



**REGIONAL REVIEW SERIES:**

**GOVERNANCE AND FUNDING ARRANGEMENTS FOR SOCIAL SERVICES IN  
SOUTH EASTERN EUROPE: THE CASE STUDY OF MACEDONIA/FYROM**

Kosovo Decentralisation of Social Services Project

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The DFID project supports the development of inclusive and fiscally sustainable delivery of decentralised social care services in Kosovo. The **goal** of the project is the effective transfer of competencies to municipalities in Kosovo. The **purpose** of the project is to strengthen management systems for the financial and administrative decentralisation of social care services and improve the capabilities of municipalities and CSWs to deliver social care services to people in need.

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## Table of Contents

No	Contents	Page
	Foreword	1
1	Definition and Governance of Social Services	4
2	List of Social Services and Responsible Institutions	13
3	Financing Social Services	18
4	SWOT Analysis of the Social Services Delivery System	23

## Foreword

This series describes recent efforts to reform, strengthen and expand social services in the countries of South Eastern Europe (Croatia, Serbia, Slovenia and Macedonia /FYROM) and offers an overview of fiscal and administrative reforms that have been instituted to give these efforts greater reach and impact. Each of the country in the series of case studies draws from the common social policy and institutional legacy of former Yugoslavia which is made manifest by presence of municipal Centres for Social Welfare (CSWs) which are responsible for the delivery of both social services and social assistance.

The case studies examine the financial and administrative reforms that have been instituted to restructure social service schemes as part of wider governance and financial reforms linked to decentralisation. The emphasis of these reforms has, to a significant extent, been on improving their efficacy in reducing risk and vulnerability, improving social cohesion and reaching those with special needs. The country case studies examine both social policy formation and the consequent experience with implementation of legislative reforms, new financial arrangements for funding social services, and the distribution of responsibilities across of centralised and decentralised (devolution, delegation, and deconcentration) systems for particular categories of social services

Local governments in the countries of South Eastern Europe are increasingly involved in the delivery of social services, and for making critical decisions including setting priorities through the allocation of resources, defining the types of services offered in a locality, and determining eligibility or access to different types of social services (e.g., residential, family based, community-based etc). The trend towards increasing the involvement of local governments in social service delivery is closely related to the overall process of decentralisation which has been unfolding – to various degrees – in the majority of South Eastern European countries.

Recent developments, including the adoption of legislation on intergovernmental fiscal relations and property taxes have accelerated decentralisation processes across different domains of social policy. Many emerging European countries have experienced considerable difficulties in clearly choosing an optimal type of decentralisation for social policy functions and social services in particular. Choosing the type and degree decentralisation of public services usually entails difficult political decisions regarding what constitutes responsibilities and powers in service provision. While dividing responsibilities for administering expenditures can be relatively easy, deciding which agency of structure of government should be responsible for policy-making (including regulation, standard setting and quality control) is typically more challenging and time consuming.

The broad objective of the series is to provide central and local government policy makers in Kosovo, who are in the midst of considering options for reforming the finance and governance of social services, with information on the recent experience and policy results of near neighbours facing similar issues. These case studies, in association with technical support provided by the DFID KSSD project at the central and municipal tiers of government, will empower the Government of Kosovo and their social service partners in their roles as active participants in the social policy process. Existing evidence on decentralisation indicates that the success of decentralising social service provision depends on an important set of factors including:

- The quality of intergovernmental institutions, including clearly defined roles and responsibilities, incentives, accountability, public participation and transparency;
- A stable fiscal framework, including well aligned expenditure and revenue raising responsibilities, feedback mechanisms between central and local governments, and local government capacity; and
- Civil; society and social structure

A central question facing counties covered in these case studies is how far decentralisation of social services can and should proceed. Although there are many arguments for and against decentralisation, stemming from political and economic theory, there are no easy answers and analysis of the impact of decentralisation of social services is inconclusive and country specific. Ultimately, decisions regarding the degree to which specific types of social services are decentralised are political. Experience from other counties, as well as those countries covered in this series, to date indicate the importance of having an overall strategic vision for the decentralisation of social services. Scarcity of resources is a major restriction on the efforts of neighbouring countries to decentralise social services, and in many instances key services and elements of the institutional architecture of service provision, have remained centralised. Efforts have also been further impeded by several additional factors: shortage of trained personnel; the immaturity of contemporary social work, only now re-emerging as a professional field; ineffective coordination between national and local levels that makes reaching target groups difficult; and weak utilisation of partnerships with non-governmental organisations providing social services.

Public services – such as social services – increasingly account for a major segment of local government expenditures, and there is growing importance attached to the outcomes they secure. As result, in the countries presented in this series – citizens and their representatives are beginning to show a heightened concern for ensuring that the methods and approaches through which social services are delivered, and the methods they use to pay for social services are not wasted. In particular attention has turned to ensuring that funds allocated to social services and monies paid to public service providers (including state and non-government organisations) are in line with policy intentions, and encourage cost effective provision.

In the wake of these developments, there has been a desire to move away from traditional methods of paying for social services, such as historical precedent, political patronage, or by the desire to protect vested professional interests. Instead, governments and other payers of social services are seeking to place greater emphasis on making approaches towards allocating public funds for the provision of social services more transparently and systematically, in the form of mathematical funding formulae.

A cynic might argue that this trend reflects the desperation of governments trying to devolve to the technical domain increasingly fraught political debates over funding decisions. There is an element of truth in this view. But equally governments clearly do wish to place their funding methods on more solid foundations. At the very least in order to retain support for the taxation necessary to sustain social services, governments wish to demonstrate to the public that tax revenues are being deployed systematically, in accordance with voters' preferences.

The trend towards formulaic funding mechanisms – as demonstrated in this series – has been given added impetus by improvements in the scope and timeliness of data sources (such as the Social and Living Conditions Survey, the Household Budget Survey, and numerous administrative data sources) that can be used to prioritise policies and goals in social services, and for measuring unit costs, inputs, activities and outcomes. These informational developments in the countries of South Eastern Europe have opened up opportunities to apply scientific approaches to the funding of social services. Moreover, many new statistical and econometric techniques are emerging that enable models to be placed on a more scientifically secure foundation.

Yet, notwithstanding the increased demand for scientific funding mechanisms for social services, and the rapid improvements in analytical potential, the state of current methodologies for the design of funding formulae for social services is – with a few exceptions – very rudimentary and frequently analytically unsatisfactory. This series provides readers with an opportunity to gain insights into approaches that are being used to design funding formulae in countries of South Eastern Europe.

Ultimately it is the aim of the DFID KSSD Project to help those looking to shape a new era of social services in Kosovo to surmount some of these obstacles, and to begin the process of addressing policy and technical concerns linked to the decentralisation of social services. The analysis contained in these case studies:

- provides national profiles of the direction, magnitude, and scope of progress in strengthening social services in each neighbouring country, the interface between social services and other aspects of social protection, acknowledging the problems encountered while highlighting successful practices that have been recognised and put in place;
- traces trends in national social service delivery, the formation of partnerships between central governments, local governments, and nongovernmental organisations;
- draws attention to the interface – financial and administrative – between social services and other aspects of social policy; and
- delineates the definition of social services and related governance arrangements, the responsibilities of different institutions that provide social services, the financing arrangements of social services –including budget formulas, and an assessment of the strengths, weaknesses, opportunities and threats that have emerged, or are emerging, within each country.

## Section 1: Definition and Governance of Social Services

Macedonia is organised into a two tier government system with a central government and 84 local self governments with the capital City of Skopje which itself is comprised of 10 local self governments. Macedonia has population of 2022547 in accordance with the last 2002 census.

In Macedonia, social protection is defined as an activity of public interest. Under the **Constitution**, the state provides social protection and social security of citizens in accordance with the principle of social justice. According to the **Law on Social Protection**, social protection is a system of measures, activities and policies for preventing and overcoming basic social risks to which the citizen is exposed throughout life, reducing poverty and social exclusion and strengthening their own capacity for protection. Under the Law, **social risks** are:

- Health risks (illness, injury and disability);
- Risks of old age and ageing;
- Risks to families with children;
- Risks of unemployment, loss of income for subsistence based on employment;
- Risks of poverty and
- Other risks associated with social exclusion.

The system for the protection of children is also part of social protection, but it is regulated by special law and regulations. Pursuant to the protection of children, child protection activity is organized based on the rights of children, rights and obligations of parents to family planning and demographic development. State and local governments are responsible for providing adequate material assistance to parents for support, awareness, care and protection of children and organizing and ensuring the development of facilities and services to protect children.

### Policies and the Regulatory System

Besides measures for the provision of social protection to citizens, the state is obliged to prevent the occurrence of social risks by taking measures related to other policies: tax policy, employment policy, scholarships, housing, family care, health care, upbringing and education in other areas in accordance with the law. This makes the provision of social services a complex area because besides the basic body of law embodied in the **Law on Social Protection** and the **Law on Child Protection**, social services is also associated with several other laws:

- Family Law;
- Law on Asylum and Temporary Protection;
- Law on disability organisations;
- Law on the use of sign language;
- Law on Juvenile Justice;
- Law on Equal Opportunities for Men and Women;
- Law on Prevention and Protection against Discrimination;
- Law on Employment of Disabled Persons;
- Law on Local Self-Government;
- Law on Institutions;
- Law on Citizen Associations and Foundations;
- Law for public and private partnership;

- Law on Financing of Local Self-Government and others.

In terms of development of the **social protection system**, the Government has also adopted a series of **programmes and other strategic documents**:

- National Programme for Social Protection Development 2011-2021;
- Program conditional cash compensation (annual programme);
- Program to subsidize energy consumption (annual programme);
- National Action Plan for Gender Equality 2007-2012;
- National Employment Strategy 2011-2015;
- National Strategy for Protection from Domestic Violence 2008-2011;
- Strategy for the integration of refugees and foreigners in the Republic of Macedonia 2008-2015;
- National Strategy for deinstitutionalization 2008-2018;
- Action plan for prevention and management of child sexual abuse and paedophilia;
- National Strategy for Housing 2009-2012;
- National Strategy for Equal Rights of Persons with Disabilities (Revised) from 2010 to 2018;
- National strategy to reduce poverty and social exclusion 2010-2020;
- National Strategy for Older Persons 2010-2020;
- Strategy to intensify the social inclusion of Roma in the social protection system 2012-2014;
- Strategy for Demographic Development of the Republic of Macedonia 2008 – 2015.

The **system of social protection** in the Republic of Macedonia was established after it became an independent state in 1992. In the first few years after independence the system focused more on social rights (benefits) as providing **minimum social security** in the **fight against poverty**. In the following decade, the system of social protection has continuously developed and is increasingly being harmonised with European regulations. The following developments capture the most significant changes in **the social protection system** in Macedonia:

- In 1997, a new Law on Social Protection was established which despite the emphasis on social benefits also included social services for institutional and non-residential social care;
- In 2000, the social security system was supplemented with the protection of children by adopting the Law on Protection of Children;
- In 2004 significant reforms were made to the social security system. Namely, with the amendments to the Law on Social Protection in the social security system were introduced the principles of decentralisation, deinstitutionalisation (support of independent living) and pluralisation were established;
- Obligations to align the system of social protection according to EU regulations in 2007 were enacted, which made discrimination illegal in the policy arena of social protection;
- The adoption of new Law on Social Protection in 2009 marked the largest and most significant reforms in the social security system. The new law redefines the operation of system and organisation of social protection and rights, funding and procedures for the realisation of rights to social protection.

Meaningful changes in regulations were set up by introducing the licensing of social workers, the introduction of an obligation to develop an individual plan to work with social service users, providing municipalities with the opportunity to introduce and implement other rights of social protection and connect local programmes with the National Development Programme for Social Protection, and introduction of options to adopt measures for programmes to subsidise the consumption of energy and other utilities for people who use social services users, the introduction of conditional cash transfers (CCTs) and host of other measures.

The Responsible authority for policies towards social protection (including child protection) is the **Ministry of Labour and Social Policy**. The provision of services and the enforcement of rights to social and child protection are specified in law, and the responsible institutions are the bodies and institutions of central and local government – including *deconcentrated Centres for Social Welfare* (CSWs) that administer both social services and cash benefits in 30 municipalities. Table 1 below provides an overview of social care services and the responsible institutions in Macedonia.

**Table 1: Social Services and Responsible Institutions**

Service	Responsible institutions	Decentralised / Deconcentrated/	Central government responsibilities	Local government responsibilities
<b>1. Social Prevention</b>	CSW, MLSP	Deconcentrated: Is achieved through SWC in 30 municipalities	Adoption of national programmes and taking measures to prevent the occurrence of risk.	Adoption of local programmes and providing resources for delivering that programmes
<b>2. Non-institutional social protection</b>	CSW, MLSP	Deconcentrated: Is achieved through SWC in 30 municipalities in form of day care centres, shelter centres, group homes and other forms	Enabling the system to function by providing administrative resources and funding	There is a legal opportunity to open and fund such forms of protection according to local needs.
<b>3. Institutional social protection</b>	CSW, MLSP, municipalities	Deconcentrated: Is achieved through SWC in 30 municipalities and through the 11 public institutions for institutional social care  Process of deinstitutionalization  Decentralised: 3 public institution-homes for elderly in 3 municipalities	Enabling the system to function by providing administrative resources and funding  Provides funding of decentralised responsibilities	Ownership, funding, investment and maintenance of homes for the elderly
<b>4. Social Protection Benefits-SPB</b>	CSW, MLSP	Deconcentrated: Is achieved through CSWs in 30 municipalities	Provides administrative resources and funds for social benefits	There is a legal opportunity to determine the benefits to a greater extent on the scale of benefits laid down the Law on Social Protection
<b>5. Child Care</b>	CSW, MLSP, municipalities	Decentralized  55 public kindergartens	Provides funding of decentralized responsibilities	Ownership, funding, investment and maintenance of kindergartens
<b>6. Child</b>	CSW, MLSP	Deconcentrated	Provides	There is a legal

Protection Benefits-CPB		Is achieved through CSWs in 30 municipalities	administrative resources and funds for child benefits	opportunity to determine the benefits to a greater extent on the scale of benefits laid down the Law on Child Protection
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At the local level, municipalities may also undertake and finance measures and activities for social prevention – through the CSW network - according to local needs. Despite the general legal obligation to take measures and prevention of social activities, because of overload of the CSWs with the administration of cash benefits and provision of other social services, **social prevention in practice is very poorly developed**. Weak financial support for this type of service also limits the provision of social prevention by CSWs. Also, local governments do not have sufficient administrative and financial capacity for mapping social problems in their communities and to take effective preventive measures and activities.

**Services for non-institutional social protection** include:

- **First social service** - for identifying the problem, indicating the possible solutions, services and means of protection and information about the forms of care;
- **Helping the individual** through education, advisory work or counselling;
- **Helping the family** to overcome family crisis;
- **Home help and care** of old person, a person with physical disability and a person with moderate, severe and profound mental disability who is unable to care for themselves;
- **Day care in a centres** for elderly; a person with moderate and severe mental disability in the development of a person with physical disabilities; a child with physical disabilities; “street children”; a person who abuses drugs; a person who abuses alcohol; homeless; a victim of domestic violence; victim of trafficking;
- **Placement in foster care** for a person without living conditions in their family or other reasons to need placement in a foster family;
- **Placement in a small group home** for children without parents or without parental care, children with educational and social problems, children with mental disabilities or physical development and person with mental or physical disability;
- **Support of independent living** for person with mental or physical disability, through independent living, organized into a separate residential unit with a permanent or occasional help from professionals or other persons in the exercise of basic living needs.

In the process of reforming the social security system, non-institutional forms of care are receiving more attention than institutional care. In practice, the **greatest emphasis on services for non-institutional social care** is given to the introduction and development of forms of services for **temporary day care** for different categories of users but **most of them are children and people with disabilities**. In practice preventative (first) social service measures are very limited - especially the **right to help individual and family** - due to the limited capacity of the CSWs. Establishing and funding of non-institutional social services by local governments are poorly developed **due to lack of administrative and financial capacity**.

Residential Social Services are provided to people who lack adequate living conditions in their family or other reasons to need placement in an institution for social protection, including

- children without parent and parental care;
- children with educational and social problems, and at risk of neglect, abuse, materially insecure, or victims of domestic violence;
- children with disturbed behaviour;
- single parents with a child under three months old;
- people with moderate and severe mental health problems, people with profound disabilities and mental development of people with permanent physical disability in development;
- old person, an adult with physical disability and a person with mental disabilities in development, for residential and family situation are unable to take care;
- asylum seekers; and
- Training for work-production activity for people with moderate and severe mental development which are referred to specialist training facilities.

Services for institutional social care remain under the jurisdiction of the central level, with the exception of institutional **social care of older people in nursing homes which is decentralised**. Significant reform in this area of social service practice is introducing the process of deinstitutionalisation, which includes support for individual users living in smaller residential units as a way for their involvement in social life, instead of their accommodation and care in large social institutions.

**Social protection benefits** include:

- **Social financial assistance** to persons able to work, material unsecured;
- **Permanent financial assistance** to persons unable to work, material unsecured;
- **Financial assistance for a person under 18 years that had the status of a child without parents** (who have no income and assets) until reaching 26 years;
- **Financial assistance for the mother who gave birth to fourth child** who is unemployed and does not use pension;
- **Help and care by another person** for persons over 26 years with moderate, severe and profound mental development disabilities, people with severe and most severe disabilities, totally blind person, a permanent change in health status, who need care another person to meet daily needs;
- **One-off financial assistance** to a person or families in a position of social risk or suffered because of natural disaster or epidemic and treatment in a mental institution;
- **Reimbursement of salary for part-time** due care of a child with physical or mental disabilities and the most severe forms of chronic diseases;

- **Financial assistance for social housing** for socially disadvantaged individuals who are insecure residential (beneficiaries of permanent financial assistance to persons 18 years had the status of orphans);
- **Health care** for beneficiaries of permanent financial assistance for persons in foster care, persons placed in an institution, assistance and care by another person, persons with the status of orphans, victims of domestic violence, persons covered by living arrangements and support.

Social benefits do not belong in typical category of social services, but they are presented herein for obtaining more complete representation of the social protection system in Macedonia. Social benefits are the first measures that were introduced in the system of social protection in Macedonia as fundamental measures to cope with poverty and the provision of minimum social security. During the development of the system of social protection, social benefits were improved in parallel with the needs of citizens and defined and coordinated in policies.

**Child Care** - Pursuant to the protection of children, services for child protection, includes:

- Care and upbringing of preschool children,
- Rest and recreation for children, and
- Other forms of protection to children identified as being risk.

Services for rest and recreation for children are performed in public children's resorts, but in recent years this activity is small scale, so that part of the capacity of public children's resorts were sold, and part of the capacity of child will be reconstructed in order to foster children as an activity of public interest. However, this form is considered as nonessential of public interest. **Most developed form** of child care services is care and upbringing of children in **kindergartens**. System reforms in this section apply to the transfer of responsibilities regarding kindergartens from central to local government.

**Child Protection Benefits** includes:

- **Child allowance** - for a child from a family with low income;
- **Special allowance** - for a child with special needs who have physical disabilities or mental development;
- **Onetime financial aid** - for newborn;
- **Participation** - participation in the cost of care and education and leisure and recreation for children in public institutions for children, for a child from a family with low income;
- **Parental allowance** - for a child-for third child.

As same as social benefits, child benefits do not belong in typical social services, but they are presented herein for obtaining more complete representation of the social protection system in Macedonia

**Table 2: Social Services (licensing, norms and standards, inspection, monitoring)**

<b>Service</b>	<b>Licensing</b>	<b>Norm and Standards</b>	<b>Inspection</b>	<b>Monitoring</b>
<b>1. Social prevention</b>	Institute for Social Affairs provides licensing of professionals (employees) in the institutions of social protection	Rules for norms and standards for premises, equipment, expert staff and resources required for the establishment and commencement of operations of the Public Institution Center for Social Work (SWC)	Ministry of Labour and Social Policy	Ministry of Labour and Social Policy,  Institute for Social Affairs
<b>2. Services for non-institutional social protection</b>				
2.1. First social service	No licensing	There are no prescribed standards	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs
2.2. Helping the individual	No licensing	There are no prescribed standards	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs
2.3. Helping the family	No licensing	There are no prescribed standards	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs
2.4. Home help and care	MLSP (the minister) issues licenses for performing this activity by individuals, based on the opinion of the SWC.	There are prescribed standards There are special requirements for individuals who wish to perform activities	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs
2.5. Day care in a centre	No licensing. MLSP (the	There are prescribed	Ministry of Labour and	Ministry of Labour and

	minister) MLSP give improvement for the provision of services by NGOs, religious organisations and so on.	norms and standards for the establishment and commencement of work for: -Day care centre for people with intellectual or physical disability (Official Gazette 110/06); -Day care centre for Street Children (Official Gazette 33/07); -Centre for victims of domestic violence (Official Gazette 33/07); -Day care centre for persons who abuse drugs (Official Gazette 33/07).	Social Policy, Institute for Social Affairs	Social Policy, Institute for Social Affairs
2.6. Placement in foster care	No licensing. SWC contract with one member of the foster family	Regulation on the criteria for selection of foster care, the type and scope of services of social protection that is provided to a person placed in foster family (Official Gazette)	Ministry of Labour and Social Policy, Institute for Social Affairs	Ministry of Labour and Social Policy, Social Welfare Centres
2.7. Placement in a small group home	No licensing.	There are prescribed norms and standards	Ministry of Labour and Social Policy, Institute for Social Activities	Ministry of Labour and Social Policy, Institute for Social Activities
2.8. Support of independent living	No licensing.	There are prescribed norms and standards	Ministry of Labour and Social Policy,	Ministry of Labour and Social Policy,

			Institute for Social Affairs	Institute for Social Affairs
<b>3. Services for institutional social protection</b>				
3.1. Placement in institution for social protection	Licensing Government issued approval for the establishment of institutions. MLSP (the Minister) issued a decision (license) for the fulfilment of the conditions for begging of work.	There are no norms and standards for all types of institutions; Rules on norms and standards for establishment and commencement of operations of institutions for social protection of older persons (Official Gazette 05/10)	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs  Institute for the advancement of household
3.2 Training for working-production activity	No licensing.	No standards	Ministry of Labour and Social Policy,  Institute for Social Affairs	Ministry of Labour and Social Policy,  Institute for Social Affairs
<b>4. Social Protection Benefits-SPB</b>				
<b>5. Child Care</b>	Government issued approval for the establishment of institutions. MLSP (the Minister) issued a decision (license) for the fulfilment of working in a kindergarten	Rules on norms and standards for establishment and commencement of operations of kindergartens (Official Gazette 05/10)	Ministry of Labour and Social Policy,	Ministry of Labour and Social Policy,
<b>6. Child Protection Benefits-CPB</b>				

**Licensing of professional staff** in the field of social services was an important reform which was **introduced** within the system of social protection **in 2009**, but implementation is still at an early stage. It is expected the first licenses will; be issued **in early 2012**. Responsible institution for licensing of professionals (employees) in the institutions of social protection is the **Institute for Social Affairs (ISA)**. It is a public institution established by the Government that follows and examines social phenomena and problems in the area of social protection and social work and proposes and implement measures for the promotion of social welfare and social work.

**Licensing of institutions** for social care and child care is carried out by the **Ministry of Labour and Social Policy**, which has established a **Commission** which sets the **conditions**. In recent years, licensing institutions of social protection was not applied in practice because there were several inconsistencies in the functioning of this system. In 2011, the Ministry of Labour and Social Affairs stress the importance of issue for licensing and it accelerated initiatives and activities for licensing. Licensing of institutions for social and child protection enables pluralisation of these services in the private sector and more importantly establish registration and control of institutions that operate in this area.

The Ministry of Labour and Social Policy-MLSP prescribe **norms and standards** for space, equipment, expert staff and resources required for the establishment and commencement of operations of institutions that provide social care and child care. The Ministry also prescribes the **cost of services for social protection**. Norms, standards and cost have become essential to control the pluralisation of services and for setting the basis for determining the cost of financing services for social services and child care. However, not all the required norms, standards and cost for services are completely prescribed.

**Supervision** over the implementation of the Law on Social Protection and the Law on Child Protection performs **MLSP**. The Ministry conducts inspection of the implementation and enforcement of laws and others regulations in the field of social protection over the social protection institutions and other subjects that perform certain duties of social protection and child protection as professional activity.

**Institute for Social Affairs-ISA** supervises the professional work of social protection institutions and their employees. The operation of all institutions is monitored by MLSP, ISA and the CSWs. Local governments may also make inspections in institutions that are decentralised. For the purposes of the Ministry, the **Bureau for the improvement of household** (bureau set by the special law) monitors the implementation of norms and standards for institutions.

Despite the legal framework for monitoring the social and child protection, it is important to note the introduction of **monitoring of implementation of the National Programme for development on social protection**. According to the Programme, the Minister of Labour and Social Policy form a **Coordinating Body** for monitoring and evaluating of implementation of the Programme with representatives of **central government bodies** (Ministry of Labour and Social Policy, Ministry of Local Self Government and the Ministry of Finance) Association of Local Self Government-**ZELS**, Institute for Social Affairs, social protection institutions, **NGOs**, the Institute for Social Work and Social Policy. The inclusion of almost all relevant entities for monitoring and evaluation of operational activities of the Programme will strength the coordination of the participants within the system of social protection. However the participation of the **private sector is still missing**.

## **Section 2: List of Social Services and Responsible Institutions**

The structure of the social security system comprises the **Ministry** of Labour and Social Policy (MLSP) and the **network of public and private institutions for social protection**. The network of public institutions for social protection includes:

- 30 Centres for Social Welfare (CSWs),

- 12 institutions for institutional social care, 3 of them – homes for elderly are decentralised, and
- 55 institutions for care and upbringing of children – kindergartens, which are decentralised.

There are also 33 units for **non-institutional social care** (day care centres and others) which are institutional units of CSW.

## Social prevention

**Social prevention** are measures and activities which **prevent the occurrence of social risks** and contribute to early detection and early treatment of citizens exposed to social risk in order to overcome or mitigate the adverse effects of exposure to social risk. Despite the general legal obligation to undertake measures and activities of social prevention, social prevention practices are **rarely applied** and mostly in forms that are not organised but incidental. Implementation of these measures and activities for social prevention by CSW require cooperation with the municipalities, preschool institutions, school institutions, health facilities institutions and other state bodies, legal entities and citizens associations. In recent years the **capacity of CSWs has proven weak in implementation of the social prevention** as a result of their preoccupation with the administration of social benefits, due to lack of defined forms of social prevention as well as lack of coordination of relevant institutions. However, a **budget allocation for social prevention is still lacking** and projected activities for social prevention in NPSPD 2011-2021 are defined in the medium term.

**Non-institutional social protection** is a form of protection that is achieved through the **Centre for Social Work**. Municipalities can also finance forms of non-institutional social protection in accordance with local needs. Non-institutional social care provided daily and temporary care, treatment, support, assistance, resettlement and development of individual potential for independent living and inclusion in the community. Through non-institutional forms of social protection are also provided advisory services and assistance for other family members to the user, to strengthen their potential for providing primary care in a family. This form of protection is regulated by the Law on Social Protection.

In Macedonia the following forms of **Community-Based Social Services**:

- **Day-care centres and clubs for elderly people** – which provide nutrition and support in personal hygiene, cultural, entertainment and related activities related to promoting well-being. There are two day-care centres for the elderly in Veles and Krusevo and one club for elderly in Veles, with a total of 260 users.
- **Day-care centre for street children** - the day care centres provide personal hygiene, nutrition, upbringing and education services, counselling work, cultural, entertainment and recreational activities. There are 4 day care centres for street children: three in Skopje and one in Bitola, with a total of 524 users.
- **Day-care centre for people who abuse drugs** - these persons and their family members provides advisory services, information and education, employment, cultural, entertainment and recreational activities. There are two day-care centres for persons who abuse drugs, in Kumanovo and Ohrid, with a total of 175 users.

- **Day-care centre for persons who abuse alcohol** - these persons and their family members provides services through education, counselling, engagement, cultural and entertainment activities. So far, there is no open a day-care centre for persons who abuse alcohol.
- **Centre for homeless people** - provides a day and temporary acceptance and care of these individuals by providing advisory services, services related to nutrition, day care, hygiene, cultural and entertainment activities. There is a shelter for homeless people in Skopje, with two objects – in Cicino village and Ljubanci, with a total of 100 users.
- **Centre for persons - victims of domestic violence** - provides a day and temporary care and acceptance of these persons, advisory services, nutrition, and hygiene. There are two shelters for victims of domestic violence, in Skopje and Kocani, with a total of 7 users.
- **Centre for persons - victims of trafficking** - provides temporary care and acceptance of these persons, which can last up to six months, providing advisory services, services related to nutrition, childcare, care, hygiene and entertaining activities. There is one such centre in Skopje, with a total of 20 users.
- **Day-care centre for people with mental or physical disability** - provides day care, working-production activity, occupational therapy and other activities of these persons, and can perform job-training for productive activity, for their involvement in everyday life. There are 21 such centres in Macedonia established by the MLSP with a total of 364 users and 6 centres managed by the NGO sector.
- **Centre for providing assistance at home** - home help to the user and is provided for persons with moderate, severe and profound mental disabilities, elderly and other adults. This form in practice is not yet developed.
- **Small group homes** (which provide care to a maximum 10 people) - care is provided in a manner closest to the family living conditions, and includes support for training for independent living and their social involvement. Right to live in a small group home has a child without parents or without parental care with educational and social problems, mental disabilities or physical development, a person with mental or physical disability, which no suitable living conditions in his family, which has no family or other reasons to need placement in a small group home. There's a small group home in Berovo.
- **Counselling** - Provides psycho-social services and psycho-social treatment for each individual user groups. There is a counselling service for parents and children - victims of domestic violence counselling and one for perpetrators of domestic violence.

**Institutional social care** is form of social protection that provides institutional care for those who need it. Institutional care includes the right for developing skills for work and production activity and accommodation in an institution for social protection. It is regulated by the Law on Social Protection.

In Macedonia there are **8 public institutions for institutional care**:

- Two institutions for children without parents and parental care in Skopje and Bitola with a total of 164 places;
- Two institutions for children and youth with educational and social problems and behavioural disorders in Skopje, with a total of 165 places;
- Three institutions for people with intellectual and physical disabilities, in Demir Kapija, Strumica and Skopje, with a total of 381 places; and
- One institution for asylums seekers in Skopje, with a total of 90 places.

**Table 4: List of Public Institution for Institutional Social Care**

<b>1</b>	<b>Municipality</b>	<b>Public Institutions for Institutional Social Care</b>	<b>Number of employees</b>	<b>Number of users</b>
<b>1</b>	<b>Skopje</b>	Home for children without parent and parental care " 11 Oktomvri"	39	53
		Institute for Rehabilitation of Children and Youth "Topansko pole"	35	86
		Institute for the care and upbringing of children with educational and social problems "May 25"	31	39
		Institute for care, upbringing and education of children and youth "Ranka Milanovic"	28	25
		Reception Centre for asylum seekers	11	90
<b>2</b>	<b>Bitola</b>	Home for infants and toddlers (without parent and parental care)	67	95
<b>3</b>	<b>Strumica</b>	Institute for Protection and Rehabilitation "Banja Bansko"	40	62
<b>4</b>	<b>Demir Kapija</b>	Special Institution - Demir Kapija	177	233
	<b>Total</b>		<b>428</b>	<b>683</b>

There are also **4 public institutions for housing for the elderly**, with a total of 220 social users, of which 3 (in Bitola, Prilep and Kumanovo) have been **transferred to the municipalities**.

In the domain of **child care** services for the care and upbringing of children in kindergartens are seen as integral to both child protection and education. The system of reforms in this area has focused on the transfer of responsibilities regarding kindergartens from central to local government. Preschool for children is deemed as a form of protection of children and is organised to provide care, nutrition, upbringing, education, recreational, cultural and entertainment activities, measures and activities to improve and preserve health and to foster intellectual, emotional, physical, mental and social development of children up to 6 years, until their involvement in primary education. It is regulated by the **Law on Child Protection**. System reforms in this area of policy apply to the transfer of responsibilities regarding the responsible public institutions-kindergartens from central to local government. There are 55 public kindergartens in 46 municipalities in Macedonia, with a total of 23237 children.

**Table 5: Number of Kindergartens per Local Government Units in Macedonia**

	<b>Municipality</b>	<b>Number of kindergartens</b>	<b>Total employees financed by central government transfers</b>	<b>Capacity</b>	<b>Total children</b>
1	Berovo	1	48	340	251
2	Bitola	2	156	1230	1105
3	Bogdanci	1	22	160	168
4	Valandovo	1	22	250	191
5	Veles	1	122	790	704
6	Vevcani	1	4	65	40
8	Gevgelija	1	67	630	513
9	Gostivar	1	56	320	355
10	Debar	1	22	173	151
12	Demir Hisar	1	12	155	53
13	Demir kapija	1	1	60	50
14	Ilinden	1	0	83	62
15	Kavadarci	1	79	486	662
16	Kicevo	1	33	240	128
17	Kocani	1	65	580	479
18	Kratovo	1	23	160	150
19	Kriva Palanka	1	32	315	251
20	Krusevo	1	15	110	59
21	Kumanovo	1	125	839	1107
22	Makedonska Kamenica	1	18	180	87
23	Makedonski brod	1	20	115	53
24	Negotino	1	52	340	317
26	Pehcevo	1	22	93	117
27	Prilep	1	98	660	713
28	Probistip	1	34	350	315
29	Radovis	1	59	450	392
30	Resen	1	15	112	90
31	Struga	1	45	285	286
32	Strumica	1	103	670	749
33	Sveti Nikole	1	59	415	298
34	Tetovo	1	95	540	512
35	Stip	2	169	1086	1200
36	Aerodrom	2	230	1495	1883
37	Butel	1	103	800	684
38	Gazi baba	2	183	1500	1413
39	Gorce Petrov	1	84	445	588
40	Karpos	4	248	1660	1967
41	Kisela Voda	2	196	1290	1322
42	Centar	3	261	1620	1671
43	Cair	3	141	1280	1010
44	Vinica	1	33	260	231
45	Delecevo	1	22	255	222
46	Ohrid	1	79	580	638
	<b>Total</b>	<b>55</b>	<b>3.273</b>	<b>23.467</b>	<b>23.237</b>

### Section 3: Financing Social Services

Although social prevention functions, as highlighted above, are supported by the legal framework, implementation in practice is very poor. Institutions with responsibility for this function are CSWs and municipalities, and the latter has the freedom to develop and finance prevention measures from its own source revenues (OSR). Weak administrative capacities of the CSWs and the municipalities for the development of social prevention, coupled with budget constraints to finance this type of services, and lack of coordination of related entities pose major problems for the development of this service.

CSWs can use the expertise and resources of private and NGO sectors. However, an additional problem hinders the involvement of NGOs in the provision of counselling services as a result of the obligation to register the establishment and compliance with certain standards demanded by the MLSP. The law allows individuals to perform certain counselling services, but in practice there is a problem regarding the issue of determining the level of qualifications of professionals and the manner of licensing and scope of service that will be offered and its price.

In National Program for Social Protection Development-**NPSPD 2011-2021** defined were forms and specific activities for **implementation of social prevention**:

- Introduction of social prevention as a jurisdiction of not only CSWs, but also of other institutions and agencies;
- Forecasting the special budget allocations for implementation of prevention programmes;
- Introducing social worker patrol services (street social worker);
- Increased engagement of volunteering for CSWs and other institutions;
- Developing volunteering in the local community in cooperation with local institutions and organisations;
- Organisation of self-help groups among users of social care (parents of children at risk, carers of the elderly, single parents, people with social problems, etc.) ;
- Improved awareness, coordination and cooperation in the implementation of preventive programmes among CSWs and other institutions and local NGOs, to avoid overlap in programs, optimal utilization of available resources and so on;
- Preparing and distributing information material (brochures, posters) for the rights and services for social prevention .National Programme for the Development of Social Protection defines the major activities in this field in the medium term.

For the operation of the CSWs, the state annually provides about **7.4 million Euros**, which are intended mainly for the activities of the centres for social assistance benefits, but there are insufficient funds for social services for prevention. The network of CSWs is deemed as good basis for decentralising preventative social services in the long run. It is envisaged that in the area of social prevention civil society, private sector and even the citizens themselves should be involved. However, implementation and funding of preventative social services remains a challenge in the short to medium term.

In recent years, services for non-institutional care has been most pronounced in relation to other social services in terms of increasing the scope, forms, financing and the involvement of local government, NGOs and the private sector for mutually providing these services. Funding for services provided by NGOs **is not decentralised**, but increasing the scope of these services continually increases the number of municipalities in which the state through the CSW set and finance (with about **1,470,000 Euros** a year) units for non-institutional provision. There are municipalities that in accordance with local needs with their own finance can establish units for non- institutional social care.

Ministry of Labour and Social Policy annually allocates about **35,000 Euros** for **cooperation with NGOs** for projects for non-institutional social protection, but the budget funds for cooperation with NGOs in the field of non-institutional social protection remains low and insufficient. However, the **partnership** of the central government, local government, NGO and private sector and citizens is expected to be the fundamental base for the further development of non-institutional services for social protection. Reforms to the system of residential social services that have occurred in recent years include:

- Introduction of deinstitutionalisation services in residential units for individual life and foster families for those users placed in special institutions for institutional social care;
- Decentralisation of services to care for the elderly, and
- Pluralisation of the social services system with the opening of private institutions for care of the elderly (nursing homes).

The **process of deinstitutionalisation began in 2008** and now includes care of about 280 children with disabilities in foster families and 66 adults with disabilities in residential units for independent living with support from professional social workers. Foster families are financed from the budget of the MLSP, and residential living units with individual support are financed and managed by partnership of MLSP and NGOs.

Public institutions for institutional social protection is financed by the budget of the MLSP (about **4,100,000 Euros** per year), some of them have income from operations of their own economies and donations. The process of deinstitutionalization has gradually reduced the need for use of accommodation facilities in these institutions.

With the start of the process of fiscal decentralisation in 2005, the responsibilities for public institutions-homes for elderly were transferred from central to local government. Funding for nursing homes that are transferred to the municipalities is done through block grants from the budget of the MLSP. According to the **Law on Financing of Local Government**, each year Government on the proposal of MTSP **adopts Decree on establishing the methodology for setting the criteria for allocation of block grants** for public social care institutions- nursing homes for the next budget year.

The methodology for the allocation of block grants to nursing homes (municipalities) are essentially based on the number of welfare beneficiaries in each separate house and price (cost) per social user calculated on the basis of norms and standards for the activity. According to the methodology, the allocation of block grants is made under the following **criteria**:

- Number of persons accommodated, users of social services;

- The unit cost per user, including the length of the heating period in the institution;
- Costs for current and capital maintenance, and
- Number of employees in the institution,

The **distribution of block grants** is done according to the following formula:

$$\mathbf{BG = S + CU + CM}$$

- BG (Block Grants) – block grants for social care-homes for the elderly run by the municipalities
- S (Salaries) - salaries for employees
- CU (Cost for users) - the cost of users, including the length of heating period in the institution
- CMK (Cost for maintenance)- the cost of ongoing maintenance

The funds from block grants are intended to finance the costs for the social users, costs for utilities and heating, maintenance and other running costs of the institution, as well as cost for salaries for employees.

**Table 6: Block grants for Homes for elderly 2009-2011 (in Euros)**

<b>Institution/Municipality</b>	<b>Block Grants 2009</b>	<b>Block Grants 2010</b>	<b>Block Grants 2011</b>
Home for the elderly – Bitola	313,603	311,270	298,250
Home for the elderly - Kumanovo	310,748	302,101	291,354
Home for the elderly – Prilep	305,568	301,930	288,444
<b>Total</b>	<b>929,919</b>	<b>915,301</b>	<b>878,049</b>

The **public nursing homes for elderly** in addition to funding from block grants are financed with funds from the income of consumers and may be financed with funds from donations as well. With the pluralisation of sheltering services for the elderly, there is **interest in opening of private homes for the elderly**. **Licensing** of these private institutions and prescription of the price of accommodation for the elderly in nursing homes opens the opportunity for public private partnership in financing and management of these homes.

Responsibilities of kindergartens for the care and upbringing of children - **kindergartens were transferred from central to local level starting from 2005** with the start of the process of fiscal decentralization. Funding for public kindergartens that are transferred to the municipalities is done through **earmarked grants or block grants from the budget of the MLSP** (depending on the financial readiness of municipality).

Funding for public kindergartens in municipalities that are in the **first phase of fiscal decentralisation** is done through **earmarked grants**, and for municipalities that are in the **second phase of fiscal decentralisation** is done through **block grants**. Municipality passes in the second phase of fiscal decentralization after fulfilling certain conditions (criteria) that are mostly related to the administrative and financial capacities of the municipality.

According to the **Law on Financing of Local Self Government**, each year Government on the proposal of MTSP adopts **Decree on establishing the methodology** for setting the criteria for allocation of **earmarked grants** for public child care institutions- kindergartens for the next budget year for the municipalities that are in the first stage of fiscal decentralization and **Decree on establishing the methodology** for setting the criteria for allocation of **block grants** for public social care institutions- nursing homes for the next budget year for municipalities that are in the second stage of fiscal decentralization.

The methodology for the allocation of **block grants to kindergartens** (municipalities) are essentially based on the number of children in each municipality (kindergartens) and price (cost) per child calculated on the basis of norms and standards for the activity. The distribution of block grants is made under the following **criteria**:

- Number of employees for the work placement and education of children - municipal public institutions - kindergartens in the municipality and the municipality of the City of Skopje;
- The number of children in each municipal public institution for children - kindergarten (projected capacity –number of children to those kindergartens where the actual number of children is under the projected capacity and actual number of children for those kindergartens where actual number of children is higher than projected capacity);
- The price or the cost per child - monthly cost of a child in kindergarten, assuming an increase in the cost of resources for heating, as well as the expenditure made for transportation of food for kindergartens that exercises care and upbringing of children in other premises of over 8 km away from the seat of the institution or central kitchen and corrective to the cost of heating for extended stay until 22 pm;
- The length of the period of heating costs, assuming the cost of energy for 2 (two) months more than other municipal public institutions - kindergartens where the heating period is significantly longer than the period of heating in other places; and
- Space for maintenance, calculated according to the norm of space per child (8 m<sup>2</sup> per child).

The distribution of block grants is undertaken in accordance with the following formula:

$$BD = S + CC + CMK$$

- BD - block grant for child care and education activities for children in municipal public institutions - kindergartens in the municipality
- S - Salaries for employees in the field care and education in municipal public institutions - kindergartens in the municipality
- CC - the cost of goods and services for the care and upbringing of children in municipal Public institutions - kindergartens in the municipality
- CMK - the cost of ongoing maintenance and capital facilities - municipal public institutions - kindergartens in the municipality

The funds from block grants are intended to finance the costs for the children in kindergartens, costs for utilities and heating, maintenance and other running costs of the institution, as well as cost for salaries for employees.

**Table 7: Block grants for kindergartens 2009-2011 (in Euros)**

	<b>Municipality</b>	<b>Block Grants 2009</b>	<b>Block Grants 2010</b>	<b>Block Grants 2011</b>
1	Berovo	290,509	281,273	281,964
2	Bitola	926,411	887,782	889,964
3	Bogdanci	0	0	153,844
4	Valandovo	134,224	134,255	136,133
5	Veles	651,441	617,548	633,455
6	Vevcani	0	18,034	36,156
8	Gevgelija	434,196	424,876	425,920
9	Gostivar	325,505	320,226	321,013
10	Debar	143,648	138,434	138,774
12	Demir Hisar	88,422	83,730	83,936
13	Demir Kapija	0	16,383	36,878
14	Ilinden	0	65,676	65,838
15	Kavadarci	460,680	455,717	458,606
16	Kicevo	0	138,668	181,195
17	Kocani	360,640	355,789	368,746
18	Kratovo	149,843	142,714	143,065
19	Kriva Palanka	177,423	171,973	179,965
20	Krusevo	105,347	100,227	100,473
21	Kumanovo	669,358	681,343	697,280
22	Makedonska Kamenica	0	44,044	92,366
23	Makedonski brod	307,369	278,180	109,522
24	Negotino	307,369	278,180	270,813
26	Pehcevo	115,073	111,743	118,867
27	Prilep	548,116	521,367	537,354
28	Probistip	0	0	160,976
29	Radovis	338,078	320,010	323,730
30	Resen	99,950	98,359	102,763
31	Struga	278,991	255,482	245,422
32	Strumica	596,765	590,317	591,768
33	Sveti Nikole	326,682	317,178	317,958
34	Tetovo	460,010	448,408	466,007
35	Stip	941,233	905,828	927,949
36	Aerodrom	1,322,973	1,272,174	1,309,056
37	Butel	588,779	560,275	568,766
38	Gazi baba	1,055,771	1,004,682	1,027,104
39	Gorce Petrov	460,972	447,277	448,376
40	Karpos	1,520,367	1,470,209	1,473,822
41	Kisela Voda	1,016,841	966,475	1,010,267
42	Centar	1,539,533	1,465,446	1,469,047
43	Cair	787,770	831,032	833,074
44	Vinica	0	0	0
45	Delecevo	0	0	0
46	Ohrid	0	0	0
	<b>Total</b>	<b>17,530,289</b>	<b>17,221,313</b>	<b>17,738,211</b>

The formula for calculating the earmarked grants contains the same elements as the formula for calculation of block grants with the exception of salaries, because the municipalities in the first phase of fiscal decentralisation have no authority in the area of salaries. But, whether funding is through block grants or earmarked, making decisions about employment are still under the authority of central government, which contributes to the further influence of central government to the municipalities for responsibilities that are decentralised.

The distribution of block grants for child care and education of preschool age and accommodation and care for the elderly is performed depending on the number of existing users in kindergartens and nursing homes. Binding of the specific block grant with existing institutions does not meet the definition of decentralisation. That puts at an unfair position those municipalities that do not have institutions and forms of care and upbringing of children in their communities and on the other hand have the potential number of children who are in need of these services (especially rural municipalities).

#### Section 4: SWOT Analysis of the Social Services Delivery System

Based on the previously presented situation for financing social services and general findings in this area, in this section are presented strengths, weaknesses, opportunities and threats for financing social services.

	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Treats</b>
<b>Overall policies stance and policy effectiveness</b>	<p>The state expressed political will to implement the decentralisation process.</p> <p>The state supports the expert analysis to determine the situation and recommend measures to improve the efficiency of the system of fiscal decentralisation</p>	<p>Binding of the specific block grant with specific institutions does not meet the definition of decentralisation. This sends the wrong message, in order that local needs are not important, but that it is important the existence of the institution itself.</p> <p>Lack of discretion by the municipalities regarding the use of block grant funds, so the state still has forms of influence (more of a deconcentration instead of devolution).</p>	<p>Determining the needs of local governments (through the mapping of vulnerable categories of people-potential number of users), and preparation of local development programmes.</p> <p>Taking advantage of pre-accession EU funds to strengthen the capacities of local governments and introduction of services in accordance with local needs.</p>	<p>Lack of capacity and initiatives by municipalities for the financial management of transferred responsibilities.</p>
<b>Constitutional and legal framework</b>	<p>There is a constitutional commitment to providing social security of citizens and clearly defined legal framework for the provision social</p>	<p>The legal framework for fiscal decentralisation gives emphasis on the early stages of fiscal decentralisation, but when they</p>	<p>There are expert analysis with suggestions for further setting the legal framework related to fiscal decentralisation</p>	<p>Lack of political will to accelerate redefinition of the legal framework</p>

	services.	have already been met, there is a need to redefine the legislation.		
<b>Central government institutional and regulatory framework</b>	Existence of legal basis and strategic objectives for the implementation of the decentralisation process in the field of social services: Law on Social Protection provides for municipalities to adopt social protection programs; Regulations that specified norms and standards for the development of services at local level; Responsible department within the MLSP operates on the development of social care services; Adopted Programme for Social Protection Development 2011-2021	Lack of standards and cost of services for all social services  Lack of continuity on the manner of distribution of grants funding and scope of the transferred responsibilities  Lack of a system of permanent monitoring of services to ensure a minimum quality.	Adoption of all necessary regulations that regulate this matter.  Adoption of Strategy (Framework) for determining the long term objectives and long term financing framework for transferred responsibilities  The administration of cash benefits and implementation of social services carried out by CSWs to be institutionally separated and managed separately.  Initiatives for municipal cooperation  Stimulating public-private partnership  Stimulating collaboration with NGOs	Global financial crisis  Uncertainty for providing the necessary funds.  Require a longer period of institutional transformation  Barriers to cooperation between central and local government because of political affiliation  Lack of motivation of the private sector  Uncertainty to ensure continuity in financing of joint projects
<b>Local government institutional and regulatory framework</b>	Existence of legal basis for the development of social care services - Law on Social Protection and the Law on Local Self-Government.  Existence of local development programmes of social protection (in some municipalities)	Insufficient capacity of the local governments to implement social services  Insufficient and inconsistent funding for development of social services  Analysis of local needs and development of local programs for social protection	Strengthening the administrative capacity of municipalities to develop services at local level  Taking advantage of pre-accession assistance for capacity development and development of services at local level	Global financial crisis  Lack of interest by local authorities  Inconsistent and insufficient funds for development of services and lack of devolution in using the same
<b>Participation by NGO sector</b>	There are defined legal framework and strategic objectives for	Instability of funds for implementation of sustainable social protection	Implementation of measures to introduce social entrepreneurship,	Lack of clear settings by central and local government for

	<p>participation of NGO sector:  Law on social protection in terms of social contracts;  Law on Associations of Citizens;  Law on Donations and sponsorships;  Strategy for Cooperation between the Government and CSOs;  Code of good practice in providing funds by the Government;  Participation in policy making</p>	<p>programs</p> <p>Central and local governments do not provide sufficient funds to support the activities of NGOs</p> <p>Unbalanced regional distribution of the NGO sector</p>	<p>which will ensure sustainability of the NGO sector;</p> <p>Improving procedures for obtaining donations and sponsorships according to Law on donations and sponsorships.</p> <p>Tax facilitation for associations that will receive the status of associations of public interest.</p> <p>Promotion of volunteerism</p>	<p>the scope of funding of the NGO sector that threaten the sustainability of projects</p>
<b>Participation by private sector</b>	<p>There are defined legal framework and strategic objectives:  Law on Public-Private Partnership</p> <p>Strategy to promote socially responsible companies</p> <p>Law on Donations and Sponsorships</p>	<p>Lack of interest of the private sector</p> <p>Lack of corporate social responsibility developed</p>	<p>Granting of state land for investment by the private sector in social protection institutions</p> <p>Introduction of tax benefits and incentives</p> <p>Promotion of socially responsible companies</p> <p>Introduction to Social Entrepreneurship</p>	<p>Missing programs and initiatives by central and local governments for the development of public-private partnership</p> <p>Lack of prescribed standards and clear licensing procedures</p>