May 28, 2025

SERBIA
PUBLIC SECTOR EFFICIENCY AND GREEN RECOVERY DPL (P164575)
ADDENDUM TO MANAGEMENT'S RESPONSE

Since the submission of the Management Response on September 27, 2024, the Bank has continued engaging with Serbian authorities to discuss the country's social protection systems and programs, including the concerns raised in the Request submitted to the Panel. Given that these concerns primarily relate to the concrete implementation of certain social protection legislation, it is essential to consider the broader social protection sector rather than focusing solely on a single program or delivery mechanism. A comprehensive approach will help strengthen these systems and programs. Regarding the allocation of Financial Social Assistance (FSA), social workers continue to make decisions in accordance with the Law on Social Protection, the Law on Administrative Procedure, and relevant bylaws. As stated in the Management Response, the Social Card Registry (SCR) has not introduced an "automated" system or "algorithm" to determine an applicant's or recipient's eligibility.

On November 12, 2024, the Bank held a workshop with MoLEVSA, in which several social protection areas were discussed, including steps to strengthen the responsiveness of the social protection system to shocks; enhance the capacity of social workers to conduct case management for individual and household beneficiaries; undertake an analysis of and knowledge exchange on long-term challenges; and support the strengthening of youth employment/apprenticeship programs.

Pursuant to these discussions, the Bank is planning to implement several measures to support the strengthening of social protection systems in Serbia, including the delivery of FSA, within the next 6 months:

1. ***Conduct a workshop with selected civil society organizations on the lessons learned from the implementation of the SCR, with a focus on the most vulnerable groups, including the Roma***. The recommendations from this engagement will be shared with Serbian authorities to inform future social protection reforms.

2. ***Support training activities for officials who oversee social protection workers managing the SCR in the Centers for Social Work (CSW).*** The purpose of this training is ultimately to strengthen the capacity of social protection workers and enhance the upgrading and integration of the SCR with the Social Protection Information System (SPIS) and the Information System for Social Protection Institutions (ISSPI). The Bank will facilitate participation of practitioners to share good practices in social registry administration, data management, and social worker management.

3. ***Provide technical assistance to MoLEVSA to: (i) support the upgrading and integration of the SCR with the SPIS and ISSPI.*** The Bank will provide a design for this integrated system and a roadmap for implementation; and ***(ii) support the improvement of analytical reporting under the SCR and SPIS.*** This will enable staff at CSW to use more reliable information, leading to greater efficiency and accuracy in case management decisions and system performance. It will also enhance data-driven policy-making at MoLESVA.

4. ***Provide analytical work (through ASA) on social assistance in Serbia.*** This will update the analytical work conducted in the 2022 Human Capital Review. It will focus on updating the analysis of spending, coverage, and adequacy of poverty-targeted programs (e.g., FSA, Child Allowance) and their delivery mechanisms, including SCR and SPIS. This new information may result in further recommendations to the Serbian authorities on adjusting the eligibility thresholds for the FSA program.

Since the submission of the Management Response, the Serbian authorities have implemented several actions in the social protection sector that are related to the effective and efficient delivery of social protection programs:

- ***MoLEVSA is finalizing its Social Protection Strategy for 2025-2030 with an Action Plan (2025-2028).*** The Strategy is being produced in consultation with a multi-stakeholder working group[1] of Civil Society Organizations (CSOs). The Strategy, which is not yet completed, could consider actions to enhance programs such as the FSA and its delivery mechanisms. The working group offers CSOs an opportunity to shape public policy in the social protection sector and propose improvements in the social protection system.

- ***Planned upgrade of the SCR and its integration with the SPIS and ISSPI in the period 2025-2027.***[2] more effective and efficient work of CSW on social protection programs, specifically improving the accuracy of case management work. Financial resources for these activities have been allocated in the Budget Law for 2025. This integration will further support the implementation of the Social Card Law and enable

Finally, on August 20, 2024, the State Audit Institution completed its audit on the *Effectiveness of the Social Card Information System in operation at the Ministry of Labor, Employment, and Social Issues, Performance Audit Report No. 400-58/2024-07/21*. In response to the audit, MoLEVSA has developed several measures to address the audit findings, which are being implemented. These measures are specifically intended to strengthen personal data protection in the social protection delivery systems, to ensure enhanced data security and accuracy, including the following:

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[1] The working group includes MoLEVSA, Ministry of Human and Minority Rights and Social Dialogue, Republic Institute for Social Protection, Provincial Institute for Social Protection, Provincial Secretariat for Social Policy, Demography and Gender Equality, Secretariat for Social Protection of the City of Belgrade; associations and civil society organizations (Association of Centers for Social Work of Serbia, Association of Employers of Social Welfare Institutions, A11 - Initiative for Economic and Social Rights, Center for Democracy, Association of Debt, Initiative for the Rights of Persons with Mental Disabilities MDRI-S, Youth with Disabilities Forum).

[2] The government plan is to complete in the period 2025-2027 the integration of SCR with the SPIS and the information system of relevant "social protection institutions", upgrade and improve some functionalities of the register itself, as well as improve its integration with the records of other authorities and with elements of eGovernment for which the Office for IT and eGovernment are responsible.

- Introduce revisions in the SCR related to notifications and editing of data.

- Revise the Methodology for Risk Management in relation to IT security to introduce improvements in data protection.

- Better specify and manage access to the SCR data, supervision of the access and required procedures.

- Require, if needed, a further upgrade of the SCR related to security concerns.