide learners with formal and informal education and training in entrepreneurship tailored to their needs, preferably through newly established and operating learners companies. Test practical learning models, e.g. Junior Achievement programs, linking schools and business or training within cooperatives in schools 	<p>Joint responsibility between Ministry of Economy and Ministry of Education.</p>	<p>Mentors, intermediary organisations.</p>	<ul style="list-style-type: none"> # of learners benefitting from formal entrepreneurial education programmes. # of learners benefiting from on-the-job training in entrepreneurship. # of new opportunities identified. # of learners engaging in entrepreneurial activity. # of active learners companies 	<ul style="list-style-type: none"> Easily accessible web-based information for learners on emerging opportunities. Dedicated training and support for learners. Practical learning models tested In an increasingly competitive work environment, it is important that learners, young and old, are in a strong position when making the transition to the labour market. This entails being fully informed on relevant opportunities and the skills required and in particular ensuring they are fully equipped for the challenge of entrepreneurship. This Action builds on Actions 1.5 and 3.1 with a view to ensuring that learners are able to access up-to-date information on opportunities opening up to develop an innovative product, process or service, particularly in the 5 priority sectors. Learners need to anticipate the types of emerging opportunities which meet their interest and competence so that they can prepare for the challenge through appropriate training, know-how and support.
<p>Action 3.5: Broader provision of business start-up training (e.g. marketing, innovation, social)</p>	<ul style="list-style-type: none"> Develop a platform to bring together intermediaries so that they can develop more focused strategies and actions to support enterprise, particularly in the five priority sectors. Provide the tools for intermediaries to fulfil their role more effectively, including support 	<p>Joint responsibility between Ministry of Economy and Ministry of Education.</p>	<p>Mentors, intermediary organisations.</p>	<ul style="list-style-type: none"> # of enterprises receiving training and support. # self-employed/entrepreneurs receiving training and support. 	<ul style="list-style-type: none"> The setting up of a web-based platform for intermediaries. To promote an exchange of experiences and knowhow among intermediaries. To provide enterprises with more up-to-date and targeted knowhow, training and support.

Priority 3: Developing an entrepreneurial mindset

<p>entrepreneurship , etc.).</p>	<p>so that they can providing up-to-date training for companies and entrepreneurs to innovate, training for those interested to set up innovative start-ups, based on sound market intelligence.</p> <p><i>Intermediaries include consultancies in the area of research, innovation and training, research performers, chambers of commerce, professional bodies, trade unions, and other support agencies, private, public and non-governmental</i></p>			<p># of young people and unemployed receiving training and support.</p> <p># of new start-ups resulting from this activity.</p> <p># of companies innovating their product/process/service resulting from this activity.</p>	<p>Starting up a new business and getting the required capital is a challenge, as is finding the right kind of finance to expand an established business. Due to their limited resources, small firms suffer more from red tape and administrative burdens than larger enterprises. They often struggle to keep on top of new developments in ICT, and encounter difficulties finding qualified staff and providing them with adequate training. In this context, intermediaries can play a key role in providing support to entrepreneurial players. In Serbia intermediaries are themselves in need of financial support so that they can play a more enhanced and informed role to support enterprise.</p>
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Priority 4: Strengthening the sectoral skills governance

Action	Activities	Actors		Indicator	Results
		Main responsible	Together with		
For this Priority, two actions were identified during the 3rd Foresight Workshop.					
Action 4.1: Improve inter-ministerial coordination to ensure effective co-design and implementation of policies and strategies.	This Priority will be specified further within the 2nd FRAME Component on Review of Institutional Arrangements (RIA) when actors have identified specific capacity development actions to strengthen sectoral skills governance				
Action 4.2: Improve mechanisms for stakeholder involvement at different levels and in relation to different economic sectors.					

PART II – REVIEW OF INSTITUTIONAL ARRANGEMENTS: THE CAPACITY DEVELOPMENT PLAN TO ACHIEVE THE VISION FOR SKILLS 2020

1. The RIA approach and process

HRD has an important contribution to make to employment and inclusive, sustainable growth efforts, addressing skills depletion due to high employment levels. This will be responding to emerging skills shortages or gaps in dynamic sectors, regions and enterprises. Better skills with more relevance to the current and future requirements are a prerequisite for employability. Some of the key challenges are to ensure a more coherent and evidence-based policy approach, to better match the education and training system with the needs of the country-specific economies and the labour markets, and to strengthen institutional capacities and inter-institutional co-operation.

The Review of Institutional Arrangements (RIA) carries out a review of institutional arrangements in the HRD sector in relation to the capacity to achieve the country Skills Vision 2020.

Serbia is a socially cohesive, flexible, innovative, knowledge-based society with globally competitive skills which reflect the economy's demand for them. It fosters an entrepreneurial mind-set in a lifelong learning perspective, creates opportunities and facilitates the achievement of potential.

The RIA aims at identifying bottlenecks and challenges at system level for HRD policy making and delivery, so as to determine capacity building priorities.

The key assessment question is:

“What are the capacity needs of institutions to achieve the Skills Vision 2020?”

Institutions play an important role in policy processes. The ability of governments to establish and maintain institutions that effectively support new directions in education and the labour market as an integrated part of national economic development and at the same time ensure implementation is a major challenge for the enlargement countries.

The implementation of the sector approach within IPA II will require coherent strategies and the involvement of stronger institutions, equipped with sufficient planning, delivering and monitoring capacities. This entails a new approach to planning, commonly-shared, involving civil society in policy dialogue concerning the strategic direction of the education system, transparent financial management procedures that enable stakeholders to follow educational expenditures, mutual accountability within the sector and government led coordination of funding agencies. Also civil society is more and more included in the implementation of different policies and actions. For the HRD sector, this requires a future-oriented participatory approach that brings together relevant stakeholders involved in higher education and research, vocational education in a lifelong learning perspective, labour market policy, job creation and entrepreneurship and social inclusion, to create a joint vision that accommodates HRD related initiatives in a coherent strategy. Correct identification of capacity development needs in the beneficiary countries will facilitate ensuring the full-anticipated benefits of the sector approach. This represents a pressing priority and a pre-requisite for the implementation of the next IPA instrument for the period 2014-2020.

There is no single model or blueprint for the introduction of a sector approach, however the following components determine the “maturity” of a given sector for the introduction of a programme-based

approach:

- A clear nationally-owned sector policy and strategy
- A medium term expenditure framework that reflects the sector strategy
- Systematic arrangements for programming the resources that support the sector
- A performance monitoring system that measures progress and strengthens accountability
- Broad consultation mechanisms that involve all significant stakeholders
- A formalised government-led process for aid coordination and dialogue at the sector level
- A formalised system for reporting, budgeting, financial management and procurement

The review focus is the institutional capability to manage the policy cycle – more specifically the effectiveness and efficiency of institutional arrangements to deliver and contribute to sound policies in the area of HRD. This includes review of capacities for planning, implementation and monitoring and the capability to use Foresight as a forward looking policymaking approach. In addition, the review includes a focus on budget planning and execution capacities, linked to the capacity of institutions to work within a Mid-Term Expenditure Framework (MTEF).

The purpose of the review is to identify:

- Strengths and weaknesses of policy planning and policy delivery in the HRD sector;
- Drivers and constraints for implementing the Skills vision;
- Provide input for future capacity development responses.

The RIA places its focus on:

- Governance structure of institutions in charge of HRD, in relation to policymaking and policy implementation;
- Administrative infrastructure and resources to ensure smooth policy implementation of Skills vision and related roadmaps/milestones;
- Budgetary practices and financial management capacity to put into practice a Mid-Term Expenditure Framework and programme budgeting.

The review is structured around the four main functional capacities corresponding to the policy cycle phases: 1. Policy design, 2. Planning and budgeting, 3. Implementation and 4. Monitoring and Evaluation (including reporting and learning).

The RIA in Serbia has been carried out under the management of ETF Country Shawn Mendes and with assistance from external experts: Jasminka Markovic, Iskra Maksimovic, Nazy Sedaghat and Susanne Møller Nielsen.

The RIA was implemented in the period from October 2013 – February 2014 and its timing is summarised below:

Table 4: Timing of RIA implementation	
Activity	Time
Translation of Qs and Skills Vision Drafting of letters by ETF and CEP Revision of Serbian translation of the documents	October
Desk analyses of available documents Revision of Serbian translation of the documents Send out official invitation letters and questionnaires and follow up for confirmation of receipt	November
Receiving completed Qs Collection and systematisation of received Qs and preliminary analysis of data, including received evidence-supporting material Clarification of respective data through interviews Analysis of all responses and development of draft analyses report	December
Additional interviews Consolidated analysis of all responses and development of first draft RIA Country Report Team consultation comments and suggestions Preparation of the RIA Workshop Validation Seminar	January
Finalisation of RIA Country Report	February

2. Overview of the HRD sector in the country: key actors involved

Different stakeholders have important roles and responsibilities in the governance of the HRD sector at various levels. The 2007-2013 IPA assistance focused on issues of labour market reform, education and vocational training, social inclusion and health under the HRD Operational Programme (HRD OP 2011 – 2013). The Ministry of Labour and Employment, Veteran and Social Policy is the body responsible for the 'Operating Structure for the HRD' - OP and also for the priority/measure (BRPM) in the field of labour market, employment and social inclusion. The key skills-related strategies dealing with social, economical, educational and social development of the society in Serbia, involve a large number of governmental institutions, employers associations, Republican Chamber of Commerce and NGOs in designing, drafting and finalizing policy documents. They include representatives of the NGO sector and experts and consultants, and educational institutions at all levels such as universities and schools. In this context, the area of HRD is integrated into these strategies and set as one of the main priority areas for further development of Serbia. The organizations involved in all of these efforts include international and donor organizations such as the European Commission, GIZ, the World Bank, USAID and UNICEF. As part of the preparation phase of the RIA, a detailed mapping exercise was conducted with a view to identify the key institutions constituting the HRD governance structure in Serbia (see HRD Governance Matrix presented in Annex 3).

Serbia has considerable experience in sector coordination, planning and management. Overall donor coordination is organised in a formal way by the Serbian European Integration Office (SEIO). The EU Delegation (EDU) manages the implementation of the current IPA programme. Serbia has applied for the conferral of management of IPA programmes and the preparation of the necessary structures and

administrative capacity is on-going. The main policy making challenges are to empower the different institutions, agencies and centres in the HRD sector and to promote a wider and better involvement of the social partners. Another major challenge is to improve the policy accountability and the improvement of policy delivery, which could also include better financial planning and execution of the providers in the sector. Education and training providers are becoming the frontline actors in observing the developments in the labour market and placement of students, observing the development of learning and teaching requirements, methods and tools.

The EU Commission has prepared the Country Strategy Paper (CSP) with priorities for EU financial assistance for 2014 – 2020. For each of the identified sectors – including the HRD sector - Sector Support Programmes (SSPs) and projects will be drafted in relation to these priorities in the case of 2014 under the assistance of the EU-financed project “Project Preparation Facility 5” (PPF5). For the priorities in the HRD sector the CSP refers to the skills focus and the FRAME initiative under which the “Serbia Vision for Skills 2020 Document” has been developed: FRAME Component 1: to assist in the development of a coherent policy approach for HRD in line with the EU 2020 Strategy.

A key challenge may be the diversity of possible policy solutions which involves many stakeholders and encompasses many complementary elements and policy areas. The sector-approach, applied under IPA 2012 and already introduced, has to align the many approaches and strategies for the education and training system, with the needs of the economy and the labour market. At the same time it should strengthen its institutional capacities and inter-institutional co-operation to ensure joined-up policy approaches across government.

3. Review of institutional arrangements: Key findings

The RIA exercise in Serbia entailed the following actions:

1. General mapping of institutional arrangements in HRD, based on the ETF multi-level governance methodology (adapted for HRD), the results of the Torino Process and HRD Reviews and the analysis of existing HRD institutional reviews and MTEF exercises in the country.
2. Preparatory work included preparation and testing (implementation of test interviews – 4 interviews with persons representing each of the four target groups) of the instruments (questionnaires/interview guides), development and translation of the final version of the instruments (adjusting instruments and tailor RIA exercise to Serbian context), translations of the Skills Vision 2020 document, drafting official explanation letter, and setting up of database of responses.
3. The documents package (containing official letter by ETF, translated version of the Skills Vision 2020 and translated questionnaires¹¹) was sent to all 45 representatives of the selected institutions¹².
4. Respondents were given 10 days to complete the questionnaires, and upon receipt, quantitative and qualitative data were entered into the database.

¹¹The questionnaire served as an instrument for the collection of data related to participants' views and attitudes. The questionnaire was prepared as an online questionnaire in order to speed up the answering process. In the event when it was more appropriate for participants, a questionnaire in MS Word was developed and sent to the participants via their official and private (if possible) e-mails.

¹²The review includes the following four target group categories: ministries in charge of HRD policy-making (i.e. decision makers), institutions engaged in HRD policy delivery, stakeholder institutions engaged in the HRD policy cycle, institutions leading the budget planning and monitoring, namely MTEF. List of institutions involved is given in Annex.

5. After data collection, preliminary analyses, identification of responses and areas to be further clarified were conducted. Parallel with these activities interviews with identified persons were held, which contributed to the completion of required data.
6. Final data analysis preceded the preparation of the report which includes a number of key conclusions based on the analysis.
7. The preliminary results of the interviews were presented and discussed at the final workshop with national stakeholders, where the prioritized capacity development needs of institutions were agreed on.
8. The final report outlines the findings of the different stages of the methodology and includes the capacity development plan agreed by the national stakeholders, which constitutes an integral part of the roadmap developed through the foresight component.

It is important to point out some of the limitations of the findings provided in the following chapters.

The findings are conditioned by the scope and depth of the study, as well as by the sampling. Although the intention of the researchers was to collect as much reliable data as possible over the two-month period, it is possible that some aspects of reality, which we attempted to explore and map here, are not adequately presented. Some of the generalisations made should be taken with caution due to the small sample. All of the observations, interpretations and generalisations made in this report, including mistakes associated with the research are the sole responsibility of the researchers.

3.1. Brief description of the review focus and indicators.

The focus of the RIA is the functional capacities for the HRD policy cycle. Five institutional abilities for the HRD policy cycle have been identified and which constitute the frame of the analysis:

1. Stakeholder engagement and coordination,
2. Policy design including analysis,
3. Financial planning and budgeting,
4. Policy delivery
5. Monitoring and evaluation, including reporting and learning

Based on this review setting the corresponding questionnaires have been elaborated and used in the qualitative interviews.

Table 5: Capacities – Review Focus and Indicators

1. Inter-ministerial coordination and stakeholder engagement	
Review focus	Ability to engage stakeholders in policy cycle and to ensure inter-ministerial coordination
Indicators	Existence of dialogue mechanisms for stakeholder involvement (formal – informal) Existence of inter-ministerial coordination mechanisms (formal – informal, including networks) Quality (transparent, participatory, engaged and respective) dialogue between authorities and stakeholders throughout the policy making cycle Frequency of dialogue between authorities and stakeholders throughout the policy making cycle
2. Policy design	
Review focus	Ability to manage and interpret comprehensive situation analyses of country's HRD assists Capacity to design coherent HRD policies and reform strategies as a response to skills needs Capacity to use foresight in the policy making process
Indicators	Existence of tools for skills anticipation at national, regional and sector level Use of data on skills supply and demand in HRD policy planning Existence of long term strategic policy options for the HRD sector Existence of coordinated business, employment and education strategies including budgeted action plans Use of foresight methods in relation to vision building and policy design
3. Planning and budgeting	
Review focus	Ability to develop planning and budgeting frameworks and tools supporting the defined policies
Indicators	Existence of legislative framework for result-oriented budgeting and whether they are complied with
4. Implementation	
Review focus	Ability to manage and implement appropriate policy responses to skills needs Ability to develop and deliver training to labour market needs
Indicators	Existence of action plans relating to strategies Existence of execution arrangements Responsiveness of the education and training system to skills needs, captured by periodic data and surveys
5. Monitoring and evaluation (including reporting and learning)	
Review focus	Ability to monitor and evaluate Ability to report Ability to learn and impact of policy initiatives
Indicators	Existence of feedback mechanisms on lessons learned for use of new HRD policy design Mechanisms for evaluation and monitoring of policy effects and results used systematically Existence of monitoring guidelines and procedures and used systematically Existence of public communication tools

In view of the significance of budget planning and finance in HRD, an integrated review is conducted with the relevant institutions in the context of MTEF. The review of the MTEF capacities is addressed from three distinct but interrelated angles.

Table 6: Capacities – Review Focus – MTEF	
Review principles	Sub principles
1. Formulation	Participation of stakeholders in the process of defining sector policy objectives and budgets, Existence of Macroeconomic /Fiscal Framework, sector policy framework and programmes, Cost of the sector budget within the ceiling determined by the budget circular and identifying the resource gaps.
2. Execution	Applying the planned expenditure budget and structure.
3. Monitoring, reviewing and reporting	Keeping regular records of progress and performance for improved management of budget implementation, Providing feedback for policy formulation and management of the budget implementation.

3.2. Target group categories

The national stakeholders mobilised in relation to Component 1 and participating in the Foresight Workshops were among the institutions approached in relation to the review of institutional arrangements under Component 2. However, additional institutions were targeted, including select pilot institutions representing the education and training providers. The identification of relevant interviewees (organisation/departments/units/persons) to be involved in the qualitative interviews was based on two criteria:

- Institutions responsible for and/or involved in the implementation of the identified priority areas/objectives/measures in the “Serbia Vision for Skills 2020 Document”.
- Institutions involved in the 4 different phases of the policy-making cycle.

The target groups which were selected for interview are listed in the table below.

Table 6: RIA Target Group

Target group	Institutions
Institutions in charge of policy making	Ministry of Education, Science and Technological Development
	Council for VET and Adult Education
	National Educational Council
	National Council for Higher Education
	Ministry of Youth and Sports
	Ministry of Labour, Employment, Veterans and Social Affairs
	Ministry of Economy
	National Socio Economic Council
	Province Secretariat for Education, Governance and National Minorities
	Province Secretariat for Culture and Public Information
	Province Secretariat for Science and Technological Development
	Province Secretariat for Employment and Gender issues
	Province Secretariat for Finance
	Province Secretariat for Youth and Sport
Institutions engaged in policy delivery	Mechanical Engineering Educational Centre “RadojeDakić”, Beograd
	VET school for pharmacy, Beograd
	Technical school, Požega
	Agriculture school, Požarevac
	9th Belgrade Gymnasium
	Regional training Centre for Adult Education, Novi Beograd
	Adult education school “ ĐuroSalaj”
	University of Belgrade
	University of Singidunum
	Visokaškola elektrotehnike i računarstva strukovnih studija
	Institute for Development of Education
	National Employment Service
	Institute for Quality Assurance and Evaluation in Education
	Stakeholder institutions involved in policy cycle
Independent Teachers’ Trade Union	
Trade Union of education, science and culture of Vojvodina	
Union of Employers	
Belgrade Open School	
Serbian European Integration Office	
National Employment service	
Institutions leading budget planning and monitoring, namely MTEF	Ministry of Finance
	Ministry of Education, Science and Technological Development
	Ministry of Youth and Sports
	Ministry of Labour, Employment, Veterans and Social Affairs

The detailed list of which organisations provided written answers and/or participated in the qualitative interviews is attached in Annex 1.

3.3. Key findings on capacities in HRD for single review focus

The RIA is based on the analyses and conclusions in recently conducted institutional assessments. Key conclusions from the desk review of relevant analyses including ICA are summarised as follows:

- Excessively complex organisation of the public administration which is detrimental to administrative transparency and efficiency.
- Lack of coordination between key actors in the HRD sector.
- Weak communication between institutions in the HRD sector.
- Underdeveloped mechanisms for inter-sectoral cooperation (between ministries) and with stakeholders
- Low level of social dialogue in designing policies, including engagement of employers and lack of capacity at local level to operate Social and Economic Councils.
- Weak or less developed links between education, employment, economic development and innovation policies and industrial restructuring in relation to strategy development and cooperation.
- Insufficient decentralisation of service delivery and weak customer focus in the delivery of training and education.
- Inadequate monitoring and evaluation systems on policy impact.
- The budget remains a one-year bottom-up process with beneficiaries' budget requests ignoring top down expenditure ceilings approved by the Government.
- The MTEF introduced for the 2010 Budget exists in name only with the later years representing only indicative allocations. There is no medium-term strategy.
- Insufficient knowledge and capacities for execution of a programme budget in accordance with pre-defined objectives.
- Poor policy making and managerial capacities are additional difficulties for implementation of reforms.
- Reforms are mainly driven by pressure from outside – especially the EU – which raises concern about the mid-term sustainability of these reforms.

These key findings as well as aggregated recommendations provided in the reports and analyses have been carried forward in relation the RIA Teams recommendations. The key findings in relation to each of the RIA review focus which are listed below are based on the written replies received in the online questionnaires and from the information provided during the implementation of the qualitative interviews with selected stakeholders (see Annex 1) and on the analyses and conclusions in recent relevant conducted in institutional assessments in Serbia reports. The findings outlined below, discussed during the RIA workshop, are to be considered as a working basis.

3.3.1. Interministerial coordination and stakeholder engagement

a. Review focus

The RIA has focussed on the review of the systemic and institutional capacities for the existence and quality of inter-ministerial coordination in relation to HRD policymaking and strategy development as well as the possibilities for engagement of stakeholders and in the HRD policy cycle. Four indicators have been used as proxy indicators for the identification of the functioning of the inter-ministerial coordination and stakeholder involvement in the HRD policy cycle:

- Existence of dialogue mechanisms for stakeholder involvement (formal – informal)
- Existence of inter-ministerial coordination mechanisms (formal – informal, including networks)
- Quality (transparent, participatory, engaged and respectful) dialogue between authorities and stakeholders throughout the policy making cycle
- Frequency of dialogue between authorities and stakeholders throughout the policy making cycle

b. Main Findings

In Serbia, policy-making institutions are involved in different ways in HRD policy development processes. While some (MoESTD, MoLSP, MoYS, the Council for Secondary Vocational Education and Adult Education – VET Council and the Institutes dealing with education) are directly involved, others are indirectly involved through certain activities (Ministry of Finance and Economy), and some operate only within a specific territory (province secretariats). The work of the institutions is regulated by relevant laws and internal documents.

The Review's target group of policy-making institutions include 87.5% who consider themselves as leaders in the policy-making process, 63.5% who assess their role in the policymaking process as good, 50% who are satisfied with their role in financial planning and budgeting, 75% who consider their participation in implementation of policies as good, and 62.5% who assess their participation in monitoring and evaluation in the same way. It is interesting to note that coordination with other institutions in the policy-making process is considered very relevant (57.1%), and other factors considered relevant in this process are employees' qualifications and organisational setting (with more than 71%).

However, there is no clear legal framework for inter-ministerial coordination and stakeholder engagement in the preparation of human resources development policies. However, the Law on Youth envisages the involvement of different stakeholders, in particular the civil sector in the implementation of youth policy in Serbia, while the Law on the Fundamentals of the Education System defines forms of cooperation with institutes, councils, civil society organisations as well as Regional School Departments.

In addition to formal cooperation, there is also informal cooperation, relating to attendance and active participation in round tables, conferences, seminars. The respondents highly appreciate informal cooperation, as a means for shortening administrative procedures and saving time.

Institutions engaged in policy delivery are not directly involved in the process of policy making at national level. Schools are usually included through associations of vocational schools and through the work of their employees as representatives in the councils and working groups at MoESTD and the institutes. Faculties and higher schools of vocational studies are usually included through cooperation with the Higher Education Council and through participation in various working groups. More than 50% of respondents indicated that all relevant stakeholders participate in HRD policy making processes. Their perception was that in order to improve participation, first of all, employees' policy-making capacities should be improved, policy-making should be built into the programme budgets of institutions, and relevant cross-sectoral working groups should be appointed for public policy making.

The extent of stakeholder engagement in the policy cycle also depends on the capacity of the institution itself. Stakeholders are engaged in professional bodies and committees (e.g. in the national councils in the field of education, working groups for the development of the National Qualifications Framework, Sector Councils), and as project initiators and initiative takers. Their opinion on how well the participation works was divided – 50% considered it weak, while the other half considered it good. Those who considered the participation poor, cited primarily the following factors: lack of capacities, over-regulation and formal obstacles. They indicated that their participation could be improved by

institutionalising the cooperation between the economy and education, participation in the work of professional institutions which create and implement specific projects, establishing social dialogue (and tri-partite negotiation) and coordination bodies and teams, and through greater emphasis on profession rather than politics.

In the Strategy for Development of Competitive and Innovative SMEs for the period of 2008 – 2013, the importance of cooperation is highlighted through activities related to human resources development conducted by: Ministry of Economy, Ministry of Labour, Employment, Veterans and Social Policy, National Employment Service, National Agency for Regional Development, Ministry of Education, Science and Technological Development. It is intended that this cooperation among relevant institutions will be specified in the new strategy (Strategy for Development of Entrepreneurship and Competitiveness). Agreement on priorities is reached through various means. Representatives of MoYS participated in the development of the Employment Strategy, the Employment Action Plan and a series of other strategic documents and working groups of other bodies, MoESTD cooperated with NEC, VET Council, and the Institute for Improvement of Education in introducing new curricula and revising existing curricula. MoESTD cooperated with the Ministry of Human and Minority Rights and the National Roma Council in the implementation of measures of affirmative actions for enrolment of Roma to schools. All respondents evaluate this cooperation very positively.

Budget formulation

During the budget formulation process, consultations are organized with all relevant stakeholders, including Government agencies, other ministries and civil society. These consultations are considered satisfactory by the majority of respondents. Budget formulation is carried out by a working group consisted of representatives of trade unions, civil sector, representatives of ministries, in particular the Ministry of Education, Science and Technological Development, the Ministry of Youth and Sports and the Ministry of Labour, Employment, Veterans and Social Policy and very often the Ministry of Finance and the Ministry of Economy. Working Groups prepare national action plans, based on the existing reports of relevant sectors within each ministry and on pre-defined long-term priorities, which are later adjusted to the budget limit for the following year submitted by the Ministry of Finance. Training for members of the working groups is organized and run by foreign (mostly) and local experts.

Consultations with a wider range of stakeholders who were not involved in the development of action plans are carried out after publication of the draft action plan and comments are invited, both on the programme and the funds needed to implement the activities defined in the action plans. After the Ministry of Finance publishes the budget limits, ministries redefine action plans in accordance with the resources available, but at this stage the consultation with other stakeholders is already completed.

In order to be able to lead the application of programme budgeting within the period set by law, respondents indicated that the organizational and human resources of the Ministry of Finance's Budget Department have to be increased. This may occasionally entail engaging top experts for the effective development and implementation of program budgeting and performance measurement, as a key means for improving the efficiency and effectiveness in the use of public funds.

d. Main capacity development recommendations emerging from interviewees

- Concrete actions for inter-ministerial coordination:
 - ✓ Hold more regular meetings of the Sector working group for human resources and social development or establish a dedicated body (WG that will not operate only within IPA programming).
 - ✓ Encourage a participatory approach, which promotes cooperation amongst departments and the public administration, education and economy.

- Concrete actions for stakeholder involvement:
 - ✓ Create a systematic solution for coordinating all state institutions involved in the process, and where possible, enter into agreements between specific organisations and relevant ministries, e.g. establishment of a council including representatives of the civil sector.
 - ✓ Promote and create awareness among CSOs and social partners of the importance of their participation in the policy cycle.

Experts' analysis and remarks

Labour market and education policy should be closely connected with economic development and should reflect the needs of the market economy as well as to support development of a flexible labour market. This includes the need to promote entrepreneurship, innovations, exports, and the development of a knowledge-based economy, improve the business environment, and strengthen links between education and entrepreneurship. However, the key weakness of the political system is the lack of coordination between relevant ministries and departments. There is a general lack of formal systems for dialogue between the demand side and supply side of the labour market. There is a low level of social dialogue in designing policies together with a lack of engagement of employers and a lack of capacity at local level to operationalise Social and Economic Councils. The main future challenge is to enhance the cooperation between employers and the education system and maintain the good practice of cooperation, initiated through the Sector Councils.

The EU-enlargement process and in particular the preparation and programming under the IPA programmes is a driving force for the introduction of formal mechanisms for inter-ministerial coordination as well as the involvement of relevant stakeholders in the HRD sector. There are certain national strategic documents which define and envisage cross-sectoral cooperation on HRD policies, e.g. "National Priorities for International Assistance in the Period 2014- 2017, with projections until 2020" - former Needs Assessment Document- NAD. Coordination and cooperation are provided through the work of certain institutions (e.g. the National Education Council represents the interests of students and education, and society as a whole, and the VET Council is the body which provides relatively good coordination of secondary vocational education and the relevant institutions).

The General Secretariat is tasked with building inter-ministerial relations and working closely with key line ministries such as the Ministry of Finance, the Ministry of State Administration and Local Self Governance and the Serbian Office for European Integration. In meeting the challenge of EU accession, the SEIO has recognized the importance of building a strong relationship between international donor funding and the delivery of coordinated strategic government policy. The Serbian Needs Assessment 2011-2013 (NAD) has highlighted the importance of standardization in policy development (common methodologies) by individual ministries to facilitate inter-ministerial coordination and improve the delivery of government policy.

Sector Working Groups (SWGs) for Development Assistance have been set up with the task of ensuring inter-ministerial coordination within the institution(s) in their area of competence. This relates to planning, programming and reporting on development assistance (operational level) and improving the programming of IPA Funds. The SWGs have been established in the following areas: rule of law, public administration, civil society, media and culture, competitiveness, HRD, transport, environment and energy, agriculture and rural development. The officially appointed members of these Sector Working Groups include the National IPA Coordinator's (NIPAC) Technical Secretariat (DACU) and relevant ministries' representatives. Representatives of donors and other key stakeholders are invited to participate in the work of these groups at specific points in the development assistance programming and implementation cycle. SWGs meet regularly at least twice a year but often more frequently (linked to the drafting of the Needs Assessment Document, consultations with donors, CSO representative, programming of development aid, project development etc.). The Sector Working Groups promote and support a Programme Based Approach and some principles such as the Sector

Wide Approach in programming development assistance. The missing element is improved programming, budgeting and monitoring at sector level.

The SEIO leads the drafting of the “National Priorities for International Assistance in the Period 2014-2017, with projections until 2020” process and the priorities for funding are based on existing government strategic documents, pace of reforms to date, consultation with national and international partners, capacity to draw down national funds and capacities for priority/ sector to absorb funds. The format of the “National Priorities for International Assistance in the Period 2014- 2017, with projections until 2020 “provides an actual framework for the gradual introduction of sector approach which can support a national planning system led by the General Secretariat of the Government, while the programming of external assistance will be, to the greatest extent possible, based on a programme based approach. This implies using the Mid-Term Plans developed by all ministries (budget beneficiaries) as the basic document for programme and project identification for external aid. Having in mind that these Mid-Term Plans represent the basis for financial planning of the national budget, the NAD provides a framework to facilitate coherence between external and national funding.

For a sector approach to be successfully introduced in the Serbian administration and for policy coordination to be effective in practice, these issues have to be recognized by policy makers, and addressed. Furthermore, the implementation of the Public Administration Reform Strategy needs to take into account the need to further strengthen administrative capacity, notably in areas related to inter-ministerial coordination and communication in relation to policy/strategy development in the HRD sector. An additional set of recommended capacity development responses is summarised below.

- Concrete actions for inter-ministerial coordination:

Enhance the capacities of the General Secretariat to enforce agreed regulations and planning parameters with line ministries

- Concrete actions for stakeholder involvement:

Empower social partners through real involvement in policy work and by providing capacity development and training for elected leaders and staff in employers’ organisation and trade unions. This will include in particular the ability to assess effectively their own needs, articulate the needs of their members and engage in the formulation, monitoring and evaluation of education and employment and HRD policies.

- Concrete actions for enhancing capacities for IPAIL in the HRD sector:

Provide tailored training in IPA programming and implementation for relevant departments/units in SEIO and implement line ministries.

Involve responsible actors of specific IPA measures more directly in the drafting of actions and in proposing policy solutions, and provide them with financial sources ensuring ownership and responsibility for the actions.

Establish IPAIL Knowledge Management System for creating an exploratory environment that stimulates knowledge management practice and encourages horizontal and vertical dialogue and collaboration between colleagues engaged in programming, project preparation and project implementation of IPAIL.

- Carry out capacity development activities with a view to ensure absorption capacity and successful implementation of measures under IPA HRD Operational Programme for different target groups (IPA implementation units, final beneficiaries, project promoters/grant scheme holders).

3.3.2. Policy design

a. Review focus

Capacity in HRD policy design relates in particular to the abilities to manage and interpret comprehensive situation analyses of country's HRD in the country, the capacities to design coherent HRD policies and reform strategies as a response to skills needs as well as the capacities to use foresight in the policy making process.

With a view to analyse the capacity gaps in relation to policy design, the RIA has focussed on identification of the existence of tools for skills anticipation at national, regional and sector level, the use of data on skills supply and demand in HRD policy planning, the existence of long term strategic policy options for the HRD sector, the existence of coordinated business, employment and education strategies including budgeted action plans and finally the use of foresight methods in relation to vision building and policy design.

b. Main findings

In Serbia, in cases where planning is based on a long-term vision, the starting point is the vision of the EU strategy – skills development for 21st century, and development of the knowledge triangle (education, research and innovation) and elements mentioned in Serbia's Skills Vision 2020, namely competitiveness, innovation, adaptability and mobility of the labour force, lifelong learning, tolerance, entrepreneurial spirit, etc. Other relevant stakeholders are involved through joint planning and programming and joint participation in enforcement and implementation of the planned programmes.

On the question of whether strategies for implementing reforms in line with market needs for specific skills are based on a long-term vision, the majority of the institutions in charge of policy making are of the opinion that the strategies build on long-term visions – but these visions narrow and in most cases are only from the perspective of a specific ministry/certain bodies/a specific policy area and not based on the perspective of needs for the development of the country/society as a whole.

There are also methods for planning different outcomes in cooperation with other stakeholders. Projections are most frequently used when special risks are assessed, and within the public administration system, MoESTD planning and projections take place on different levels (short-term and medium-term) and in all segments of the education system: e.g. student enrolment to elementary and secondary schools is planned in great detail every year, starting with the forecast population trend in the coming period by relevant age groups, as well as available teaching staff (who met requirements for retirement, redundancy, registered with the NES) and the economy needs. Similarly, the school programme is planned as a multi-year development plan and an annual work plan of the institution. The general impression is that the forecasting methods are useful, especially when all relevant stakeholders are involved in the process.

The stakeholder institutions involved in policy making cycle can influence HRD policies by identifying (recognising) deficit and surplus knowledge and skills, as project initiators and initiative takers, through the organisation of expert debates on designing skills for specific economy sectors. For example, the Serbian Chamber of Commerce has the possibility to visit business entities on their premises and to identify (determine) through interviews with employees their needs in terms of additional training and what can realistically be provided in the short-term.

In Serbia, the different institutions involved in HRD policy delivery (training providers, National Employment Service etc.) collect data or information which serves as a basis for formulating national HRD policies. The data are diverse ranging from quantitative data (e.g. students' achievements, material conditions: didactic resources) to qualitative, including the attitudes of various stakeholders in education (e.g. teachers and professional societies, parents, students). Data are also collected on the

socio-economic status of students and success of students during schooling and in final and matura exams. At the stage of pilot monitoring, data were collected on the mobility of ex-students in the three year period following completion of their studies. The Institute for Education Quality and Evaluation was the only institution which was aware of the use of this information in policy and strategy development. Interviewees indicated that policy makers do not demand from them specific data which they lacked the capacity to prepare (except in the case of the Institute whose representatives think that it would be very useful to have more time and manpower to conduct some very complex tasks required of them).

All the organisations interviewed collect data and information either independently, or in cooperation with institutions in charge of data collection at national level, that can serve as a basis for developing national HRD policies. The data relates to issues and obstacles they face in conducting economic activities, including data related to collective contracts, the position (status) of employees, privatisation, education, trade union activities, European policies, social policies, types of work places, education level. In addition to using the data for internal purposes, organisations generally use the data as the basis for arguments they use in proposing new legal regulations.

Some of the respondents, representatives of financial departments and line ministries, highlighted the fact that the General Secretariat of the Government of the Republic of Serbia has recently taken a leading role in the setting up of a broad empirical database using data on the implementation of the budget submitted by the line ministries. The database will facilitate measurement of performance and alignment of sector strategies with available budgets.

c. Main capacity development recommendations emerging from interviewees

- Strengthen evidence-based policy-making:
- Enhance the resources for data collection and processing and increase the accessibility of such data.
- Implement a comprehensive trend analysis of the situation on the labour market.
- Improve formalised cooperation between employers and policy makers to allow more accurate knowledge of labour market needs (demand side) and based on that create education programmes, and include the private sector in reporting to the competent state bodies about its labour force needs.
- Introduce standardised questionnaires to address sectors of national priority, increase the number of employees to collect data and provide the software to process the data.
- Strengthening cross disciplinary approach in the HRD policy making and in particular in relation to skills development:
 - Enhance the engagement of relevant partners in the identification of educational profiles.
 - Improve information exchange between institutions relating to data and documents.
 - Develop a shared inter-ministerial database for strategies, action plans, achieved level of implementation of different activities.

Experts' analysis and remarks

There is significant lack of administrative capacities for skills analysis, forecasting and anticipation. Most anticipatory exercises have been carried out on an ad hoc basis and primarily in relation to internationally financed projects. There is a need to build up systems for forecasting at regional and sector level. The on-going national programme under IPA 2011 funded by the EU, entitled "Further integration of systems for forecasting, monitoring and evaluation in the design and implementation of active employment policy measures and harmonization of national classification to ISCO 08 occupational standards" or "Support to Evidence-based Employment Policy Creation" supports the improvement of existing procedures and methodologies for forecasting of labour market trends.

The planning framework for EU funds provides a more analytical approach to multi-annual planning, but these activities are not linked to the budget process and the Ministry of Finance has no significant role in the planning process for EU funds. In order to build the basis for both evidence policy-making as well as to enhance the use of foresight in the design of HRD strategies and related policy responses to skills development the following actions are considered of particular importance.

- Strengthen a crossdisciplinary approach in HRD policy making and skills development:

Enhance and enforce regular cooperation between all actors involved in HRD policy making at both horizontal (inter-institutional) and vertical (national, regional and local) level through implementation of foresight workshops and foresight working groups.

- Strengthen evidence-based policy making:

Further advance the setting up of the broad empirical database and its use to facilitate performance measurement and alignment of sector strategies with available budgets.

Engage experts in labour market institutions to continuously conduct comprehensive analyses of labour market trends, make projections and prepare action plans and strategies based on these analyses.

Establish mechanisms for policy learning processes, in particular to facilitate bridge building between employment, education and the business sector.

Institutionalise communities of practices where policy makers and practitioners from a certain policy area come together to exchange experiences and ideas and develop common policy solutions.

- Use EU best practices – e.g. through involvement in EU's Open Method of Coordination - based on solid research, evaluation and the collection of other evidence, and in particular results of peer learning, exchange of good practice, and the development of indicators and benchmarks.

3.3.3. Financial planning and budgeting

a. Review focus

The RIA exercise focussed on planning and budgeting frameworks and tools to support the design of HRD policies. In particular the emphasis is on whether a legislative framework for results-oriented budgeting is in place and whether it is complied with. Another aspect analysed is the ability to develop planning and budgeting frameworks and tools to support defined policies.

b. Main findings

Budget Preparation & Formulation

In Serbia, financial planning is carried out on the basis of action plans and strategies that are adopted in accordance with the Law. The organisations interviewed gave different views on participation in reaching a consensus on the budget. According to some respondents, consultations are organised with all relevant stakeholders, Government agencies, other ministries and civil society and it is considered satisfactory, however other respondents indicate that the process of consultation for the formulation of the budget is not effective enough. After the Ministry of Finance publishes the budget limits, line ministries redefine action plans in accordance with the resources available, but at this stage the consultation with other stakeholders has already been completed.

Budget formulation is carried out by working groups (representatives of trade unions, civil sector, representatives of ministries) that prepare national action plans, based on the existing reports of relevant sectors within each ministry and on pre-defined long-term priorities. However, there is little information on how the priorities are decided in a medium-term framework, how activities are costed and the final allocation of resources.

There are mechanisms which link planning, expected results and budgeting in all institutions in charge of policy making, but there are also frequent deviations from financial estimates. An earlier pilot in programme budgeting and the development of an effective system of performance measurement indicators in Serbia was eventually stopped. The pilot included a number of ministries, but various constraints affected progress. These included a lack of human resources, the frequent change of officials in leading positions, and the challenge of developing a longer-term framework for strategic budgeting with clear development priorities and more solid direction towards results and performance. The Budget System Law foresees the transition to programme budgeting by 2015 and on-going improvement to full implementation of performance-based budget. This will provide a long-term framework for planning, identification of priorities and increase of transparency and efficiency in the use of budget funds based on better measurement of benefits and costs.

Budget Execution

A basic obstacle to budget implementation is perceived to be the lack of financial resources. There are deviations in budget execution from financial estimates, although apparently not at high ratio. The diversity of budgetary resources (regular budget revenues, revenues from own sources and special revenues of the National Investment Plan), and inadequate coordination with related non-budgetary funds (for health care, education, pensions, etc.) seems to hamper the mobilisation of total funds at the programme level and the management of these funds.

Timeliness in the delivery of allocated budgets depends on the relative magnitude and significance of budget users. The legal framework for timely payment in line with planned and expected results is more strictly followed, as is monitoring of expenditure. In general, there is a split of opinions, according to the responses received, on how the current framework operates, but there is an overall consensus that there is no practical strategy for medium to long-term planning with current practice of annual plans. In this respect, the number of staff at financial departments of ministries and their qualifications are viewed as key factors in improving financial planning. The limited human capacity of the budget sector in line ministries is a serious obstacle with significantly negative impact on the ability to analyse and aggregate projects and programmes, define goals and connect them with ministries' long-term priorities. These are crucial for creating the basis for policy coordination, connecting the inputs with the activities (processes) and changes in outputs, and eventually, the outcome and impact of public expenditure on public goods, such as education. Poor policy coordination, lack of professional capacities and the existence of parallel interests in the ministries have led to a constant launch of new programme ideas and have prevented the consolidation of programmes in line with budget priorities.

Monitoring, Reviewing and Reporting

Annual action plans are monitored and presented in annual reports submitted to the Government. But it is not clear if the objectives are monitored too, or solely the activities per se. There seems to be a risk of over-reporting, which renders their role in providing feedback rather cumbersome. In some cases, there is weekly internal reporting by all sectors in the ministry. Although they differ, there are procedures for reporting, specifying when a report is to be submitted and the format and content. Government sends annual instructions to the ministries on how to compile and submit reports to the General Secretariat of the Government. However, there is no evidence on how these reports function as effective instruments of policy and impact feedback. Reports on the implementation of planned activities to be submitted to the ministries are often of uneven quality and take different forms without

a clearly defined set of individual indicators, which makes process monitoring and subsequent evaluation of the measures implemented significantly more difficult.

c. Main capacity development recommendations emerging from interviewees

- Disseminate sector analysis and forecasting at national and local level;
- Increase the organisational and human resources of the Ministry of Finance's Budget Department;
- Engage occasional top experts for effective development and implementation of programme budgeting and performance measurement as a key means for improving the efficiency and effectiveness in the use of public funds;
- Put to effective application the initiative recently taken by the General Secretariat of the Government for creating a broad empirical database on the implementation of the budget submitted by the line ministries, to facilitate performance measurement, align sector strategies with available budgets and prevent deviations in budget execution from financial estimates;
- Ensure the greater involvement of civil society in the consultation process linked to financial planning and budgeting;
- Formalising channels for regular reporting;
- Simplify the procedures for obtaining information of a financial nature from MoF for the requirements of planning educational policy at line ministry level;
- Take into consideration proposals for amendments by all interested parties in the parliamentary procedure and acceptance of results of public opinion. One proposal referred to a change in the electoral system and the distribution of parliamentary seats to representative trade unions;
- Make financial departments in line ministries better and more extensively familiar with defined priorities contained in the Skills Vision 2020. This would provide a more solid basis for civil society engagement and public debate as well as better coordination on the human resources of ministries, especially the Ministry of Labour, Employment, Veterans and Social Policy and the Ministry of Education, Science and Technological Development;
- Increase the organisational and human resources of the MoF's Budget Departments to allow it to lead programme budgeting, and occasionally engage top experts for the effective development and implementation of programme budgeting and performance measurement.

Experts' analysis and concluding remarks

The proposed actions by some respondents for increasing the number of employees and allocated resources at Financial / Budget Departments are solely quantitative, while measures to address the the quality and efficiency in the use of both the financial and the human resources are needed. There seems to be some confusion, amongst some respondents at least, about the concept of proper execution of the allocated budget (i.e. no deviations, over or under spending and switching between the budget lines). They emphasize instead the budget allocation, which is typically viewed as inadequate.

The main constraints are:

- Lack of a medium-term perspective in costing, lack of indicators to measure efficiency and impact assessment.
- Lack of orientation on objectives in budget allocation, and over-emphasis on input and activity-based budgeting and monitoring.
- Lack of effective reporting and in mistaking quantity with functionality, this runs the risk of over-reporting. There is little indication of the existence of a well-functioning mechanism for two way feedback between implementation and policy-making.

The Budget System Law foresees the transition to programme budgeting by 2015 and ongoing improvement for full implementation of performance-based budget. But it is not clear what steps are being taken towards that goal.

It is not clear whether the stated weaknesses in identifying mid-term objectives are due to a lack of familiarity with the policies or a lack of technical skills or problems in the procedures. The use of the data base, referred to above, is perhaps a step in the right direction-but why only a vague reference to the future? What is the horizon for this to take effect? Which Ministries or agencies will be direct users? Will the budget planning departments be involved?

While lack of funds is often cited as a major obstacle, there is little reference to making more efficient use of the existing resources, nor of the risk of limitations of absorptive capacity (i.e. not being able to spend the funds, due to a variety of bottlenecks, for instance).

Some respondents have referred to budget surplus in the last quarter of the financial year (whereby they then re-allocate funds from original objectives in order to spend the funds rather than returning them to the Treasury). Following from the earlier point, the question is how can there be a surplus of the allocated budget, unless there is lack of absorption capacity? Some respondents have recommended 'the need for flexibility in the budget, which will amortize changing circumstances, especially in the labour market.' This is a very mis-perceived statement! The labour market does not change so much in the short run, and if it does, the policy response cannot be effected solely through budget expenditure. There are inconsistencies in some of the responses regarding the capacity for analysis of labour market situation and the involvement of social partners in the preparation of reports and relevant documents.

3.3.4. Implementation

a. Review focus

The RIA analysis has focussed on the institutional arrangements and abilities to manage and implement appropriate policy responses to skills needs and the ability to develop and deliver training to labour market needs. With a view to identify the gap in relation to the above capacities, the RIA focussed on the extent to which there are in existence action plans relating to strategies and execution arrangements and the responsiveness of the education and training system to skills needs, captured by periodic data and surveys.

b. Main findings

According to respondents, the main perceived obstacle to ensuring coherent policy design as basis for a HRD sector approach is an insufficient level of cooperation and limited understanding of the importance of certain areas of human resources development and the lack of a comprehensive strategy for human resources development.

The obstacles to ensuring efficient management and implementation of appropriate policy responses to skills needs, according to interviewees, relate to a number of factors:

- Plans for policy implementation generally do not separate the roles and duties for each individual action and most of them agree in their assessment that joint action gives better results.
- Lack of financial resources
- Insufficient number of employees in a large number of institutions.
- Discontinuity in the reform of secondary VET due to frequent social and political changes (frequent interruptions or changes in the initiated reforms).

- Very difficult introduction of proven innovations in the education system.
- Weak effects of the existing system of professional development of teachers.
- Insufficient financial allocations and investments in equipping schools.

Moreover, the delivery system is characterised by the following:

- Inadequate qualifications structure and geographical distribution of the school network.
- Poorly equipped schools which do not offer pilots.
- Inadequate enrolment plan structure and a mismatch between educational profiles and the economy structure and its needs (enrolment for profiles which are not needed or which are a surplus in the labour market, while there is no enrolment for the required craft occupations).
- Obsolescence of the part of the system not included in the pilot (out-dated curricula, teachers who do not attend adequate professional development training programmes, poor equipment of schools).
- The unresolved issue of quality assurance for the practical part of teaching outside the school (hereinafter referred to as working practice). There are no accredited work places and instructors for delivery of working practice, there are no incentives for enterprises to provide quality practice to students, and there is an insufficient number of enterprises interested in this form of cooperation with education.
- Lack of instruments for quality assurance (National Qualifications Framework, standards of qualifications, external final exams, etc).

As a basic obstacle to implementation, respondents highlight the lack of financial resources for implementing all the necessary actions and the need to redefine priorities in line with the limited resources available. Based on these budget constraints, ministries are in a position to reduce the number of activities that will be implemented in the next fiscal year and thus include groups that will be involved. Institutions spend budgets in accordance with defined priorities, which is their legal obligation, while rebalancing of the budget at the level of institutions occurs if there is a revision of the state budget, or in cases where in the last quarter of the fiscal year, institutions save on certain budget lines. In this case, the money from the budget lines where there is a surplus of funds is transferred to an activity for which there was a growing interest of users or a greater need demonstrated in relation to the plan made the year before. Subsequent redistribution, according to respondents, does not reflect a lack of initial planning, but the need for flexibility in the budget, which will amortize changing circumstances, especially in the labour market. At the same time, redistributions within the budget lines in most cases are not large compared to the total budget.

Poor policy coordination, lack of professional capacities and the existence of parallel interests in the ministries have led to the constant launch of new programme ideas which prevents the consolidation of programmes in line with budget priorities. In addition, distributed budgetary resources (regular budget revenues, revenues from own sources and special revenues of the National Investment Plan), and inadequate coordination with related non-budgetary funds (for health care, education, pensions, etc.) have greatly hampered the mobilisation and management of total funds at the programme level.

In another context, respondents highlighted the need for better organisation of the system for adult education of unemployed and employed persons by providing training that will increase their competitiveness in the labour market.

The institutions in charge of policy making indicated that the establishment of Councils or other bodies responsible for all aspects of human resources development (improvement of cooperation with other institutions), could improve implementation of HRD policies.

The representatives of the institutions involved in policy delivery are involved in the implementation of skills in different ways. The specific tasks of all these institutions stem from relevant laws, rulebooks or as required by the relevant ministry. Their cooperation partners in the implementation of HRD

policies are the relevant ministries (MoESTD, MoYS, MoLESP), regional centres for professional development of teachers, small and medium enterprises at the local and regional level, local branches of NES, and donor organisations. The majority (62.5%) are of the opinion that their institution has a poor capacity to adapt to providing services aimed at meeting skills needs in line with regional differences and different economic sectors. 25% of them think that they can do it very well through engagement of external local associates, by using the regional centres for professional development of employees in education and the centre for needs analysis at the local level (relevant for issues relating to the pilots), and through contracts on business cooperation. From their point of view, the most important changes which would enable an improvement in the role and the functions of these institutions in the implementation of HRD policies, are the decentralisation of education management, the development of legislation allowing institutions (primarily schools) their own financial resources and the ability to adapt more rapidly to the needs and continuous professional development of all employees.

The common conclusion of all the institutions interviewed is that shared commitment and the continuous cooperation of relevant ministries are the primary framework within which the development of human resources policy and implementation of the Skills Vision can work.

c. Main capacity development recommendations emerging from interviewees

The adaptation of education to the needs of the labour market is identified as the first priority, primarily as a measure to reduce unemployment and increase the level of training of the active population to respond to the growing needs of the labour market.

The main priorities listed by interviewees are:

- Introduce legal regulation of the systemic introduction of entrepreneurial education in the education system,
- improve career guidance in schools and the National Employment Service,
- strengthen the sectoral approach to skills development,
- improve intersectoral cooperation and communication
- invest in the development and acquisition of practical skills and the ability to put knowledge into practice
- strengthen and highlight the practical training of young people, pupils and students, within the educational process
- improve cross-sectoral cooperation and achieve full coordination of all social partners at all levels, and address the slow pace in changing curricula for education and training
- implement fully strategic choices on lifelong learning and reform activities related to secondary vocational education, time constraints and the inert system

The VET Council members representing the employers listed a number of ways for developing cooperation between schools and employers and strengthening the implementation of practice, especially in secondary vocational education. Possible models are: regular school practice, summer practice, volunteer work, permanent practice, probation, contractual cooperation with employers, etc.

Completion and implementation of the National Qualifications Framework has been recognized as a top priority and the most difficult challenge. Respondents identified that almost all activities in this area are associated with the National Qualifications Framework, and that without it the planned activities cannot be fully implemented.

Common priority actions to be implemented in order to achieve the Skills Vision 2020 in Serbia are:

- undertake sector analysis and forecasting on the national and local levels;

- invest in the development of competencies in civil servants for sectoral analysis and forecasting at national and local level,
- implement a cross-sectoral approach in the development of skills,
- harmonise the education system with the economy needs,
- achieve flexibility in education and provide opportunities for systematic recognition of acquired knowledge and experiences.
- provide greater budgetary allocations for education
- develop institutions for professional development and adult education,
- implement full operation of the Sector Councils,
- adopt and implement legislation and the system of recognition of competences and qualifications acquired by prior learning in non-formal and informal education in line with the National Qualifications Framework (NQF) and the European Qualifications Framework (EQF), strengthening the sector approach to skills development,
- ensure faster adoption of by-laws for implementation of the Law on Adult Education,
- ensure consistency in the implementation of the lifelong learning concept, including recognition of informal education and informal learning,
- provide better career guidance in schools and the National Employment Service and other services in the field of employment intended for both the young and their parents,
- launch active labour market measures adapted to vulnerable groups;
- conduct training to make up for the lack of practical skills primarily in the contingent of unemployed economically active population, and then among those who are currently engaged in work, as a first step in decreasing the gap between labour supply and demand.
- provide students with scholarships to train in crafts which are in demand and in short supply
- implement an entrepreneurship programme in schools
- familiarise the key players in teaching with entrepreneurship and options for self-employment;
- reform curricula to encourage the development of entrepreneurial attitudes and acquisition of modern skills and reflect sectoral needs for skills;
- resolve issues of redundant employees in educational institutions

Mid-term actions:

- improve the quality and efficiency of the education system
- complete the reform of the education system
 - ✓ revise the school network
 - ✓ harmonise the network of vocational schools and the provision of educational programmes (profiles) in line with the needs of the economy
 - ✓ introduce artisan education
 - ✓ improve the teacher training system
 - ✓ develop education programmes on the basis of standards of qualifications and flexible teaching organisation
 - ✓ ensure that qualifications are relevant and available, by establishing the NQF for Lifelong Learning, standardisation of exams for acquiring a qualification and a system of certification of prior learning/recognition of non-formal and informal learning
 - ✓ set up a system for adult education and the development of lifelong learning,
 - ✓ establish a youth career guidance facility, which addresses the system as a whole,
 - ✓ develop the competences, knowledge and attitudes of the young, particularly in entrepreneurship, and ensure the mandatory involvement of employers in all phases of education and training, and the rationalisation of the school network

- ✓ invest in forecasting and planning based on data, as well as monitoring and evaluation of all activities, for optimisation of the school network,
- ✓ encourage more legally flexible private initiatives and public-private entrepreneurship, to open the social dialogue at the local level

Experts' analysis and remarks

The education and training system has to respond to employers' demands and empower young people and adults to acquire the required competences in order to find employment, and at the same time to provide them with opportunities for further education and development (training).

Key skills and competences include:

- Intellectual and sensory and motor skills.
- Social and interpersonal skills and knowledge (communication, team work, decision-making process, accountability).
- Business and entrepreneurial skills and knowledge (entrepreneurial abilities, creativity and innovation, self-employment).
- Multiple technical skills and knowledge.
- Awareness of the need for lifelong learning.
- Awareness of the need for environment protection and sustainable development.

A previous study indicated that employers' dissatisfaction with the quality of the employed labour force related to lack of knowledge of new technologies, long time needed for induction to work, lack of readiness for team-work, lack of business and entrepreneurial skills and knowledge, lack of communication and problem solving skills, mismatch between theoretical and practical knowledge and skills and lack of knowledge of the quality system. To ensure a quality labour force, ready and able to respond, to the demands of modern technologies and the conditions of market economy, it is necessary to continue with education reform at all levels, and to enable all participants in the education process and society as a whole to understand that the reform is an ongoing process and that the education system needs to respond more efficiently to employer's demands.

Developing an education system that meets the economy's needs is not possible, if strong connections are not made between employers, institutions in charge of education, scientific institutions in the respective areas and the labour market. These connections have to be institutionalised at national, regional and local level and are necessary to ensure that education monitors employers' needs for relevant professional competences which correspond to the level of technological development of industry.

The related capacity development actions are listed below:

- Establish institutions envisaged in the Law on Adult Education.
- Establish Sector Councils.
- Involve the Serbian Chamber of Commerce and its regional organisations in the social dialogue.
- Change the nomenclature of occupations in order to adapt to European standards and exclude out-of-date and inactive occupations.
- Introduce entrepreneurship in the education system,
- Establish the system of social partnership at all levels between the world of work, the world of education and the world of science and develop the competencies of trade union representatives in the implementation of HRD policies.
- Enable the participation of trade union representatives in the process of re-training and additional training as an employment opportunity and activation of the unemployed in the labour market.
- Develop educational programme based on the standard of qualification.
- Improve the functioning of educational institutions and the permanent (continuous) training of teachers.

- Implement quality assurance system in the education process.
- Establish a network of educational institutions appropriate to meet the demands of the regional economy.

It is necessary to develop a system for students to acquire practical knowledge and skills in the course of their education through placements with employers, thus enabling the engagement of employers in the education process. Possible system models could be the introduction in labour legislation of pupil and student working placements with employers.

Specific recommended actions in relation to ongoing VET reform process:

- Establish flexible vertical and horizontal mobility in the system of formal and informal vocational education and training.
- Establish the solid and permanent involvement of employers in the process of identifying the qualifications needed, as well as the development and implementation of educational programmes,
- Introduce quality assurance system in the educational process.
- Equalisation of qualifications acquired in informal education, that is, through different educational programmes outside the school system with qualifications in the formal education system.
- Establish the accreditation and certification system in formal and informal vocational education and training.

In order to ensure the efficient and effective implementation of the above it is crucial to ensure personal responsibility for implementation, introduction of a system of responsibilities and individual performance measurement.

Capacity development actions

It is recommended that targeted awareness and information meetings on the Skills Vision document are organised with a view to ensuring participants and key stakeholders are kept engaged in the further refining of the Roadmap and its implementation. This could be done in joint cooperation between the Lead ministry for the HRD sector and SEIO – and possible in the frame of the on-going PPF5 project.

Recommended actions

- Establish skills anticipation systems at sectoral level and regional level.
- Open the social dialogue at local level.
- Ensure full implementation of strategies and choices related to life long learning.
- Implement capacity development both of institutions and professionals engaged in NQF development and implementation.
- Improve the representation of youth NGOs in the design of concrete policy actions and measures.
- Improve the cooperation between training providers, local/sectoral business and local government.
- Ensure stronger engagement of all school employees in preparing students for labour market.
- Support the management of VET reform.
- Establish a system for apprenticeship and mentoring in companies as part of VET curricula

3.3.5. Monitoring and evaluation including reporting and learning

a. Review focus

The 5th review focus of the HRD policy cycle concerns the capacities to monitor and evaluate, including reporting and learning and policy impact initiatives (policy making feedback loop).

b. Main findings

Analysis of the labour market is undertaken regularly and efficiently in Serbia, with the involvement of social partners in the preparation of reports and relevant documents. Basic evaluation reports of the institutions interviewed in this section, include annual reports which form the basis for the adoption of programmes and action plans for the upcoming year. In Ministries and their agencies there is a practice of quarterly reporting, which allows continuous monitoring of the impact and effects of measures. The effects/results of initiatives and/or strategies are monitored through the analysis of annual reports on the implementation of action plans and through external reviews. In most cases, there are administrative guidelines for performance monitoring and evaluation, as well as examples of good practice which can be replicated in other institutions and sectors. The procedures for reporting differ from this, specifying when a report is to be submitted, the report format and contents. Government annually sends ministries instructions on reporting and the reports are submitted to the General Secretariat of the Government. However, there is no written feedback on the quality of the annual reports submitted.

Respondents agree that IPA is an example of good practice and indicate there is room for improvement through an independent implementation of this process. Reports on the implementation of planned activities which are submitted to ministries, are often of uneven quality, based on different formats and without clearly defined individual indicators. This renders the monitoring process and subsequent evaluation of the measures implemented significantly more difficult.

Specific activities proposed for the improvement of institutional arrangements for monitoring and evaluation are additional training for employees on this topic, and the definition of standard report formats for monitoring and evaluation, not only at the level of one ministry, but for all bodies of the state administration.

Performance of the institutions engaged in policy delivery is measured by monitoring results, self-evaluation and external evaluation depending on the institution in question. For each of the institutions, there are administrative guidelines for performance monitoring and evaluation and they operate well in practice. Reporting is on a quarterly and annual basis, and there is an annual report for the Steering Committee, Government, as well as feedback information from users. Faculties and higher schools of vocational studies usually use questionnaires on the professors' work and students' satisfaction, and schools submit results to the ministry at each classification period, whereas the data on the score on matura and final exams are submitted to the Institute for Improvement of Education at the end of each exam period. This information is used in such a way that national testing of objectives and outcomes initiates changes in the programmes and textbooks, and direct professional teacher development, and on the basis of the results achieved schools improve their teaching process.

c. Main capacity development recommendations emerging from interviewees

- In order to improve institutional arrangements for monitoring and evaluation, interviewees propose capacity building, through training of employees in the public administration for monitoring, development of a unique evaluation methodology, strengthening of evaluators' capacities, development of a uniform reporting structure and establishment of a unique information system in education.

- Stakeholders in the HRD sector are partly included in monitoring and evaluation of HRD policies, usually through their representatives in national bodies and working groups of the relevant ministries (e.g. VET Council). This means that the reporting processes depend on the bodies and mandates of those bodies.
- The reporting process could be improved so as to enable greater mobility and availability of information. All stakeholders should gather together in a bi-annual event to present the results of their work and plans for further work.

Experts' analysis and remarks

There are good practices in place relating to the management and implementation of IPA projects. The EU accession process has thus been a driving force for the establishment of regular monitoring and evaluation arrangements. For the management and implementation of the IPA funds the ministries have developed and use administrative guidelines for the monitoring and evaluation of measures and projects. In general the information provided in the Monitoring and Evaluation reports is used as a basis for future programming.

Serbia is pursuing the achievement of a set of goals and objectives agreed upon by the EU as part of the broader Europe 2020 strategy. To this end, it needs to continue to develop its indicators and benchmarks.

Though the budget is structured by organisation units and by programmes (within each spending unit), there are no requirements for output or outcome indicators, nor targets for achievement each year that would enable the assessment of efficiency or effectiveness. Budget submission should include forward estimates for the two following years, but these forward estimates are not published with the budget, or reconciled with the aggregate medium-term projects.

Recommended capacity development responses:

- Policy design and implementation:
 - ✓ Establish information channels and feedback mechanisms in ministries and relevant institutions in the HRD sector on lessons learnt, ensuring mainstreaming of successful local innovative solutions.
 - ✓ Enhance involvement of social partners in monitoring HRD at national level.
 - ✓ Introduce actions at ministerial level for establishing monitoring, evaluation and reporting mechanisms for programmes, strategies and action plans.
 - ✓ Initiate development actions in monitoring and evaluation and the development of indicators and benchmarks in line with EUROPE 2020.
 - ✓ Strengthen institutional capacities for policy evaluation, reporting and learning, including clear definitions of monitoring responsibilities with the ministries.
 - ✓ Delegate monitoring and evaluation responsibilities to specific persons and/or establish separate department for monitoring and evaluation within the ministries.
 - ✓ Create a joint monitoring system on implementation and performance in HRD sector and sub-sectors, including the establishment of a transparent evaluation and monitoring system for the "Serbia Vision for Skills 2020" roadmap (including elaboration of progress reports and coordination meetings).

Concrete measures supporting the achievement of the Skills Vision 2020:

- ✓ Develop standards in education.
- ✓ Evaluate objectives and outcomes of education.
- ✓ Evaluate the effects of training on teaching staff,
- ✓ develop new educational profiles which are compatible with labour market needs,

- ✓ Introduce career guidance and counselling throughout the education system, providing conditions for students to carry out part of their study programme in companies.

4. Review workshop: Key conclusions and final capacity development plan

The RIA Workshop was held in Belgrade on 29 January 2014 with the participation of all major stakeholders in the HRD sector and built upon the workshops organised under the Foresight for Serbia Vision for Skills 2020.

The aim of the workshop was to:

- Validate and complement the results of the RIA interviews with the stakeholders.
- Elaborate shared and prioritized capacity development actions in relation to the RIA's five review focus.

The agenda of the workshop and the list of the participating organisations are attached in Annex 2.

The formulated capacity development responses in relation to the 5 RIA review focus:

- Engage multiple stakeholders ensuring an integrated development and sector approach
- Contain concrete actions necessary for the successful management and implementation of the Serbia Vision for Skills 2020.
- Address more than one level of capacity (e.g. both system level and institutional level)
- Combine short- to medium-term initiatives.

The complete list of capacity development responses is provided below:

Capacity development response	Concrete action	Expected Results of actions	Beneficiary	Main responsible actor for implementation	Feasibility of the action (short – medium – long term)
Capacity development for what change?	How to implement the action in practical and concrete terms?	What will be the results of the action?	Who will be targeted by the action?	Who will be responsible for the initiation and/or implementation of the action?	“Reality check” – How soon can the capacity development response be implemented?
Capacity development responses relating to RIA review focus 1: Inter-ministerial coordination.					
Overall objective: Improve inter-ministerial coordination to ensure effective co-design and implementation of policies and strategies.					
1. Establish systematic mechanisms for inter-ministerial coordination in the HRD sector.	Adopt a regulation for inter-ministerial co-ordination	Document on collaboration between the ministries/agreement/memorandum of understanding/decreed	Ministries and SIPRU	Government (General Secretariat of the Government)/ Lead Ministry for HRD Sector.	Short term
	Expand the mandate of the Sector Working Groups (mandate beyond IPA programming)	Holistic and coherent approach in skills development.	Ministries within HRD sector, other organisations related to HRD, stakeholders, social partners, unions.	SEIO	Medium term
2. Promotion of existing forms of inter-ministerial cooperation.	Improve use and accessibility of inter-ministerial database for strategies, action plans, achieved level of implementation.	More coordinated work between the ministries. Greater effectiveness and efficiency of inter-ministerial cooperation.	Ministries and other organizations involved in HRD.	Lead Ministry for HRD Sector.	Short term

Capacity development responses relating to RIA review focus 1: Stakeholder engagement.

Overall objective: Improve the mechanisms for social dialogue enhancing stakeholder involvement at different levels of the policy making.

3. Establish systematic mechanisms for stakeholders (social partners, employers, chamber of commerce etc.) involvement in policy design and implementation.	Prepare guidelines for the involvement of social partners, employers, chamber of commerce etc.	Guidelines for involvement of social partners in policy making.	Stakeholders	Lead Ministry for HRD Sector.	Short term
4. Empower social partner, employers, chamber of commerce, youth organisations etc. in policy making.	Conduct awareness raising activities	Improved awareness on possibilities for participation in policy making	Stakeholders	Lead Ministry for HRD Sector.	Medium term
	Provide capacity building activities for stakeholders.	Active participation in policy making	Stakeholders	Lead Ministry for HRD Sector.	Medium term
5. Empower CSOs in policy making and implementation (e.g. youth organisations, disabled persons).	Provide capacity building activities for CSOs	Active participation in policy making	Relevant CSOs	Lead Ministry for HRD Sector.	Medium term
	Conduct awareness raising activities for CSO's	Active participation in policy making	Relevant CSOs	Lead Ministry for HRD Sector.	Medium term

Capacity development responses relating to RIA review focus 2: Policy Design.

Overall objective: Improve capacities of evidence-based policy making in HRD.

6. Improve capacities for skills anticipation and forecasting at sectoral and regional levels	Enhance data collection and labour market analysis	Standardised questionnaire by sectors of national priorities	Ministries, NES, Employment Offices, Statistical Office	NES.	Medium term
		Improved software for data processing			
		Comprehensive labour market study			

7. Improve capacities in use of foresight in policy making at sectoral and regional level	Conduct capacity building activities on foresight at central and regional level	Increased capacity for anticipation of skills needs	Ministries within HRD sector	Lead Ministry for HRD Sector.	Medium term
8. Establish mechanisms for policy learning processes	Institutionalise the communities of practice where policy makers and practitioners from a certain policy area come together to exchange experiences and ideas and develop common policy solutions.	Improved policy solutions and better targeted actions for skills development	Ministries within HRD sector, other organisations related to HRD, stakeholders, social partners, trade unions etc.	Lead Ministry for HRD Sector.	Medium term
9. Establish mechanisms for continuous operation of Sector Committees.	Institutionalise the Sectoral committees	By-law document on mechanisms Improved identification of educational profiles	Sector committee	Ministry of Education, Science and Technological Development, Institute for Education Quality Assurance, Institute for Improvement of Education	Medium term

Capacity development responses relating to RIA review focus 3: Financial planning and budgeting.

Overall objective: Improved ability to develop planning, budgeting frameworks and tools in HRD policies.

10. Improve capacities for dissemination of information about public finances at national, regional and local level	Form Working Groups from LMs and Civil Society for dissemination.	Improved flow of information.	All ministries in HRD sector.	Lead ministry for HRD sector.	Short term.
	Disseminate information about public finances through media.	Public debate for transparency of public finances.	Employers	Ministries and Parliament.	Medium term.
	(Informing employers of the benefits of employment policies).	Better informed decisions.			

	Involve local administrators in financial planning and public finance debate	Improved information about financial planning and public expenditure	Local administrators	Ministries	Medium term.
	Inform the financial institutions (for public and private partnership).	Better informed financial decisions.	Financial sector (formal – informal)	Ministries	Medium term.
11. Increase transparency and accountability in public finance.	Involve Parliament for legislative adjustments and public hearings.	Improved transparency and accountability	The public	Parliament/General Secretariat	Medium term
12. Increase technical capacities in public finance management	Implement of tailored training in financial planning and monitoring	Improved participation in general financial planning in HRD sector	Budget departments in ministries	“SUK” Ministries	Medium term.
13. Simplify the procedures for obtaining financial information from MoF required for planning educational policy at line ministry level.	Note: No participation from the MoF, hence no discussion possible on this point.				
14. Increase the capacities of MoF Budget Department (Organisation and increased staff)	Note: No participation from the MoF, hence no discussion possible on this point.				

Capacity development responses relating to RIA review focus 4: Implementation.

Overall objective: Improved ability to manage and implement appropriate policy responses to skills needs.

15. Ensure participation of employers in the curricula formulation	Draft a methodology for the preparation of curricula and standard of qualifications. (This Methodology is involving employers as a equal participants.)	Methodology for the preparation of curricula prepared and used	VET Schools Institute for Development of Education	MoESTD VET Council	Short term
16. Improve capacities for career guidance	Conduct training on career guidance	National resource centre is flexible and functioning	All providers in CGC	Ministry of Youth and Sport	Short term
17. Raise awareness about Skills Vision 2020 (that will allow the large number of actors to become familiar with the defined priorities and actions)	Conduct campaigns to raise awareness through media and professional promotion, organize a conference on the Skills Vision 2020	Raised Awareness	Public audience, financial departments in LMs	Lead Ministry in HRD sector	Short term
18. Establish system for validation of previous learning	Develop normative act/regulation	Normative act developed and adopted	Regional Training Centres NGOs	Institute for development of Education	Short, medium
19. Improve targeting of active labour market measures	Strengthen capacities for the implementation of Strategy for employment	Improved strategy implementation	NES staff	MoLESP NES	Short term
	Increase active measures for vulnerable groups (i.e. increase quantitative allocations for vulnerable groups).	80% of funds realised for vulnerable groups	Vulnerable groups	MoLESP NES	Short term
	Improve the database in NES.	Improved targeting of active labour market measures	NES staff	NES	Medium term

20. Encourage development of entrepreneurial attitudes in training institutions and for teachers	Strengthen the capacities for entrepreneurial attitudes in the institutions and for teachers through trainings.	Improving competencies of teachers	Teachers and schools	Ministry of Economy MoESTD	Medium term
21. Establish an adequate system of acquiring practical knowledge in schools.	Financially support VET schools, to build an environment and spaces for practice of students in schools.	50% of VET schools have the required conditions for practice	VET schools	MoESTD	Medium term
22. Enhance capacities of institutions and professionals engaged in NQF and curriculum development and implementation.	Develop normative act/regulation of NQF	Normative act developed and adopted	MoESTD MoLESP VET Council Council for higher education	VET Council	Short/medium
	Develop qualifications and curricula	Devising / initiating of new curricula	VET schools	VET COUNCIL NEC MoESTD	Short term
	Conduct training for the implementation of the curricula				
	Develop a credit system for VET	Credit system in VET	VET schools	Center for qualifications	Long term
	Establish a system for apprenticeship and mentoring in companies as part of VET curricula.	Employers as a mentors in schools	VET schools	VET Council	Medium term
23. Establish a network of educational institutions	Establish criteria (act), then analyze the needs, capacity of the selected institutions (regional centres + Schools), and programme development.	Set criteria and programs set up for each region	VET schools Regional Training Centres	School authorities MoESTD	Short term
	Establish the accreditation and certification system in formal and informal vocational	Normative act for NQF	VET COUNCIL NEC MoESTD	VET Council	Medium term

	education and training.				
24. Improve the cooperation between training providers, local/sectoral business and local government	Strengthen the capacity of local employment councils and their connection with related bodies such as the Socio-Economic Council.	Raise the capacity of local councils to provide information on the economy, to customers, and providers of educational services.	Local councils / for employment, youth	Social economic council	Medium term
25. Engage employers in school management	Involve employers in schools boards.	Targeted training	Employers and training institutions	VET council Ministry of Education , Science and Technological Development	Long term

Capacity development responses relating to RIA review focus 4: Monitoring and evaluation

Overall objective: Improved ability to monitor and evaluate (including reporting and learning) HRD policies

26. Formalise the channels for regular reporting	Clarify the regulatory framework for reporting purposes.	Improve the quality of data and information in HRD.	Ministries	Lead Ministry in HRD	Short term
	Establish mechanisms and methodologies for specific reporting purposes in HRD. (e.g. Progress reporting, Performance reporting, financial reporting)	Responsible institutions identified and precise description of tasks provided. Improvethethe quality of data and information in HRD.	Ministries (Budget and Planning departments), HRD agencies.	Lead Ministry in HRD	Short term.
	Develop capacities in devising required performance indicators as well as the use of performance indicators and a database to link Labour Market and Education.	Improve the quality of data and information in HRD	Relevant institutions in the HRD sector	Lead Ministry in HRD and National Statistical Office	Medium term.

28. Enhance capitalisation of the received feedback and lessons learned	Establish mechanism for “feedback loops” in HRD policy making.	Information channels and feedback mechanisms established.	Relevant institutions in the HRD sector	General Secretariat	Medium term
29. Utilise the lessons learnt from IPA M&E system	Use IPA as an example of good practice in setting indicators and monitoring, by providing additional trainings in programming / implementation of IPA projects (especially at the local level)	Improved monitoring and evaluation system of national HRD policies	Relevant institutions in the HRD sector	Lead Ministry in HRD	Medium term
30. Improve capacities for evaluation of training outcomes (learning outcome approach)	Train career teams in all relevant institutions.	Improved training programmes, more responsive to labour market needs	Relevant institutions in the HRD sector	Ministry of Education, Science and Technological Development	Short term

5. Conclusion

Based on the RIA exercise and insights from the key actors in the HRD sector, it can be concluded that in Serbia the main strengths in the development and implementation processes of HRD policies are related to the solid (legal, strategic and informal) foundation for developing of effective mechanisms of coordination and cooperation, the availability of relevant information, a wide network of institutions and bodies which provide support (councils, educational institutes, Serbian Chamber of Commerce, National Employment Service), as well as the experience and results achieved through various projects (CARDS, IPA, GIZ, KulturKontakt and others).

The weaknesses are mostly related to the lack of coordination and direct cooperation between certain institutions; fragmentation in the work of individual institutions, insufficient interest in the sector approach; focusing exclusively on the needs of one's own body or institution, and an insufficient number of staff in relation to the scope and complexity of jobs. Implementation of HRD policies is more challenging due to the inadequate geographical distribution of the school network, poor equipment and out-dated curricula in schools which do not offer modernised pilot profiles, lack of adequate teacher training programmes, inadequate secondary education enrolment plans and a mismatch between educational profiles and the economy's structure and its needs.

Participants in the RIA process highlighted a number of significant opportunities related to being well-informed on the institutional development of human resources; having qualified staff in all the institutions and organisations; awareness of the greater availability of IPA and other funds through EU accession for improving the situation in this area; availability of examples of good practice, and starting up initiatives for coordinated work across a larger number of stakeholders, including councils, institutes, chambers, employers, local community.

The threats relate primarily to insufficient cooperation and limited understanding of the importance of certain areas of HRD and the lack of a comprehensive strategy of this sector; discontinuity in the reform of secondary VET; the difficult introduction of proven innovations in the education system; the lack of teachers' motivation; and insufficient financial allocations and investments in education. In addition, the limited human capacity of the budget sector in line ministries has a significant negative impact on their ability to analyze and aggregate projects and programmes, define goals and connect them with the ministries' long-term priorities in order to create the basis for effective policy coordination.

Participating institutions and organisations identified the following actions as their contribution to the achievement of the Skills Vision 2020 in Serbia: the change of subject curricula and orientation to competence development; implementation of the objectives of the HRD strategies, efficient use of EU and SEE funds, as well as ERASMUS programme; cooperation with the relevant NGOs; teacher training for an entrepreneurial approach to teaching (which should be transferred to students), and extending the activities of the regional training centres for adults as centres for recognition and validation of prior learning.

The strategic concept of HR management should be based on functional and practical knowledge, as well as on established programming, and such a concept should also be based on systematic collection, monitoring and analysis of relevant data. Vocational education and training have to respond to employers' demands and the development of skills in Serbia should include improvement of digital literacy in order to increase employability of students and unemployed persons. All the institutions and organisations underlined their commitment to promoting the Skills Vision and the possibility to encourage business sector to take part in the areas of their interest.

The responses provided in the RIA indicated a universally high degree of awareness of the shortcomings in financial planning, result-oriented budgeting and progress monitoring in that context.

However, MoF did not participate in the interviews and there was very limited participation by the crucially important financial and budget departments from other ministries in the interviews and no participation in the focus group workshop. Without the highly committed and active participation of relevant technical and policy-making staff from MoF and other Line Ministries, a fruitful and serious discussion remains pending. If the Government of Serbia is aware of the need for public finance management reforms, in line with the global preferences by the EC as well as other major development partners, there needs to be a considerably more convincing level of commitment and participation than has so far been observed.

The “Needs of the Republic of Serbia for International Assistance” (NAD) will be the main national reference document and Serbia’s Country Strategy Paper (CSP) prepared by the EC is the key IPA II planning document to be prepared in 2013. The FRAME Initiative has therefore been implemented in close coordination with the drafting of the section in the NAD regarding the sector for Human Resource and Social Development which is led by SEIO with assistance from the Technical Assistance project funded by EU, “Project Pipeline Facility 5” (PPF5). The sector-based approach is presently being piloted in Serbia under IPA 2012 and 2013, and is due to be applied more systematically to multi-annual programmes in the next EU financial perspective, as proposed for IPA II. The intervention logic, ownership and impact of IPA II will be strengthened by focusing assistance on the achievement of national sector policy objectives and results which are relevant for accession. Sector support will be provided by means of Sector Support Programmes (SSPs), and where not possible, through projects, in all policy areas covered by IPA II. It is intended that SSPs will be developed for sectors defined in the CSP and that each of these programmes should have clearly formulated objectives, targets and results.

The shared and prioritised capacity development plan for institutions generated at the RIA workshop will be fully integrated into the roadmap/milestones developed under the foresight component of FRAME. In particular, the capacity development plan will be considered as one of the main steps to be accomplished to achieve the identified 2020 vision for skills development. The Skills Vision 2020 document will inform the work of the Commission services and the national authorities in light of the drafting process of the Country Strategy Papers, 2014–2020 and will in turn be used as basis for future planning and programming of IPA II.

PART III – MONITORING PROGRESSES OF THE VISION FOR SKILLS 2020

With the FRAME monitoring component, ETF has assisted the Enlargement countries to build up and follow an evidence-based tool for implementing effectively the Skills 2020 vision, roadmap and the capacity development plan, as identified during the Foresight and RIA exercises, taking into account national, regional and European strategic objectives. The key question was “*What indicators are needed to monitor progress for the 2020 Vision for Skills?*” and the envisaged result was the development of a monitoring tool to support policymakers in assessing progress towards the Skills Vision 2020.

A participatory approach ensured the commitment and agreement of national stakeholders on the monitoring tool (National Technical Teams – NTTs; gathering representatives of relevant ministries, i.e. labour, education, economy, development, research, youth, etc., and implementing agencies, statistical offices, other stakeholders). NTTs key tasks were to advice on the indicators’ relevance and feasibility and to identify gaps in current capability to collect, process and disseminate key HRD indicators. This allowed for a thorough check of proposed monitoring methodology and indicators against each country’s specificities in the field of skills generation and capacity development.

In Serbia, the work on the monitoring aspects of the Skills Vision 2020 unfolded during the period November 2013–June 2014. The core Serbian NTT consisted of representatives of National Employment Service, Ministry of Education, Science and Technological Development and Statistical Office of the Republic of Serbia, together with a FRAME local expert. Other relevant institutions joined the process while work on checking and selection of indicators proceeded.

The Serbian team input was extremely valuable during the 1st Regional Technical Monitoring Meeting (Sarajevo, 26 November 2013). The feedback on the list of common indicators and FRAME Monitoring methodological approach is summarised as follows:

- all proposed common indicators were found to be relevant (except for the indicator showing the returns of education in terms of earnings);
- in the case of feasibility criteria (availability and comparability), most of the indicators were found feasible (only ‘Earning by education’ and ‘Proportion of teachers and trainers participating in further training in VET subjects’ received lower scores);
- the main shortcomings related to implementation of the monitoring process are some missing data in the administrative information system of the Ministry of Education, Science and Technological Development, the slow pace of adaptation to new data requirements (given the complexity of the education system, new data are slowly generated) and different timing of data collection (i.e. labour market information/labour force survey; data coming from administrative databases, especially on education);
- one crucial pre-condition for a functioning monitoring system is close and regular coordination and communication between all institutions involved in collecting data or statistical work.

In response to the NTT priorities for further work, ETF supported Serbia’s National Technical Team through follow-up activities, including a technical meeting, held back to back with the RIA workshop on 30 January 2014. A thorough data availability for all national indicators reflected in the roadmap and further identification of comparability problems for the common indicators were carried out. The results of these activities are reflected in the following table (list of country-specific and common indicators) and Annex 5 (monitoring graphs).

Table 8: Serbia list of indicators for skills generation monitoring (country specific and common indicators)

National Priorities (Vision for Skills 2020)	Indicator	Unit	Definition	Source	Data release	LAY
Policy Area 1: Improving education and training system						
P1. Making education more responsive to labour market needs	K Tertiary education attainment	%	Proportion of population aged 30-34 years having successfully completed university or university-like education (ISCED 5 or 6)	Eurostat	Yearly	2012
	K Highly qualified people	000	Highly qualified persons (Second stage of Tertiary education, bachelors, masters or doctors' degree) in the working age population (active+inactive), 15+ (000)	LFS	Yearly	2013
	K Achievement in Basic Skills	%	The share of 15-years-olds failing to reach Level 2 in reading, mathematics and science as measured by OECD's PISA	OECD - A	Every 3 years	2012
P2. Facilitating the transition to the labour market	K Early leavers from education and training	%	Proportion of the population aged 18-24 years with at most lower secondary education and who are not in further education or training	LFS	Yearly	2012
P1. Making education more responsive to labour market needs	Expenditure on education	%	Public expenditure on education as a percentage of GDP	Eurostat	Yearly	2011
	Computer skills	%	Percentage of pupils in 4th grade using computers at school (DEF 3)	TIMMS& PIRLS 2011	Every 5 years	2011
	Computer literacy	%	Share of computer literate persons, 15+ (DEF 6)	Census	Every 10 years	2011
P2. Facilitating the transition to the labour market	Participation in VET	%	Number of students in VET as a percentage of total enrolment in Upper Secondary education (ISCED 3)	SORS	Yearly	2012
	VET completion	%	Percentage of students having successfully completed a VET programme	SORS	Yearly	2012
	Drop-out rate in Upper Secondary education	%	Proportion of pupils from a cohort enrolled in a given level in a given school year who are no longer enrolled in the following school year.	SORS	Yearly	2012
	Roma population with Lower Secondary education	%	Roma population with Lower Secondary education as a share of total Roma population	Census	Every 10 years	2011
	Adult literacy rate	%	Proportion of and adult (10+) population able to read and write a simple text in the national language	Census	Every 10 years	2011

	Roma literacy rate	%		Census	Every 10 years	2011
Policy Area 2: Improving skills supply and productivity, lifelong learning						
P1. Making education more responsive to labour market needs	K. Participation in Lifelong Learning	%	The share of the population aged 25-64 who stated that they received formal or non-formal education or training in the four weeks preceding the survey.	Eurosta	Yearly	2012
P2. Facilitating the transition to the labour market	Expenditure on training	%	Expenditure on Training (2), as share of total ALMPs expenditure (2-7)	NES	Yearly	2012
	Participation in ALMPs	%	Number of registered unemployed participating in ALMPs (2-7), as share of total registered unemployed	NES	Yearly	2012
	Participation in training	%	Number of registered unemployed participating in Training (2), as share of total registered unemployed	NES	Yearly	2012
P3. Extending entrepreneurial learning	Training needs analysis		OECD – Small Business Act assessment methodology	OECD	Every 3 years	2012
	University-enterprise co-operation			OECD	Every 3 years	2012
	Training for women's entrepreneurship			OECD	Every 3 years	2012
	Access to training			OECD	Every 3 years	2012
	Participation in entrepreneurship training	%	Number of registered unemployed participating in "entrepreneurship development and employment programmes", as a share of total registered unemployed	NES	Yearly	2012
Policy Area 3: Increase Labour Market Participation						
P2. Facilitating the transition to the labour market	K. Employment rate (20-64)	%	Ratio between the employed aged 20-64, and the population aged 20-64	LFS	Yearly	2013
	K. Overall employment rate, % of the 15+ population	%	Ratio between the employed aged 15+, and the population aged 15+	LFS	Yearly	2013
	Active Labour Market Policies (ALMPs) Expenditure	%	Expenditure on ALMPs (2-7), as share of GDP	NES	Yearly	2012

	Share of hard-to-employ and vulnerable categories participating in ALMPs	%	Hard-to-employ groups that will have a priority in participating in the ALMPs are, on the annual level, defined through National Employment Action Plan, on the basis of the LM situation and changes in the LM indicators.	NES	Yearly	2012
	Registered unemployed received through CGC measures	%	Career guidance and counseling services are services in the area of vocational guidance and career planning counseling, as well as active job search trainings/measures (active job search training ATP1, job clubs, training of self-efficiency ATP2, employment fairs).	NES	Yearly	2012
	NEETs rate (15-24)	%	Percentage of the population of a given age group and sex that is not employed and not involved in further education and training (15-24)	LFS	Yearly	2012
	Unemployment rate 20-64	%	The ratio between the unemployed (20-64), and the Active population (employed+unemployed) (20-64)	LFS	Yearly	2013

ANNEXES

Annex 1: FRAME Participants

Foresight Workshop Participants	
The organisations that were consulted and those participating in one or more of the workshops are as follows	
Institutions	Nominated persons
SEIO	StefanaLilic, Head of Group for Planning and Programming of EU Funds and Development Assistance in the Area of Competitiveness and Human Resources
Ministry of Labour, Employment and Social Policy	LjiljanaDzuver, Deputy minister for Employment LjiljanaLutovac, Head of Department in NES BojanaVujošević, Councillor
Ministry of Education, Science and Technological Development	MuhedinFijuljanin State Secretary Dr Zoran Masic, State secretary Dr Zoran Kostic, Deputy Minister for secondary education and school authorities MarijaKrnet, Councillor BranislavaJuzbašić, Councillor Dragan Marincic, Head of Department for secondary education
Ministry of Finance and Economy	Nina Samardzic, Deputy Minister Aleksandra Vucetic, Councillor
Ministry of Youth and Sport	DjuroBlanusa, Advisor
Ministry of Regional Development and Local Self Governance	Ms JelenaSpasic, Assistant Minister
National Employment Service	Dragan Djukic, Councillor
VET Council	Dragicalvanovic, Head of Active Employment Policy Unit of the Department for Employment, Ministry of Labour, Employment, Veterans and Social Affairs
National Education Council	MladenLazic , member of the Council
Higher Education Council	SrdjanStankovic, President
Republican Chamber of Commerce	Kristina Djuric , Director (left Chamber of Commerce) MirjanaBjelobaba, Councillor
State Statistical Office	
Union of Employers /Employers Association	LjiljanaPavlovic, Secretary
CATUS Trade Union	Zoran Mihajlovic, Secretary
Social Inclusion and Poverty Reduction Unit	Ms Aleksandra Tomanic , Coordinator Mr. Ivan Sekulovic , Coordinator
Institute for Improvement of Education Institute for Quality Assessment of Education	MjrjanaBojanic, Head of Department GordanaCapric, Deputy Director

Centre for Educational Policy	JasminkaMarkovic, Director Ivana Zivadinovic, researcher
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RIA List of interviewed organisations

Group	Institutions	Questionnaires	Interviews
Institutions in charge of policy making	Ministry of Education, Science and Technological Development	5	4
	Council for VET and Adult Education	2	1
	National Educational Council	1	
	National Council for Higher Education	1	1
	Ministry of Youth and Sports	2	1
	Ministry of Labour, Employment, Veterans and Social Policy	1	
	Ministry of Economy	1	
	National Socio Economic Council	1	
	Province Secretariat for Education, Governance and National Minorities	1	1
	Province Secretariat for Culture and Public Information	1	
	Province Secretariat for Science and Technological Development	1	
	Province Secretariat for Employment and Gender issues	1	
	Province Secretariat for Finance	1	
	Province Secretariat for Youth and Sport	1	
Institutions engaged in policy delivery	Mechanical Engineering Educational Centre "RadojeDakić", Beograd	1	1
	VET school for pharmacy, Beograd	1	1
	Technical school, Požega	1	1
	Agriculture school, Požarevac	1	1
	9th Belgrade Gymnasium	1	
	Regional training Centre for Adult Education, Novi Beograd	1	
	Adult education school "ĐuroSalaj"	1	
	University of Belgrade	1	1
	University of Singidunum	1	1
	Visokaškola elektrotehnike i računarstva strukovnih studija	1	
	Institute for Development of Education	1	1
	National Employment Service	1	1
	Institute for Quality Assurance and Evaluation in Education	1	
Stakeholder institutions involved in policy cycle	Regional Chamber of Commerce	1	1
	Independent Teachers' Trade Union	1	
	Trade Union of Education, Science and Culture of Vojvodina	1	1
	Union of Employers	1	
	Belgrade Open School	1	1
	Serbian European Integration Office	1	1

	National Employment Service	1	1
Institutions leading budget planning and monitoring, namely MTEF	Ministry of Finance	0 ¹³	
	Ministry of Education, Science and Technological Development	1	
	Ministry of Youth and Sports	1	1
	Ministry of Labour, Employment, Veterans and Social Policy	1	1
TOTAL		43	23

¹³It was planned to have at least 2 respondents from the MoF, but answers from this ministry are not received.

Annex 2: Foresight and RIA Workshop Agendas

Foresight workshop n. 1

Friday 12 April 2013	
11:00 – 11:30	Registration, coffee and light lunch (immediately following SEIO SWG for social development meeting)
11:30 – 11:45	Welcome <i>Martin Kern, Head of Operations, EU Delegation to Serbia (TBC)</i> Introduction and presentation of the seminar <i>Shawn Mendes, ETF</i>
11:45 – 12:00	The FRAME project and its four components <i>Francesca Rosso, ETF</i>
12:00 – 12:30	Introduction to Foresight, what is it and how can it be used to address skills development? <i>Susanne Nielsen, International Expert</i>
12:30 - 13:00	Overview of existing skills challenges and strategies: the strategic panorama and analysis principles <i>IskraMaksimovic, Local Expert</i>
13:00 – 13:45	Joint discussion on issues and challenges for HRD <i>Facilitated by the ETF and IskraMaksimovic</i>
13:45– 14:00	Conclusions and next steps <i>ETF and Susanne Nielsen, International Expert</i>

Foresight workshop n. 2

Wednesday, 22 May 2013	
13:45 – 14:00	Registration, coffee and snacks
14:00 – 14:20	Welcome Presentation of the agenda and expected output Short sum up of previous Foresight workshop <i>Ljiljana Dzuver, Assistant Minister, Ministry of Labour, Employment and Social Policy</i> <i>Ulrike Damyanovic and Shawn Mendes, ETF</i>
14:20 – 14:40	Global, European and regional skills trends – a brief overview <ul style="list-style-type: none"> • Global trends and drivers • EU skills perspective and 2020 priorities • South East Europe 2020 priorities <i>Francesca Rosso, ETF</i>
14:40 – 15:10	Serbia: strategic focus for growth and development <ul style="list-style-type: none"> • Strategic sectors for economic development • Global trends and drivers influencing national strategic objectives <i>Nina Samardžić, Assistant Minister, Ministry of Finance and Economy</i>
15:10 – 15:30	The enhanced dialogue on employment and social policy, and the Partnership for Employment and Social inclusion <i>Frédérique Rychener, European Commission, Directorate-General for Employment, Social Affairs and Inclusion</i>
15:30 – 16:00	<i>Coffee break</i>
16:00 – 16:30	Towards a common skills understanding <i>Susanne Nielsen, International Expert</i>
16:30 – 16:45	Wrap up and conclusions from day 1
Thursday, 23 May 2013	
09:00 – 09:15	Registration and coffee
09:15 – 09:30	Priorities in National Assessment Document <ul style="list-style-type: none"> • NAD priorities and measures in relation to skills <i>Stefana Lilic, SEIO</i>
09:30- 10:00	Innovation and foresight <ul style="list-style-type: none"> • The role of foresight in fostering innovation in public policy making <i>Jennifer Harper, International Expert</i>
10:00 – 11:00	Which trends and drivers are relevant for Serbia? Work in 2 parallel breakout groups
11:00 – 11:30	Coffee break
11:30 – 12:15	Report from breakout groups and discussion

12:15 – 12:30	<p>Visioning and Shaping the future: Which skills should Serbia develop towards 2020?</p> <ul style="list-style-type: none"> • Presentation of exercise process (success scenario building) <p><i>Susanne Nielsen, International Expert</i></p>
12:30 – 13:30	Lunch break
13:30 – 15:00	<p>Visioning and Shaping the future: Which skills should Serbia develop towards 2020? (cont.)</p> <ul style="list-style-type: none"> • Group work <p><i>Facilitated by ETF team</i></p>
15:00 – 15:30	Coffee break
15:30 – 16:30	Report from breakout groups and discussion
16:30 – 17:00	<p>Closing of the meeting</p> <ul style="list-style-type: none"> • Outlook and programme for the 3rd and final Foresight Workshop • Agreements of activities until next workshop • Closure <p><i>Shawn Mendes, ETF and Stefana Lilic, SEIO</i></p>

Foresight workshop n. 3

Tuesday, 11 June 2013	
9:00 – 9:15	Registration of Participants
9:15 – 9:40	Welcome address: Ljiljana Džuver, Assistant Minister, Ministry of Labour, Employment and Social Policy Quick summary from workshop 2, introduction to the workshop agenda and objectives <i>Shawn Mendes, ETF</i>
9:40 – 9:45	Group photo
9:45 – 11:00	Breakfast panel discussion: “Towards an enabling environment for skills development” Representatives from: Company representative Small Entrepreneur Rector of University Youth Organisation Representative Civil Society Organisation Representative Moderated by <i>Shawn Mendes, ETF</i>
11.00 – 11:15	<i>Coffee break</i>
11:15 – 11:45	The process towards the Roadmap Introducing the steps in developing the roadmap Reference to issues identified in Workshops 1 and 2 <i>Susanne Nielsen</i>
11:45 – 12:45	Step 1: Descriptors of the vision statement <i>Discussion in plenary lead by Jennifer Harper</i>
12:45 – 13:45	<i>Lunch</i>
13:45 – 15:00	Step 2: From descriptors to framework conditions and priority-setting <i>Roundtable</i>
15:00 – 15:15	<i>Coffee break</i>
15:15 – 16:45	Step 3: From priorities to actions Breakout groups will discuss and identify for each of the prioritised framework conditions: Main objective, results and activities towards 2020 Main actors and their responsibilities Milestones and indicators <i>Group work lead by ETF experts</i>
16:45 – 17:00	Wrap up and conclusions of day 1
Wednesday 12 June 2013	
9:15 – 9:30	Introduction to the day <i>Shawn Mendes, ETF</i>
09:30 – 10:40	Report from break out groups and discussion

	<i>Rapporteurs from the 2 break out groups</i>
10:40 – 11:00	Introduction to FRAME component 2: Review of institutional arrangements and linkage to the Roadmap <i>Francesca Rosso, Etf</i>
11:00 – 11:15	<i>Coffee break</i>
11:15 – 13:00	Step 4: Getting the actions on paper – Drafting session Drafting session(Group members work on computers and use template) Group work lead by ETF experts
13:00 – 14:00	Lunch
14:00 – 15:15	Step 4: Getting the actions on paper – continued
15:15 - 16:00	Final version of vision, priorities and roadmap Feedback from stakeholders, how the vision, priorities and roadmap should be formally adopted, implemented and sustained. <i>Led by Shawn Mendes, ETF</i>
16:00 – 16:30	Closure of the meeting <i>Shawn Mendes</i>

RIA Workshop

FRAME Review of Institutional Arrangements

Belgrade, Hotel Metropole, 29 January 2014

9:00 – 9:30	Registration
<p>Chairperson: Shawn Mendes, ETF Serbia Country Manager</p>	
9:30 - 10:15	<p><u>Opening of workshop</u> Welcome – <i>Ljiljana Dzuver, Ministry of Labour, Employment and Social Policy</i> ETF FRAME project, RIA Workshop: purpose and expected results – <i>Francesca Rosso, ETF</i></p> <p>Presentation of “Serbia Skills Vision 2020” – <i>Susanne Møller Nielsen, International Expert</i></p>
10:15 – 11:00	<p><u>Results of RIA</u> Presentation of RIA: approach, results and recommendations – <i>Jasminka Markovic, and Iskra Maksimovic, National Experts</i></p> <p>MTEF – what and why ? <i>Nazy Sedaghat, International Expert</i></p>
11:00 – 11:30	<p><u>Feedback session</u> Discussion of RIA results – <i>Plenum discussion chaired by Shawn Mendes</i></p>
11:30 – 11:45	Coffee break
11:45 – 12:00	<p><u>Group work on capacity development actions</u> Introduction to group work Group division – focus and tasks Template <i>Susanne Møller Nielsen, International Expert</i></p>
12:00 – 13:00	<p>Group work on capacity development plan and linkage to Skills Vision 2020 Priority setting Elaboration of specific measures</p>
13:00 – 13:45	Lunch
13:45 – 15:15	<p><u>Continued group work</u> Group work on capacity development plan and linkage to Skills Vision 2020</p>
15:15 – 15:30	Coffee break
15:30 – 16:30	<p><u>Presentations from groups</u> <i>Selected Group Rapporteurs</i> <u>Joint discussion and agreement of shared capacity development plan</u> <i>Plenum discussion chaired by Shawn Mendes</i></p>
16:30 – 17:00	<p><u>Closure of workshop</u> Conclusions and agreement of next steps for finalisation of RIA <i>Ljiljana Dzuver, Ministry of Labour, Employment and Social Policy</i> <i>Shawn Mendes, ETF</i></p>

Annex 3: HRD Governance Matrix

The roles that institutions and/or actors may be included in the HRD policy cycle

- (i) Initiator.
- (sta) Strategic actor.
- (d) Decision maker or co-decision maker.
- (ms) Manages administration of systems.
- (c) Consultative role/ consultee/Advisor.
- (a) Acts on instructions/implements decisions.
- (e) Evaluator or assessor.
- (f) Funder or co-founder.
- (sp) Officially recognised social partner.
- (p) Partner (others) is generic, but may be useful (please specify type of partnership/role).

		Legal basis yes/no	Governance level (please adapt)			
			National	Intermediate (regional/local etc.)	Sectoral	Providers
Policy functions	VISION BUILDING/ AGENDA SETTING	YES	Ministry of education, science and technological development (Policy making) D	Province Secretariat for Science and Technological Development (Policy making and delivery) D	Ministry of Youth and sports (Policy making) C	Local NES offices A NES D.A. I, C Schools A Secondary schools A HE institutions A VET schools A Adult education institutions A NGO's (e.g. Belgrade Open Schools, BFPE, different NGO'S in the area of TT) A, I Agencies for employment A Different kind of centres in LLL A Employers A,I, D Union of Employers A, D I
			Ministry of labour, employment, veterans and social affairs, (Policy making) D	Province Secretariat for culture and public information (Policy making and delivery) D	National Employment Service (Stakeholder) D,C	
			Ministry of Economy, (Policy making) D	Province Secretariat for Education, Governance and National Minorities (Policy making and delivery) D	Republican Chamber of Commerce (Stakeholder) C,I,P	
			Council for VET and Adult Education (Policy making) I, C,D		Union of Employers I,C, P Trade Unions (Social partner) I,C, P	

		<p>National Educational Council (Policy making) C,D</p> <p>National Council for Higher Education (Policy making) C,D</p> <p>National Socio Economic Council (Policy making) D,C</p>	<p>Province Secretariat for Employment and Gender issues (Policy making and delivery) D</p> <p>Province Secretariat for Finance (Policy making and delivery) D</p> <p>Province Secretariat for Youth and Sport (Policy making and delivery) D</p> <p>Regional Chamber of Commerce (Stakeholder) I,P</p> <p>Province Social/Economic council (Social partner) C, P</p>	<p>Trade Unions of Teachers (Social partner) I,C, P</p> <p>Universities (Provider) D, I, A</p> <p>Association of professional HE institutions (Delivery)C,D</p> <p>SIPRU (Consultation) C</p> <p>SIEPA (Delivery)I,C</p>	
STRATEGY DEVELOPMENT	YES	<p>Ministry of education, science and technological development (Policy making and delivery) D,I</p> <p>Ministry of labour, employment, veterans and social affairs, (Policy making) D,I</p> <p>Ministry of Economy, (Policy making) D, I</p> <p>Council for VET and Adult Education (Policy making) I, C,D</p> <p>National Educational Council (Policy making) I, C,D</p> <p>National Council for Higher Education (Policy making) I, C,D</p>	<p>Province Secretariat for Science and Technological Development (Policy making and delivery) C</p> <p>Province Secretariat for culture and public information (Policy making and delivery) C</p> <p>Province Secretariat for Education, Governance and National Minorities (Policy making and delivery) C</p> <p>Province Secretariat for Employment and Gender issues (Policy making and delivery) C</p> <p>Province Secretariat for Finance</p>	<p>Ministry of Youth and sports (Policy making) C</p> <p>Ministry of Finance (Policy Making and delivery) D</p> <p>National Employment Service (Stakeholder) D,C</p> <p>Republican Chamber of Commerce (Stakeholder) C,I,P</p> <p>Union of Employers I,C, P</p> <p>Trade Unions (Social partner) I,C, P</p> <p>Trade Unions of Teachers (Social partner) I,C, P</p> <p>Institute for Development of Education (Policy delivery) , C, P</p> <p>Institute for Quality Assurance (Policy Delivery) C, P</p> <p>Donors C, P</p>	<p>Local NES offices A</p> <p>NES A</p> <p>Schools A</p> <p>Secondary schools A</p> <p>HE institutions A</p> <p>VET schools A</p> <p>Adult education institutions A</p> <p>NGO's (e.g. Belgrade Open Schools, BFPE, different NGO'S in the area of TT) A, I</p> <p>Agencies for employment A</p> <p>Different kind of centres in LLL A</p> <p>Employers A, I</p> <p>UoE C, I, P, A</p> <p>Associations of VET Schools A</p>

			(Policy making and delivery) C Province Secretariat for Youth and Sport (Policy making and delivery) C		
DEMAND SIDE ANALYSIS	YES/NO	National Employment Service (Stakeholders and Policy delivery)D, A Republican Statistical Office(Stakeholder) C Republican Chamber of Commerce (Stakeholder) C,I,P Union of Employers D Sectorial councils, D Employers and companies (HRD sectors) D	Regional Chamber of Commerce C, I Local NES offices A	Ministry of Finance (Policy Making and delivery) D Trade Unions (Social partner) I,C, P Trade Unions of Teachers (Social partner) I,C, P Institutes (Institute of Economy) C SIEPA C Local councils for employment C, D NGO's C	Local NES A Employers A, D Companies A,D NES A, D
SUPPLY SIDE ANALYSIS	YES	Ministry of education, science and technological development (Policy making) D Ministry of labour, employment, veterans and social affairs, (Policy making) D Council for VET and Adult Education (Policy making) I, C,D National Educational Council (Policy making) C,D National Council for Higher Education (Policy	Province Secretariat for Science and Technological Development (Policy making and delivery) D Province Secretariat for Education, Governance and National Minorities (Policy making and delivery) D	Ministry of Youth and sports (Policy making) D Ministry of economy (Policy making) D Ministry of Finance (Policy Making and delivery) D Trade Unions (Social partner) I,C, P Trade Unions of Teachers (Social partner) I,C, P	Schools A Secondary schools A HE institutions A VET schools A Adult education institutions A NGO's (e.g. Belgrade Open Schools, BFPE, different NGO'S in the area of TT) A Non-formal education/LLL A

		making) C,D			
NEEDS FORECASTING	YES/NO	<p>Ministry of education, science and technological development (Policy making) D</p> <p>Ministry of labour, employment, veterans and social affairs, (Policy making) D</p> <p>National Employment Service (Policy delivering)D Republican Statistical Office C Republican Chamber of Commerce (Stakeholders)D, C Employers D Companies D Sectoral councils C, D Council for VET and Adult Education (Policy making) I, C,D</p> <p>National Council for Higher Education (Policy making) I, C,D</p>	<p>Regional Chamber of Commerce (Stakeholders)D, C, I, D</p> <p>Province Secretariat for Employment and Gender issues (Policy making and delivery) D,C,</p>	<p>Ministry of economy (Policy making) D Ministry of Finance (Policy Making and delivery) D Local NES A Local Councils for employment C, A Union of employers (Social partner)E C</p>	<p>NES A Companies A</p>
QUALITY ASSURANCE AND MONITORING	NO	<p>Ministry of education, science and technological development (Policy making) D</p> <p>Ministry of labour,</p>	<p>Province Secretariat for Education, Governance and National Minorities (Policy making and delivery) D,C,</p>	<p>Institute for QA A, C Institute for development of education C</p>	<p>Institute for QA A Donors C MF D</p>

		<p>employment, veterans and social affairs, (Policy making) D</p> <p>Ministry of finance, (Policy making) D</p> <p>Council for VET and Adult Education (Policy making) I, C,D</p> <p>National Educational Council (Policy making) C,D</p> <p>National Council for Higher Education (Policy making) C,D</p>			
FINANCE	YES	<p>Ministry of education, science and technological development (Policy making) C, D</p> <p>Ministry of labour, employment, veterans and social affairs, (Policy making) C, D</p> <p>Ministry of finance, (Policy making) C, D</p> <p>Ministry of Youth and sports (Policy making) D</p> <p>Ministry of economy (Policy making) D</p> <p>Private funds/companies D</p> <p>Donors D</p>			Official finance mechanisms

	EVALUATION	NO	<p>Ministry of education, science and technological development (Policy making) C, D</p> <p>Ministry of labour, employment, veterans and social affairs, (Policy making) C, D</p> <p>Ministry of finance, (Policy making) C, D</p> <p>Ministry of Youth and sports (Policy making) D Ministry of economy (Policy making) D Council for VET and Adult Education (Policy making) I, C,D</p> <p>National Educational Council (Policy making) C,D</p> <p>National Council for Higher Education (Policy making) C,D Private funds/companies D Donors C</p>			<p>Ministry of Finance A Ministry of education, science and technological development (Policy making) A</p> <p>Ministry of labour, employment, veterans and social affairs, (Policy making) A School authorities A</p>
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Annex 4: Scoring summaries

Principle	Indicators	Scoring			
Relevance Represents the ability of HRD policies to meet social and economic context demands, as well as country's own economic and social objectives	Institutional arrangements support the economic role of HRD, e.g. by anticipating/matching skills needs and linking this to the overall economic development vision of the country	1	2	3	4
	Institutional arrangements support the social role of HRD, e.g. by opening up access to learning and contributing to the social cohesion and inclusion.	1	2	3	4
	Institutional arrangements respond to learner needs, e.g. by introducing more flexibility in access to education and training, linking formal/ informal sectors, developing more outcomes-based approaches.	1	2	3	4
	Institutional arrangements respond to labour market needs, e.g. by introducing more coherence vis-à-vis the labour market needs, linking formal/ informal training and recognition, and a more direct contribution of labour market actors to training.	1	2	3	4
	Institutional arrangements support improving the professional standards and professional development of HRD actors across settings.	1	2	3	4
	Overall the national institutional arrangements support relevance of HRD	1	2	3	4
Sustainability Represents the ability of HRD policies to ensure relevance both in the present and in the future, by providing equal opportunities for today's and tomorrow's citizens, including access, availability of resources, and opportunities striving for efficiency and effectiveness.	Institutional arrangements mobilise smart, efficient financing and funding mechanisms in HRD	1	2	3	4
	Institutional arrangements allow for resilience in times of crisis ensuring effective management of resources against the HRD goals	1	2	3	4
	Institutional arrangements respond to multi-annual planning requirements so to foresight resource needs for present and future	1	2	3	4
	Goals are formulated in response to shared concerns and identified policy gaps, whilst taking into account feasibility of resources for implementation.	1	2	3	4

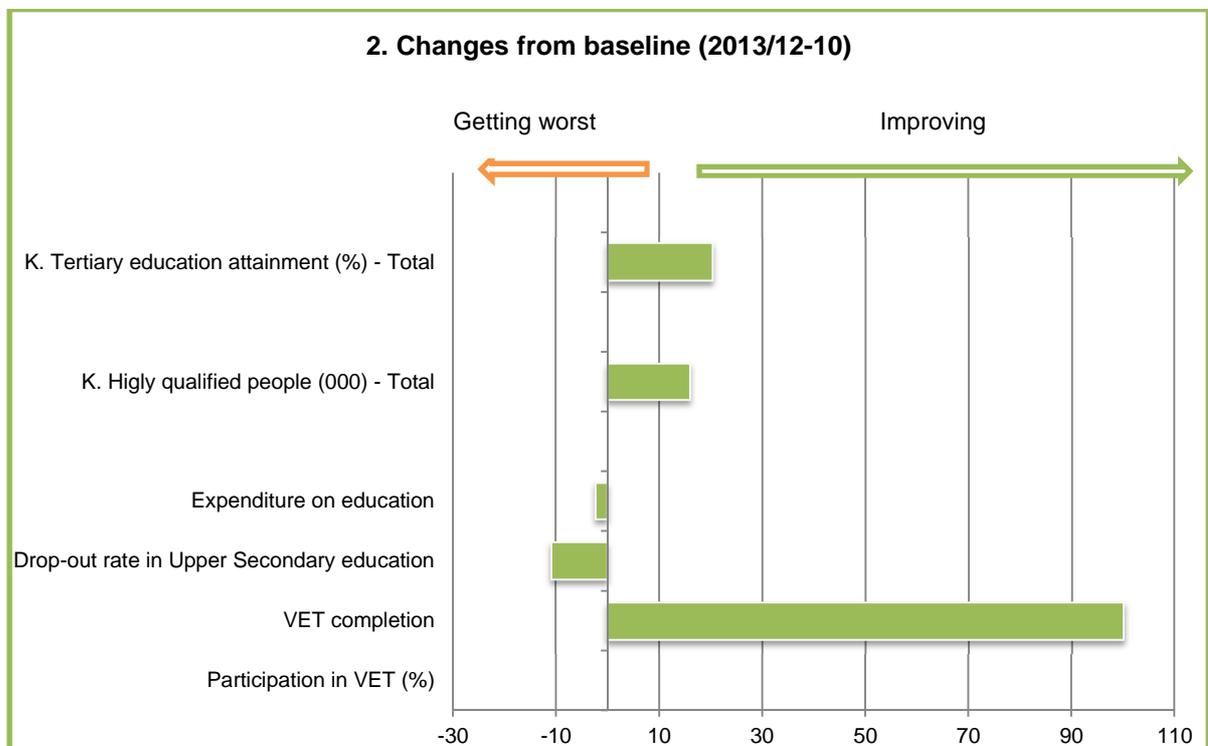
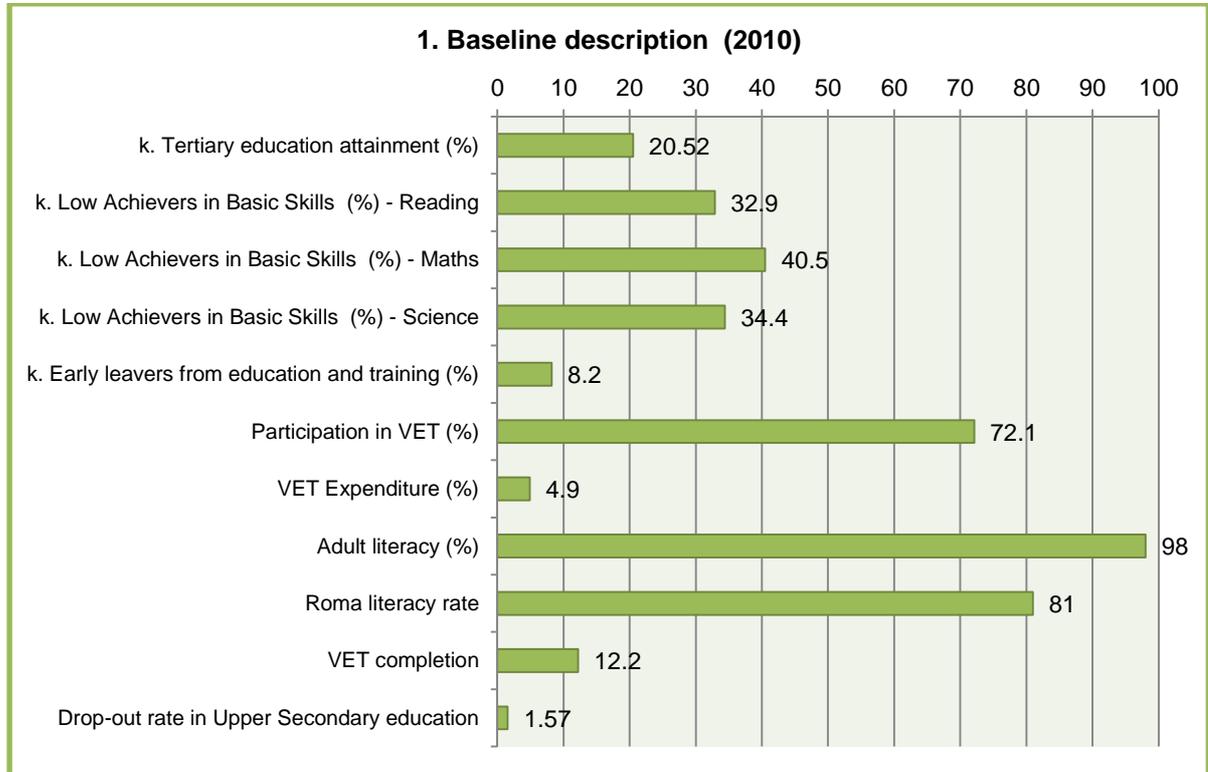
Principle	Indicators	Scoring			
	Overall the national institutional arrangements support sustainability of HRD	1	2	3	4
Innovation Represent the ability of HRD policies to account for planning ahead, meet the evolutionary nature of learning and competences' development	Institutional arrangements support the innovative role of HRD policies, e.g. by introducing and mainstreaming innovation in the policy areas	1	2	3	4
	Institutional arrangements are conducive to innovation oriented strategies	1	2	3	4
	Institutional arrangements support the contribution of research in HRD	1	2	3	4
	Overall the national institutional arrangements support innovation of HRD	1	2	3	4
Policy learning Represents the ability of the HRD system to learn from its own policies and practices as well as from international policies and practices. It represents the ability to engage in a continuous learning process cycle to reflect on impact of policies, allowing for continuous development	Institutional arrangements allow the HRD system to learn from policy implementation and evaluation	1	2	3	4
	Institutional arrangements allow the HRD system to learn from external policies and practices	1	2	3	4
	Institutional arrangements support the analysis of HRD sector performance	1	2	3	4
	Overall the national institutional arrangements lead to a sector learning and development process	1	2	3	4
Policy analysis Evidence based policy analysis Ownership Holist view Participation	The HRD system has in place a clear policy analysis process	1	2	3	4
	The HRD system strategies, priorities and policies are developed on evidence	1	2	3	4
	Evidence processes (creation, communication and use) are functionally distributed among actors in HRD	1	2	3	4
	Roles and functions in the HRD policy analysis are clear	1	2	3	4
	Institutional arrangements of HRD take into account the contribution to policy analysis of all HRD stakeholders	1	2	3	4

Principle	Indicators	Scoring			
	Institutional arrangements of HRD take into account the contribution to policy analysis based on context demands	1	2	3	4
	Institutional arrangements of HRD lead to a holistic analysis taking into account the complexity of the domain of the sector	1	2	3	4
	There is a sector approach to the HRD policy analysis	1	2	3	4
	HRD policy agenda setting and formulation are open processes that engage the identified stakeholders	1	2	3	4
	Policy dialogue is co-ordinated and supported by relevant documentation, reports, guidelines, etc.	1	2	3	4
	Management information systems (MIS) and other data meet the policy analysis requirements of HRD stakeholders	1	2	3	4
	Formal and informal mechanisms for sharing information operate, so that information is used regularly by HRD stakeholders.	1	2	3	4
	Decisions makers assess and respect the contributions and recommendations of the different HRD stakeholders.	1	2	3	4
	The appropriate range of stakeholders is engaged collaboratively throughout the HRD policy analysis.	1	2	3	4
	Different government agencies (i.e. ministries) and the different levels of government (i.e. national/regional/local) are engaged actively.	1	2	3	4
	Co-ordinated participation mechanisms (i.e. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points.	1	2	3	4
Policy making	Institutional arrangements support HRD objectives delivery, particularly at the provider level.	1	2	3	4
Cost-Effectiveness Policy cycle Management Communication - transparency	Institutional arrangements support the achievement of national development goals and a range of broader policies, at national, intermediate and provider level.	1	2	3	4

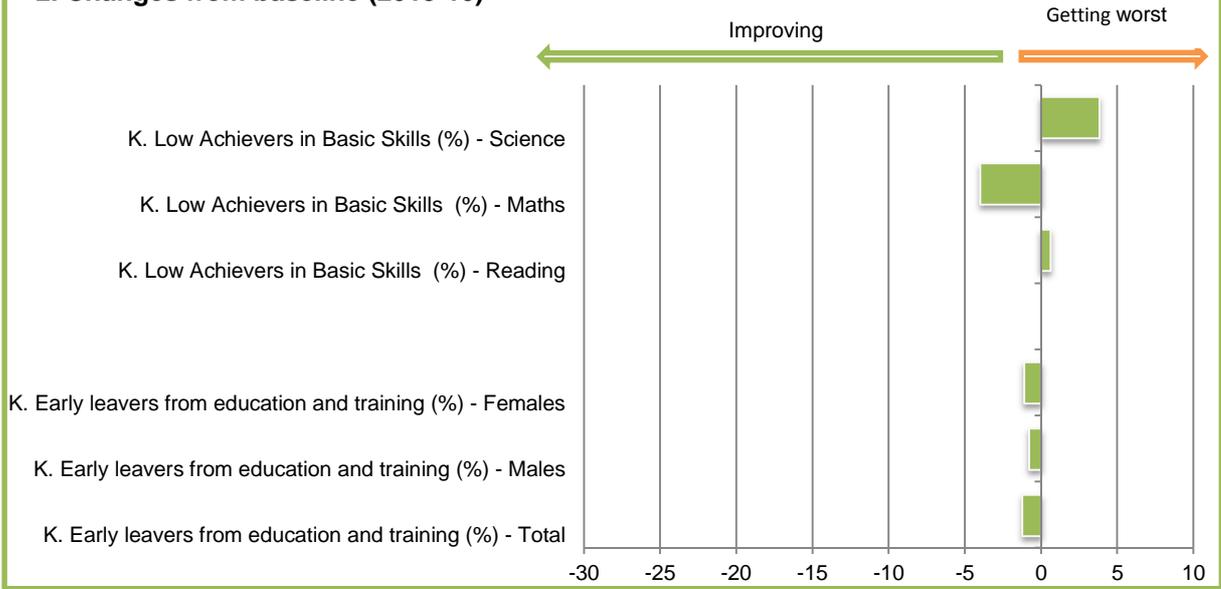
Principle	Indicators	Scoring			
Accountability Delivery	Quality assurance mechanisms operate or are developing, and these help to improve quality and apply fit-for-purpose standards.	1	2	3	4
	Decisions are taken at the most appropriate level and/or at the lowest level to optimise policy implementation.	1	2	3	4
	Roles and responsibilities of stakeholders do not conflict and do not leave gaps in the policy making process.	1	2	3	4
	Both hard regulation (laws, etc.) and soft regulation (recommendations, opinions, etc.) apply at each stage and level in the policy cycle.	1	2	3	4
	Governance practices comply with standards, regulations and procedures and are agreed by different stakeholders.	1	2	3	4
	Governance responsibilities, roles and functions are defined clearly and take into account the outcomes expected by users and stakeholders.	1	2	3	4
	The appropriate range of stakeholders is engaged collaboratively throughout the policy cycle	1	2	3	4
	Different government agencies (e.g. ministries) and the different levels of government (e.g. national/regional/local) are engaged actively.	1	2	3	4
	Co-ordinated participation mechanisms (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points.	1	2	3	4
	Delivery of policies is monitored and evaluated regularly	1	2	3	4
	Policy performance is evaluated against agreed indicators/standards/objectives/benchmark	1	2	3	4
	Policy performance is communicated to stakeholders regularly	1	2	3	4
	Quality improvement processes are in place and assured by the institutional arrangements	1	2	3	4

Annex 5. Monitoring graphs

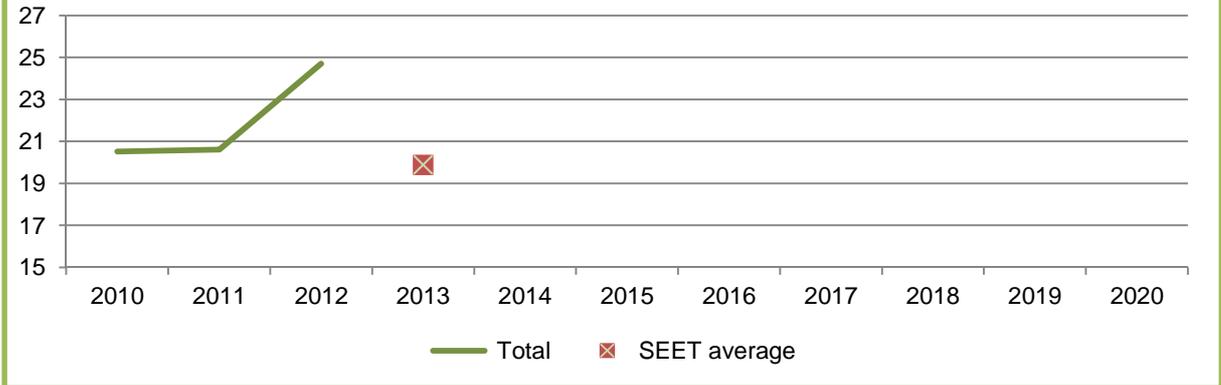
Policy Area 1: Improving education and training system (raising skills levels, acquisition of key competencies, prevent early school leaving, etc)



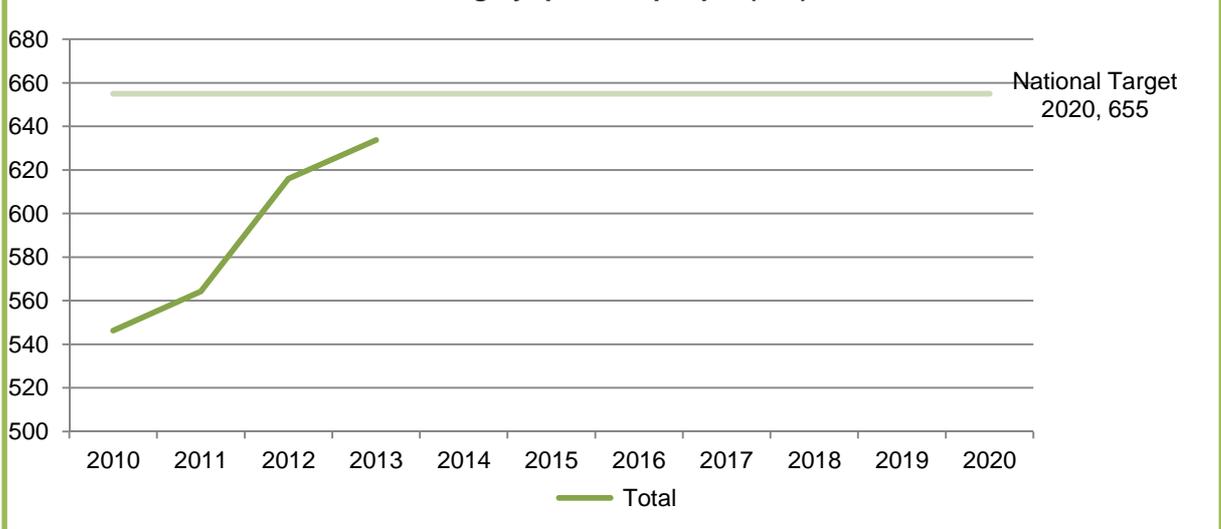
2. Changes from baseline (2013-10)

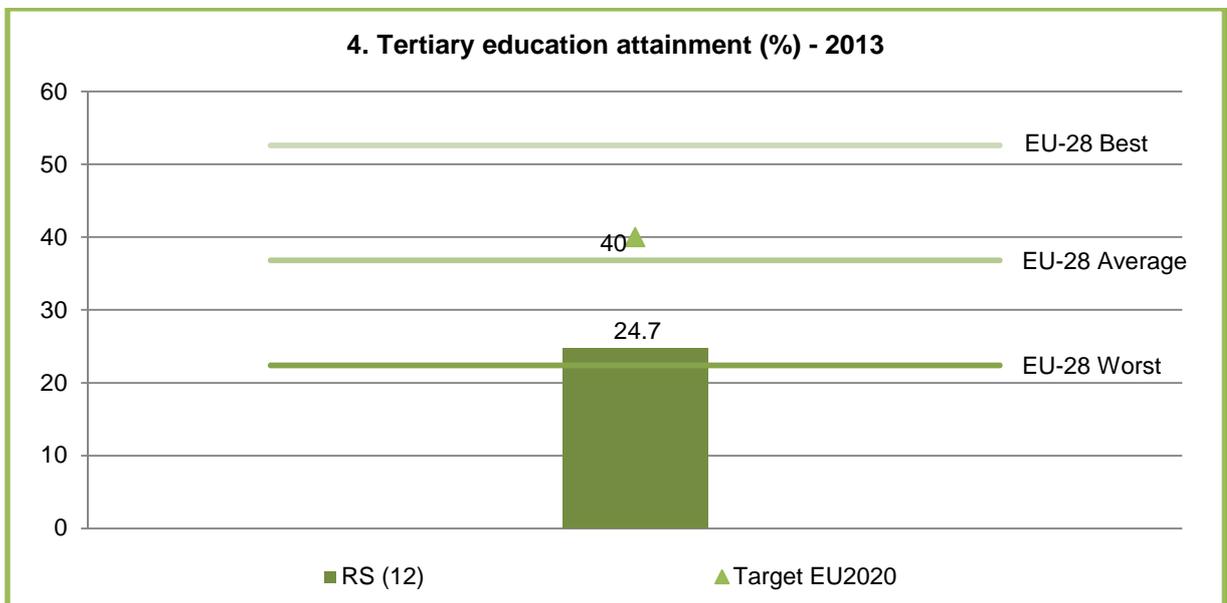
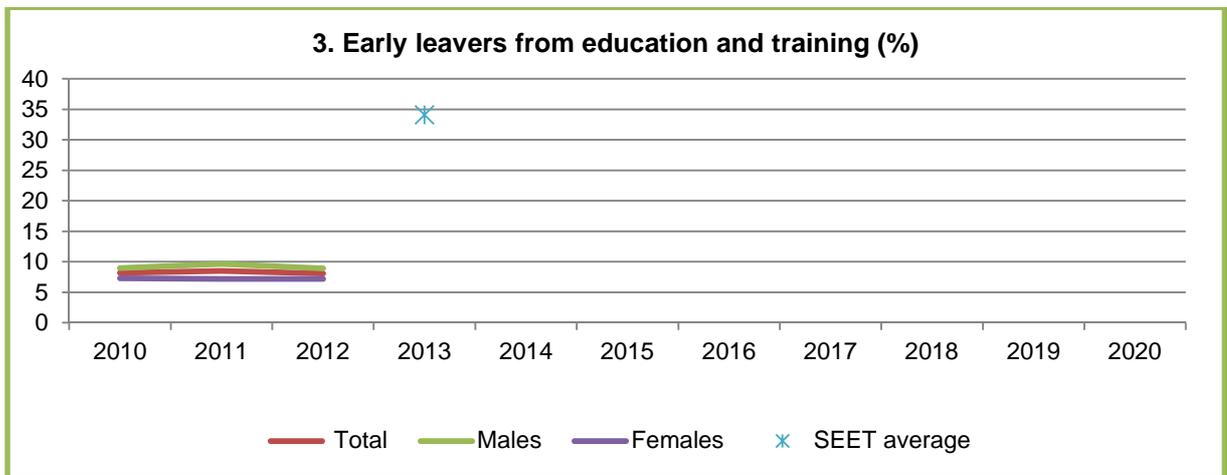
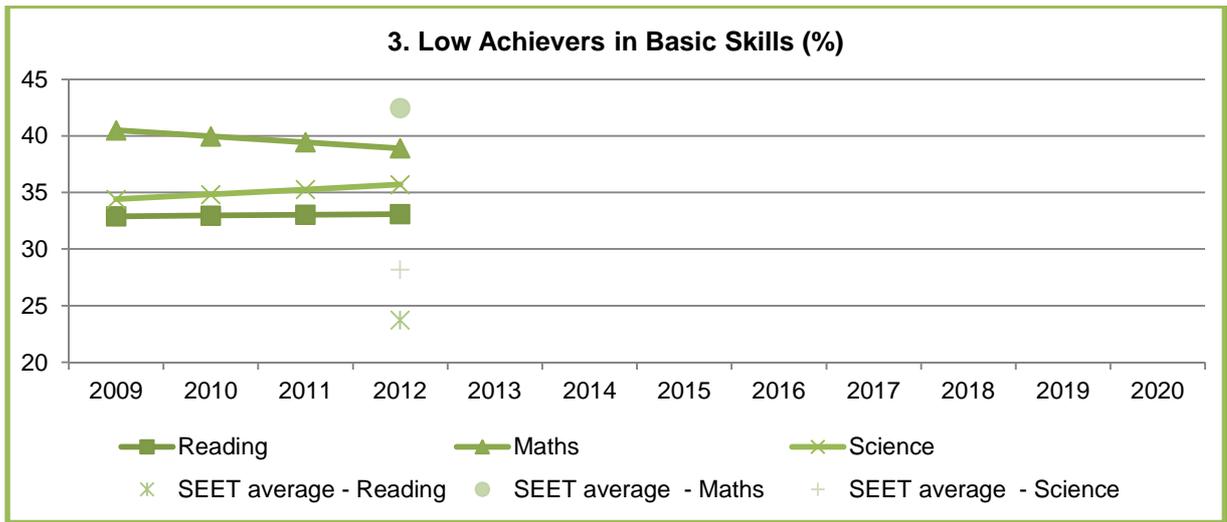


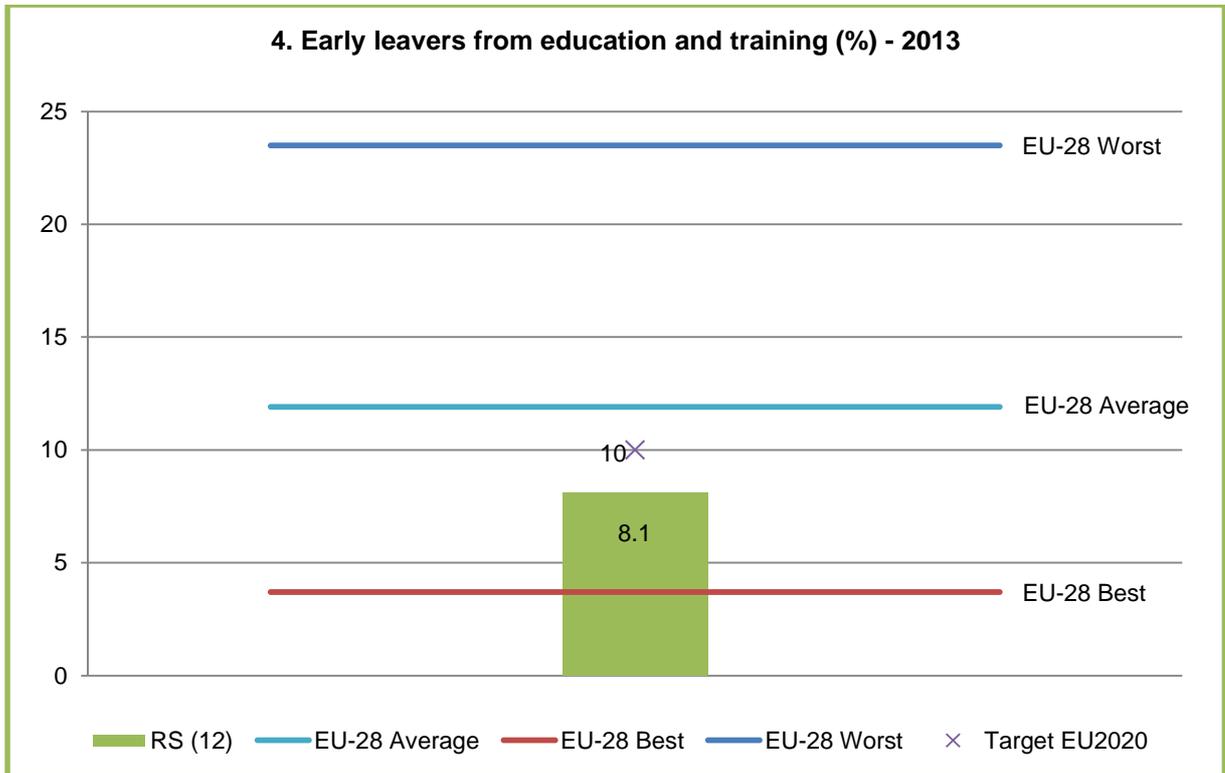
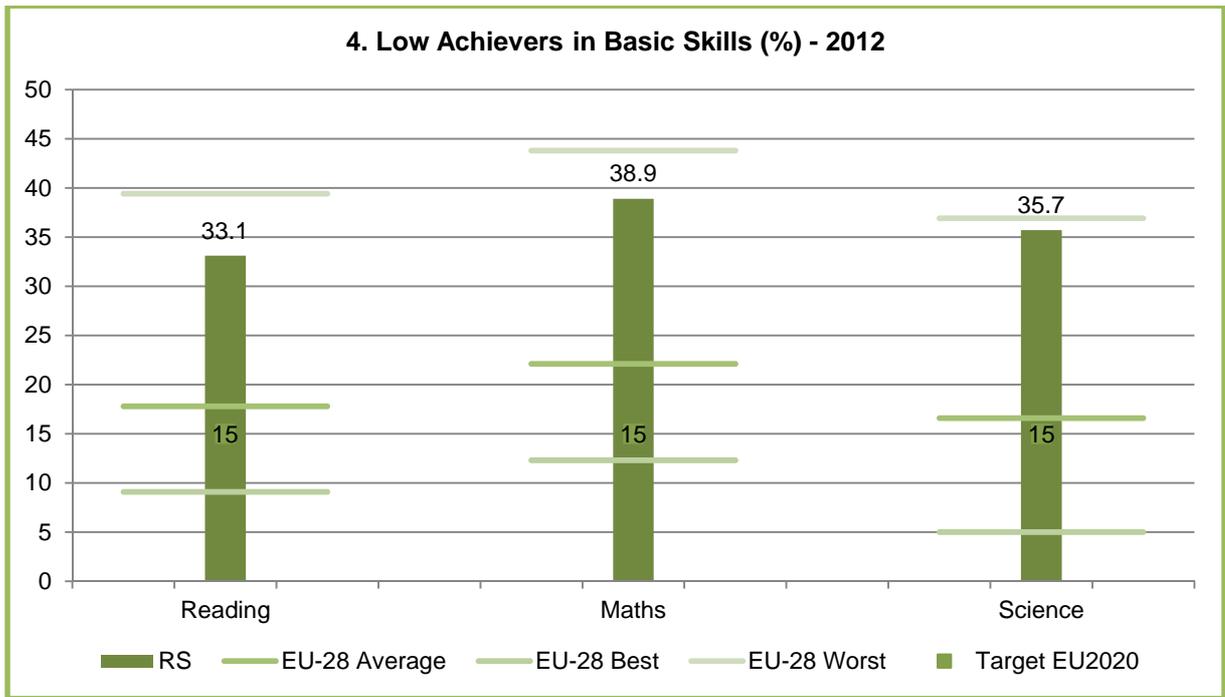
3. Tertiary Educational Attainment (%)



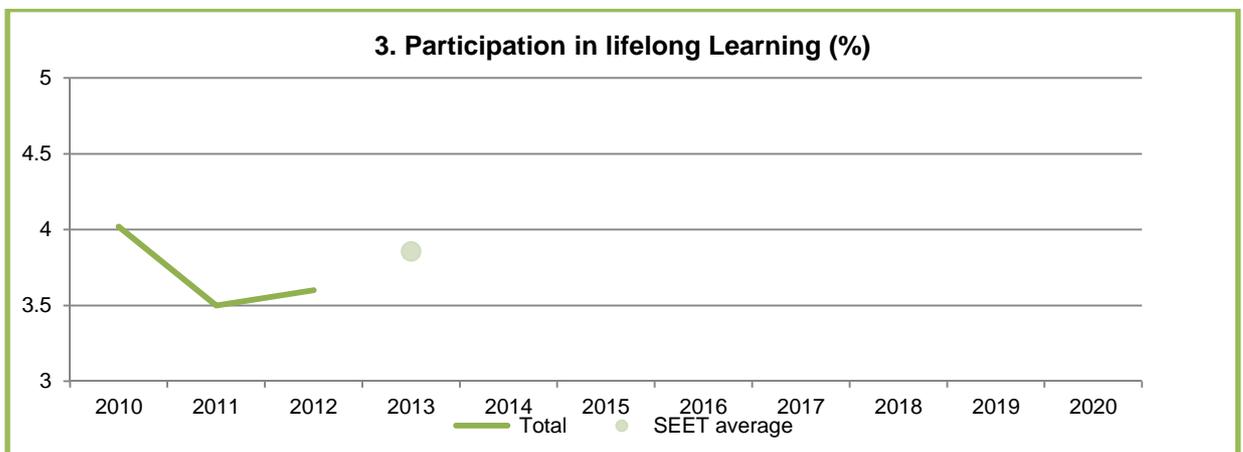
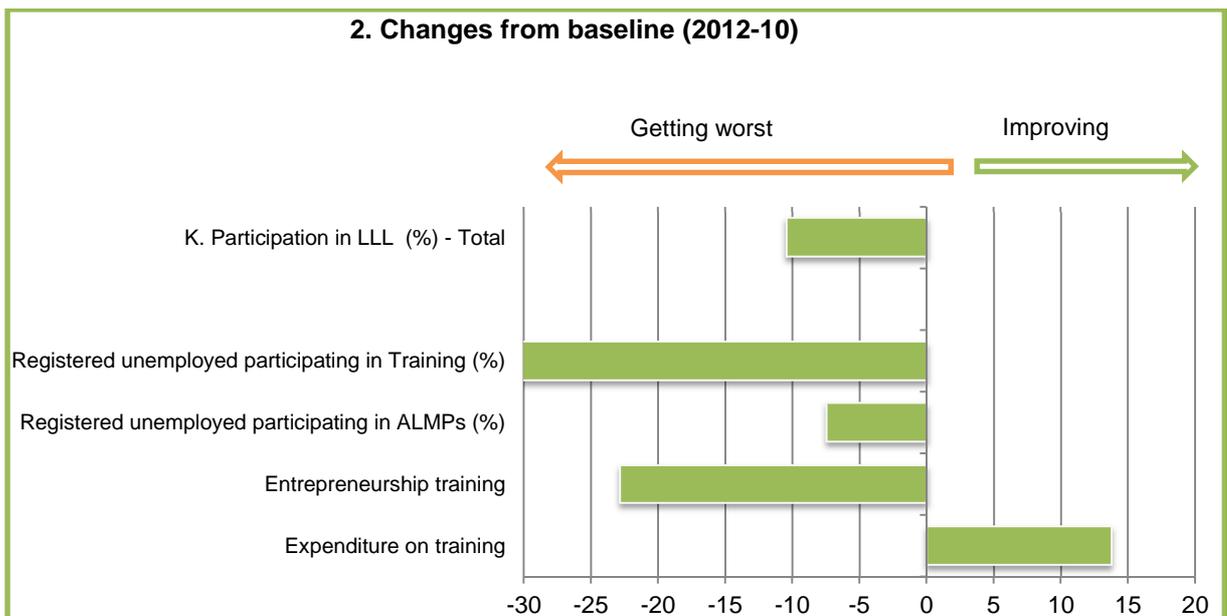
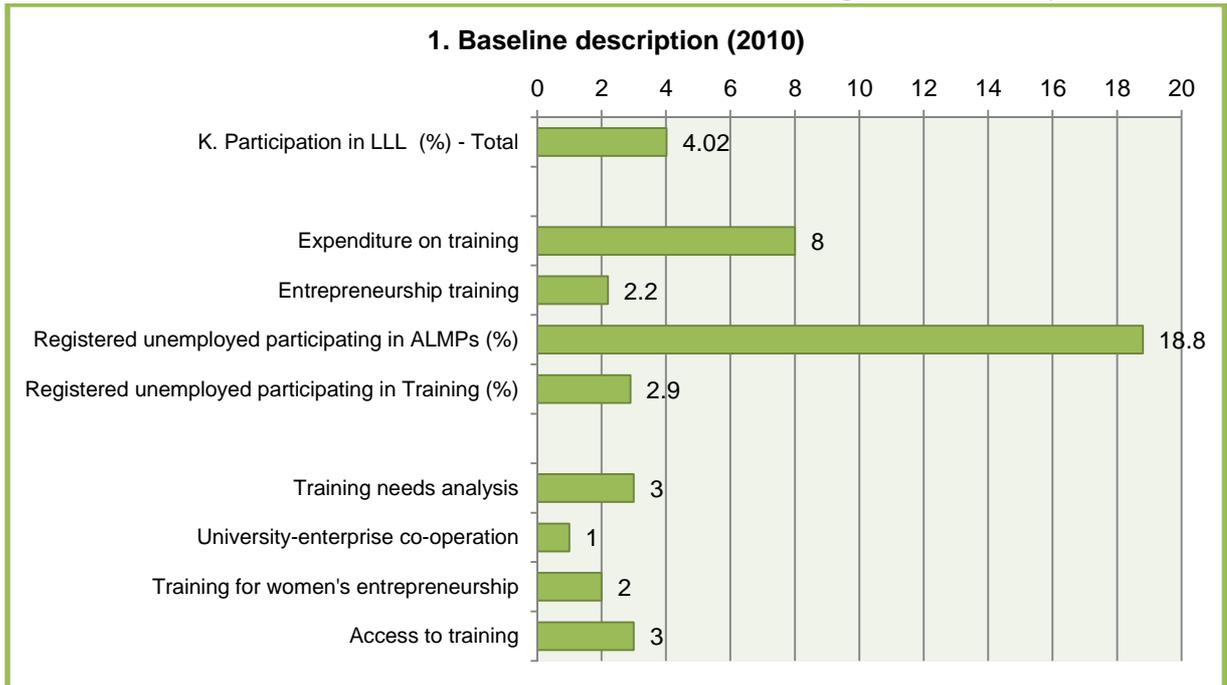
3. Highly qualified people (000)



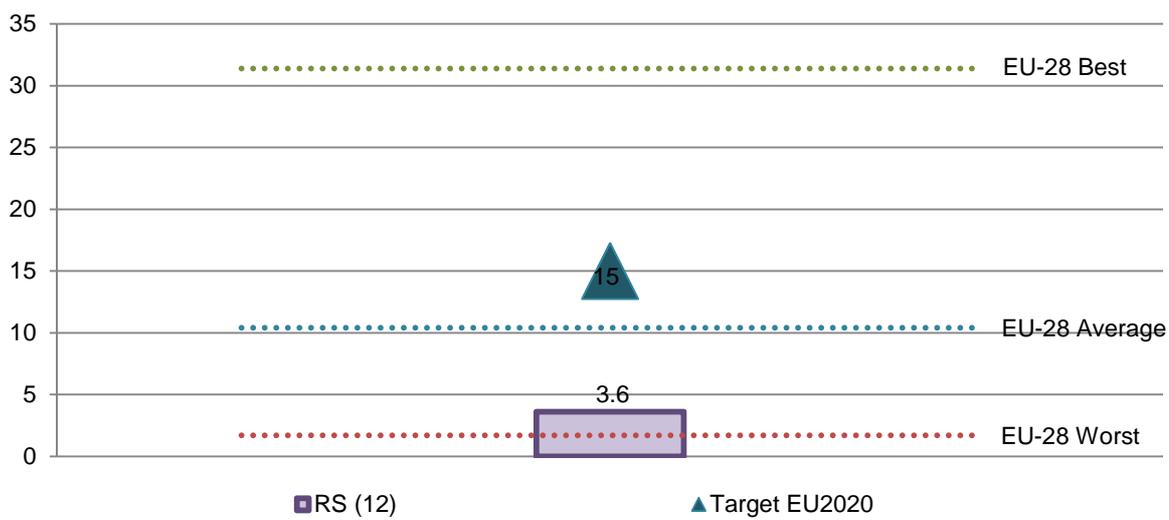




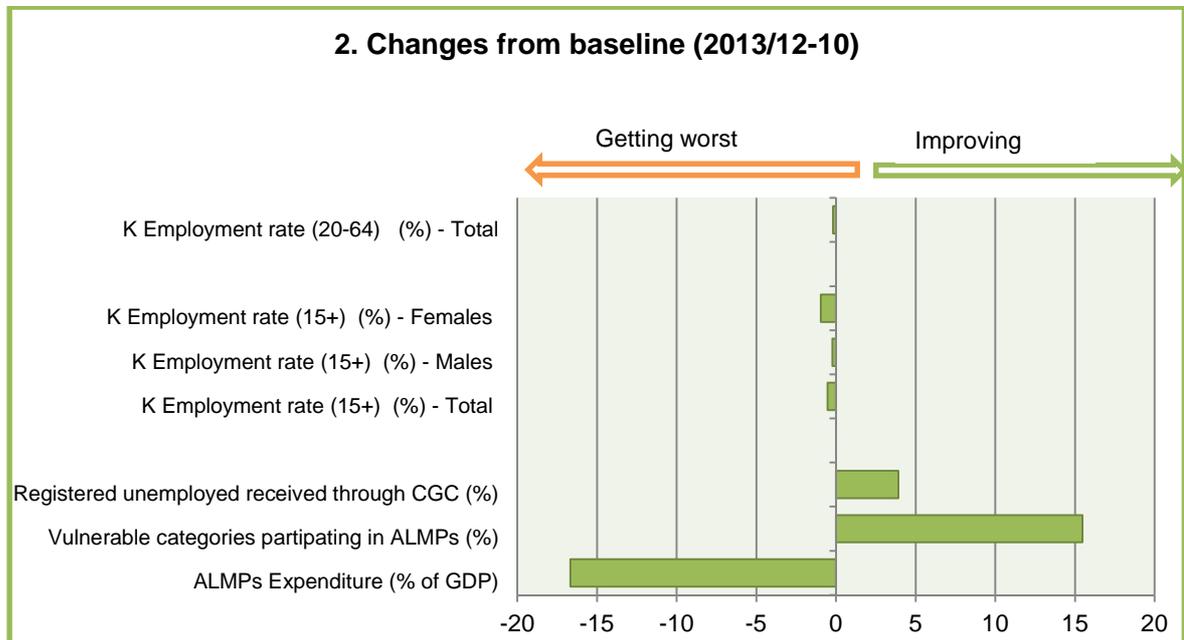
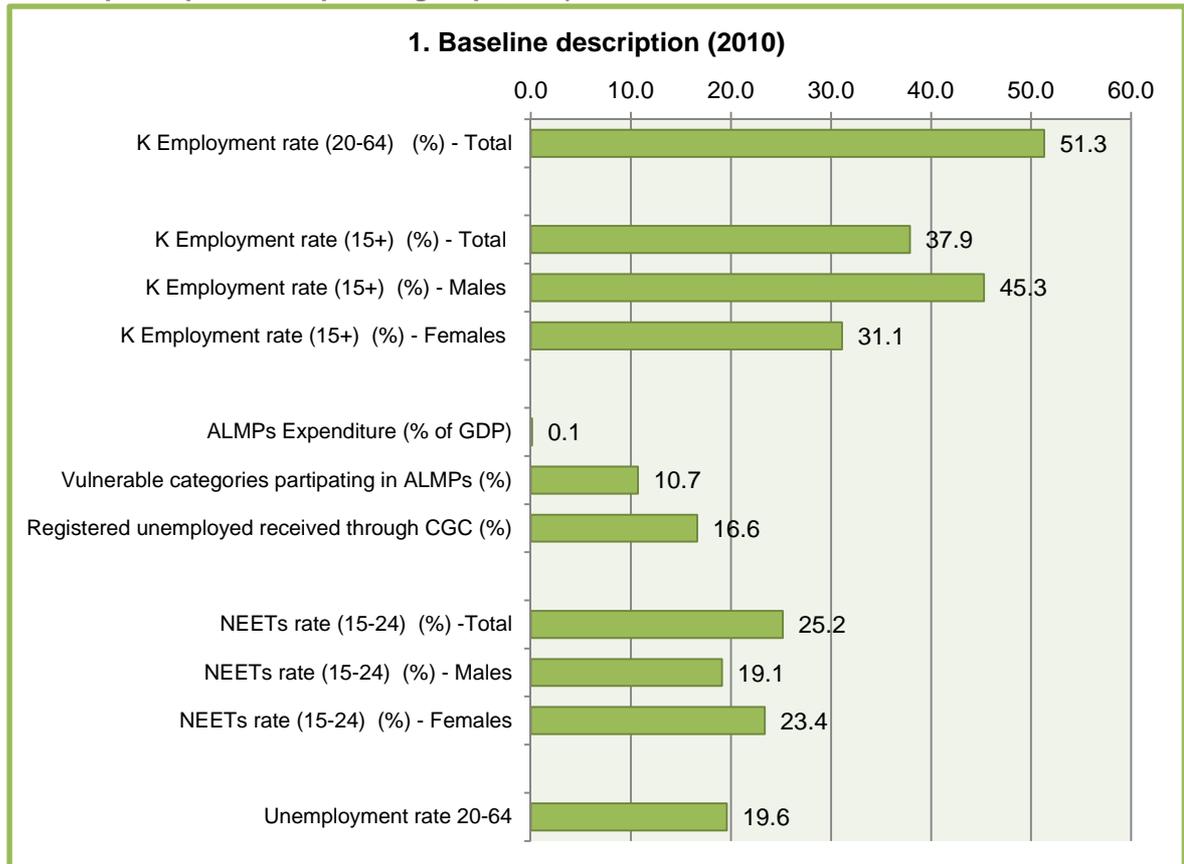
Policy Area 2: Improving skills supply and productivity, lifelong learning (adaptation of the labour force skills to labour demand; ALMP measures and training measures, etc.)

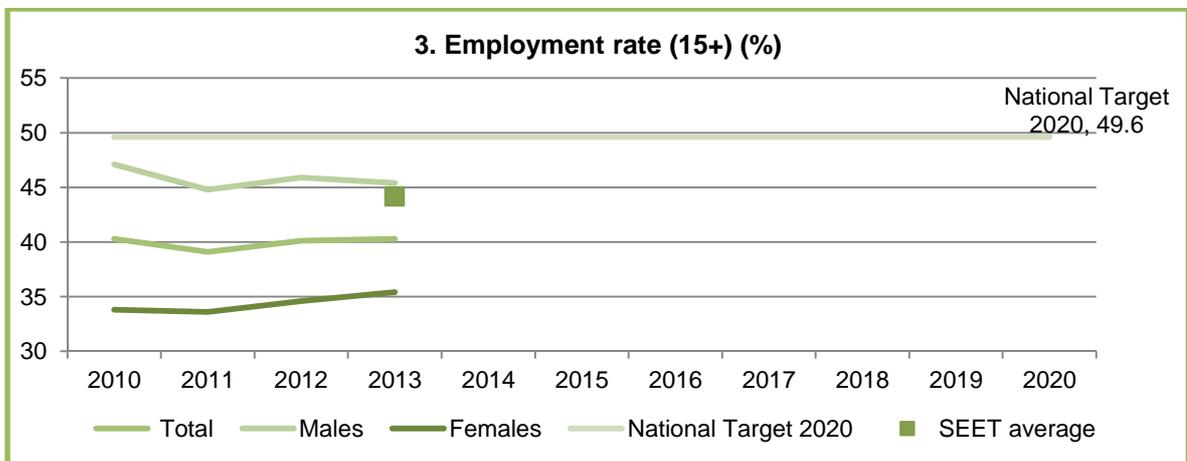
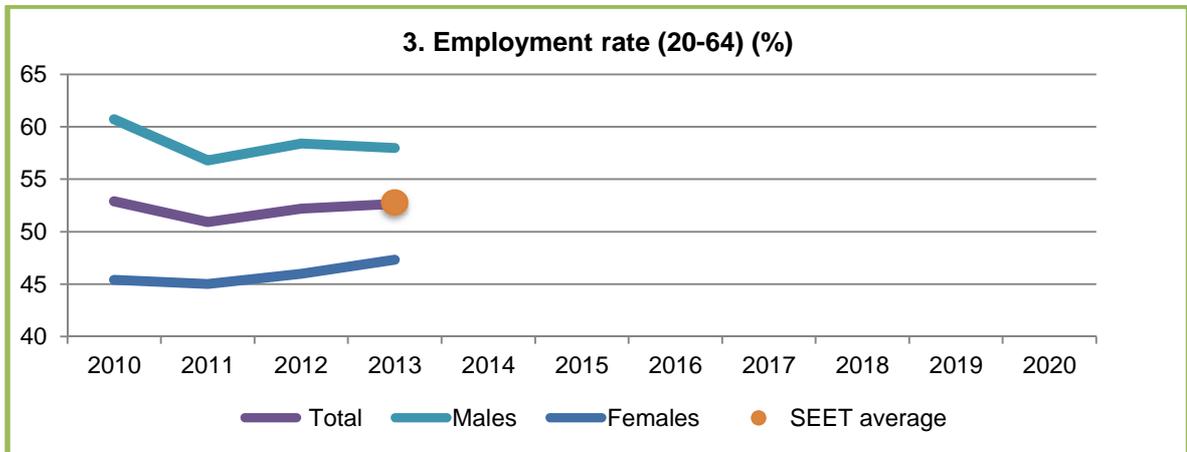
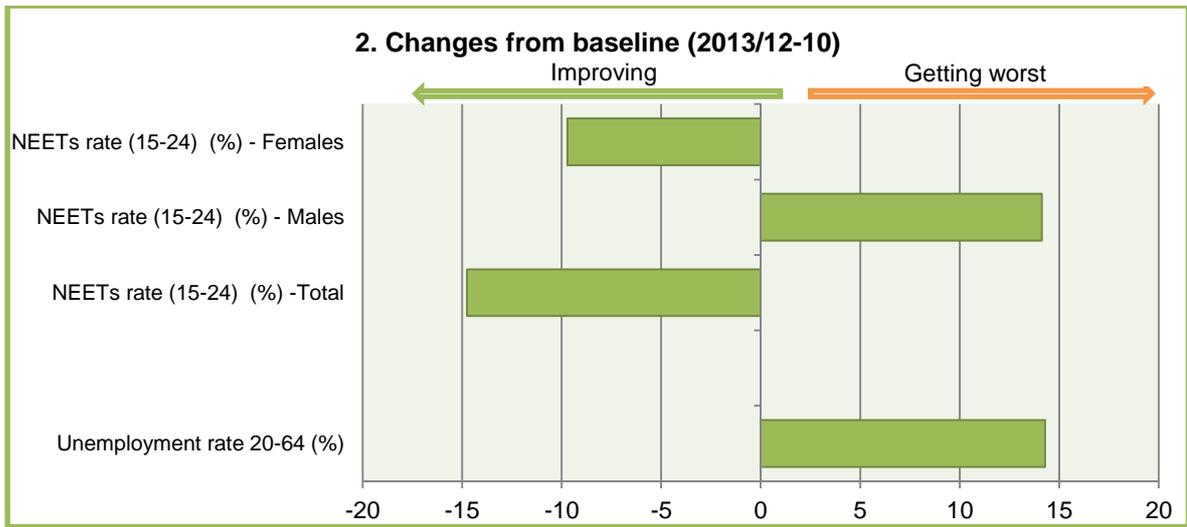


4. Participation in Lifelong Learning (%) - 2013

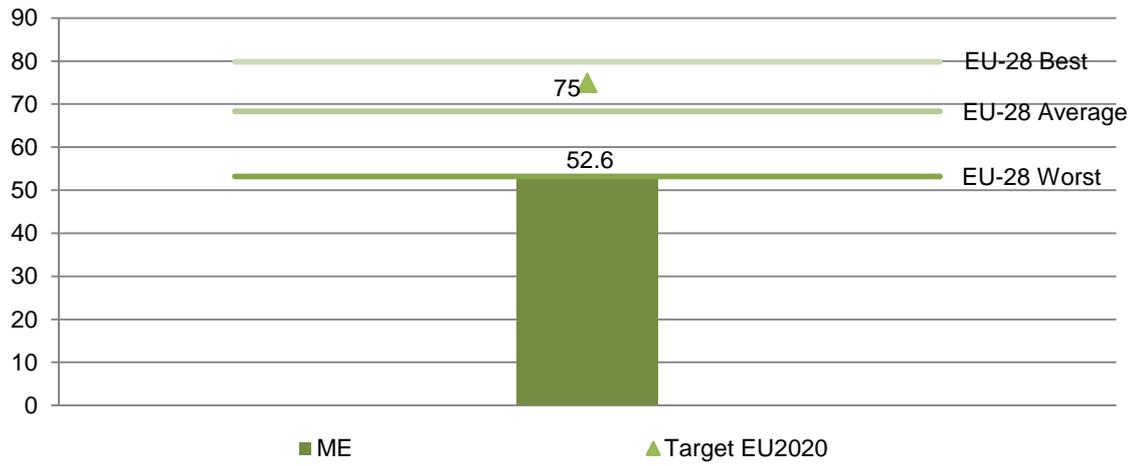


Policy Area 3: Increase Labour Market Participation (employment, unemployment, labour market participation of specific groups, etc.)





4. Employment rate (20-64) (%) - 2013



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