REPORT ON THE IMPLEMENTATION OF THE JOINT INCLUSION MEMORANDUM OF THE REPUBLIC OF CROATIA FOR THE PERIOD FROM JANUARY 2008 TO MARCH 2009

Zagreb, July 2009
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Glossary of Abbreviations

ADO Anti-drug Office of the Government of the Republic of Croatia
AEA Agency for Education of Adults
ALMP Active Labour Market Policy
ARE Agency for Legal Transactions and Real Estate
ASHE Agency for Science and Higher Education
ASSC Areas of Special State Concern
AVE Agency for Vocational Education
CARDS Community Assistance for Reconstruction, Development and Stabilisation
CBS Croatian Bureau of Statistics
CCSD Council for Civil Society Development
CEA Croatian Employers’ Association
CERANE Centre for Development of Non-profit Organisations
CES Croatian Employment Service
CHISC Central Health Information System of Croatia
CIHI Croatian Institute for Health Insurance
CIPH Croatian Institute for Public Health
CIPI Croatian Institute for Pension Insurance
CODEF Central Office for Development Strategy and Coordination of EU Funds
CROMAC Croatian Mine Action Centre
CSO Civil Society Organisations
CSOA Central State Administrative Office for Public Administration (since July 2009 Ministry of Administration)
CSW Centre for Social Welfare
EC European Commission
ECDL European Computer Driving Licence
EMCDDA European Monitoring Centre for Drugs and Drug Addiction
ESC Economic and Social Council
EU European Union
EU10 New member states which joined the European Union in May 2004: Malta, Cyprus, Slovenia, the Czech Republic, the Slovak Republic, Hungary, Poland, Lithuania, Latvia and Estonia
EU15 15 “old” member states of the European Union (prior to enlargement on 1 May 2004): Austria, Germany, Italy, the Netherlands, Great Britain, Sweden, Finland, Denmark, Luxemburg, Belgium, Spain, Greece, Portugal, Ireland and France
EU25 25 member states of the European Union after the enlargement on 1 May 2004 (EU15+EU10)
EU27 Current EU consisting of EU25 + Bulgaria and Romania, which joined the EU at the beginning of 2007
Eurostat Statistical Office of the European Communities
FPREDP Fund for Professional Rehabilitation and Employment of Disabled Persons
FTRH Former Tenancy-Right Holders
GDP Gross Domestic Product
HBS Household Budget Survey
IPA Instrument for Pre-accession
JAP Joint Assessment of the Employment Policy Priorities of the Republic of Croatia
JIM Joint Inclusion Memorandum
LFS Labour Force Survey
LRSGU Local and Territorial (Regional) Self-government Units
MoAFRD Ministry of Agriculture, Fisheries and Rural Development
MoELE Ministry of Economy, Labour and Entrepreneurship
MoEPPPC Ministry of Environmental Protection, Physical Planning and Construction
MoF Ministry of Finance
MoFWVIGS Ministry of the Family, War Veterans and Intergenerational Solidarity
MoHSW Ministry of Health and Social Welfare
MoI Ministry of Interior
MoJ Ministry of Justice
MoRDFWM Ministry of Regional Development, Forestry and Water Management
MoSES Ministry of Science, Education and Sports
MoSTI Ministry of the Sea, Transport and Infrastructure
NGOs Non-Governmental Organisations
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>NIP</td>
<td>National Implementation Plan</td>
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<tr>
<td>OCNGOs</td>
<td>Office for Cooperation with NGOs of the Government of the Republic of Croatia</td>
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<td>OGE</td>
<td>Office for Gender Equality</td>
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<td>OHR</td>
<td>Office for Human Rights of the Government of the Republic of Croatia</td>
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<td>OMC</td>
<td>Open Method of Coordination</td>
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<td>ONM</td>
<td>Office for National Minorities of the Government of the Republic of Croatia</td>
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<td>OPPSMSE</td>
<td>Operational Plan of Promoting Small and Medium-sized Enterprises</td>
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<tr>
<td>PHARE</td>
<td>Poland and Hungary: Assistance for Restructuring their Economies</td>
</tr>
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<td>PPP</td>
<td>Public-Private Partnership</td>
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<td>PROGRESS</td>
<td>Community Program for Employment and Solidarity</td>
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<td>RC</td>
<td>Republic of Croatia</td>
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<td>SPS</td>
<td>State Pedagogical Standard</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>USA</td>
<td>United States of America</td>
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<td>VET</td>
<td>Vocational Education and Training</td>
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1. INTRODUCTION

The Joint Memorandum on Social Inclusion of the Republic of Croatia was signed on 5 March 2007, when Croatia and EC agreed not only on the key challenges in the way of advancement of social protection and social inclusion, but also on the priorities, measures and analyses that need to be undertaken in the JIM follow-up process with the purpose to prepare Croatia for its future participation in the OMC in the area of social protection and social inclusion. It should be noted that the process of the preparation and drafting of JIM was an exercise of mutual learning for Croatia and the European Commission, and that all relevant stakeholders of the Croatian society participated in the preparation of JIM: ministries, local self-government bodies, social partners, academic institutions, CSOs etc.

Following the signing of JIM, Croatia entered into a phase of translating the challenges into implementation measures and their monitoring. It should be noted that in 2007 Croatia prepared a National Implementation Plan on Social Inclusion 2007-2008. In accordance with the activities agreed under JIM, the first conference was held on 2 July 2007 in Zagreb, at which progress made after the signing was analysed and an in-depth discussion on social protection was launched. The second JIM follow-up conference was held on 11 March 2008 in Zagreb. At this conference Croatia presented its National Implementation Plan on Social Inclusion 2007-2008. In mid 2008 the first report on the implementation of the measures envisaged by the National Implementation Plan and the Joint Memorandum on Social Inclusion, for the period from March 2007 to March 2008, was submitted to the European Commission and partners. At the end of 2008, the European Commission prepared a evaluation report on the progress made in the implementation of the measures mentioned above. The report highlights significant steps made in various areas of social inclusion and stresses that cooperation among a number of stakeholders involved in the process of the implementation of the Joint Memorandum on Social Inclusion has improved.

Given that it is necessary to continually adapt the measures to the new circumstances, Croatia has completed the preparation of a new National Implementation Plan for the period from 2009 to 2010, which has reflected the challenges from the previous implementation plan, but also the measures that were not included in the earlier implementation plan. Also, the third JIM follow-up conference was held in Zagreb on 31 March 2009. The objective of the conference was to present the new National Implementation Plan for the period from 2009 to 2010, facilitate an exchange of views on the implementation of measures and activities included in JIM and in the implementation plan and discuss the key forthcoming reform challenges and problems which impede a successful vertical and horizontal governance of the processes which are important from the aspect of the implementation of JIM.

The next agreed step was submitting the Second report on the implementation of JIM and the National Implementation Plan 2007-2008 until the summer of 2009, for the period from January 2008 to the end of the first quarter of 2009. It should be noted that JIM was signed by the Government of RC and the EC on 5 March 2007, and for this reason the first yearly report on the implementation of the Joint Inclusion Memorandum of the Republic of Croatia covered the period from March 2007 to March 2008. This (second) report will include the period from the beginning of 2008 to March 2009. It was not possible to start the report with April 2008 because the majority of available statistic indicators pertain to 2008 as a whole, but not to sub-periods within that year. On the other hand, due to the importance of some activities whose implementation started only at the beginning of 2009 and due to the spill-over effect of the economic and financial crisis between 2008 and 2009, the reporting period was expanded
to include the first three months of 2009. However, in order to avoid overlapping of reporting periods in the future, the next report would cover only 2009.

The structure of this report has been harmonised with the EC requirements and guidelines. The report consists of four parts and statistical and other appendices. The first part gives an overview of social, economic and demographic situation, presents an overall strategic approach in addressing the challenges of poverty and social exclusion in the period 2008-2009 and outlines the framework of the strategic approach in the period 2009 to 2010. The second and third parts contain information on the implementation of the priorities and measures adopted under JIM and the National Implementation Plan 2007-2008, whereas the fourth part reports on the implementation of specially assumed commitments related to research studies on the youth and indebtedness, as well as the preparation of specific strategic and action plans in the area of decentralisation and de-institutionalisation of social services.

2. COMMON OVERVIEW

2.1. Assessment of social situation

Demographic situation has not changed significantly in the last several years. This means that the trends of decreasing and ageing population that have already been observed are in place. According to the 2008 estimates, in the middle of the year Croatia's population was 4,434,500 – population lower by 1,500 and 5,500 than in 2007 and 2006, respectively. The share of young population continued to drop, whereas the share of elderly population continued to grow. In mid 2008 the share of people above 64 years of age was 17.28% (in 2007 it was 17.19%). The natural population growth for 2008 was -1.9 (which was less favourable in comparison with 2007 and 2006), whereas the total fertility rate grew slightly, to 1.47 in 2008. In the last three years there were no significant changes in life expectancy for women and men, but a slight growth in the difference in life expectancy between men and women was recorded (6.8 years, 6.9 years and 7.2 years in 2006, 2007, and 2008, respectively).

Migration balance is still positive (even if it has been continually decreasing in comparison with previous years, with the exception of 2008, when it grew), and among the immigrants there is still the highest number of Croatian citizens who emigrate from foreign countries (most notably from Bosnia and Herzegovina).

The mortality rate in 2008 did not change in comparison with 2007, whereas the mortality rate among elderly persons decreased from 54.4 in 2007 to 53.6 in 2008 (the mortality rate was 11.8 in 2007 and 2008, and 11.3 in 2006). In the total number of deaths the share of deceased men and women was almost the same. There are more deaths of women in the 64+ cohort, whereas the share of men is higher among the deceased in the age group from 0 to 64 years of age. The infant mortality rate in 2006 was 5.2, in 2007 it was 5.6, and in 2008 it dropped to 4.5. In the last several years there were no significant changes in early neonatal mortality (3.25 in 2007), and this rate is significantly higher than in EU27 (2.33 in 2006.). There were no significant changes in the ten leading causes of death, meaning that the leading causes of death remain to be ischemic heart diseases, cerebrovascular diseases and neoplasms. The suicide rate in 2007 (17.49) remained approximately the same as in 2006 (17.98).

In 2008 the Republic of Croatia saw a significant economic downturn. The cumulative annual GDP growth was 2.4%, whereas in 2007 the GDP growth rate was 5.5%. GDP growth gradually declined in the course of the year: from 4.3% in the first, through 3.4% in the
second, 1.6% in the third, to 0.2% in the fourth quarter. In the first quarter of 2009 in comparison with the comparable quarter in 2008 GDP was lower by 6.7% in real terms.

In 2008 total industrial output increased by 1.6% in comparison with 2007. According to the National Classification of Economic Activities, industrial production includes three areas: the manufacturing industry, electrical power, gas and water supply, and mining and extraction. An increase in production was achieved in the manufacturing industry (by 1.5%) and energy supply (by 3.5%), while at the same time in mining and extraction output decreased by 1.8%. In March 2009 the total industrial production was lower by 6.6% in comparison with March 2008, and in the period from January to March 2009 in comparison with the same period in 2008 it was lower by 10.9%. In comparison with the average monthly production in 2008, industrial production in March 2009 was lower by 4.7%.

Positive changes in 2008 and 2009 were recorded in the area of construction activities. The annual growth rate of construction works volume in 2008 was 11.8%, and this was a significant increase in comparison with the previous year, when it was 2.4%. In March 2009 construction works volume was larger by 6.1% in relation to March 2008.

In 2008 the retail trade increased by 6.0% in nominal terms in comparison with the previous year, but due to the consumer price index the retail trade real growth rate shrank by 0.5%. Retail trade turnover from all business entities engaging in this activity regardless of their main activity in March 2009 in comparison with March 2008 was lower in nominal terms by 15.2%, and by 17.4% in real terms.

In tourist industry in 2008 the number of tourist arrivals increased by 1.0%, while tourist overnight stays were higher by 2.0% than in 2007. The share of foreign tourists in the total number of arrivals was 83.6%, and in the number of overnight stays it was 88.7%. In the period from January to March 2009 the number of tourist arrivals declined by 14%, while overnight stays declined by 17% in comparison with the same period last year in all commercial accommodation facilities. In the total number of overnight stays, the domestic tourists accounted for 50.2%, whereas foreign tourist overnight stays accounted for 49.8%. In the period from January to March 2009, in comparison with the same period in 2008, the domestic tourists overnight stays were lower by 11%, whereas foreign tourist overnight stays decreased by 22%.

In 2008 foreign trade recorded a growing deficit as well. Total exports grew by 4.7%, and imports by 8.8%, so the export-import ratio continued to decline, from 47.9% in 2007 to 46.0% in 2008. Total exports volume of RC in the period from January to March 2009 was EUR 1,886 million, import EUR 3,697 million, whereas the foreign trade deficit was EUR 1,812 million. The export-import ratio in the first three months of 2009 was 51.0%.

The average monthly net wage continued the multi-year growing trend, with the nominal annual increase of 7.0% in 2008. Due to the concomitant inflation rate growth, the real net wage grew by only 0.8, and this growth was slower by 1.4 percentage points than in 2007. The average monthly paid wage per employee in legal persons in March 2009 in comparison with the same month last year was higher by 6.5% in nominal terms, and by 2.6% in real terms. For the period from January to March 2009 the average monthly paid net wage per

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1 According to the data of the Annual and monthly averages of mean exchange rates of the Croatian National Bank, in 2008 the exchange rate EUR/HRK was 7.223178.
employee in legal persons in comparison with the same period 2008 was higher by 5.6% in nominal terms, and by 1.8% in real terms.

Inflation measured by the consumer price index grew by 6.1% in 2008, a significant rise in comparison with a stable increase in the previous several years at the level of 2%-3%. In total, the consumer price index in the period from January 2009 to March 2009 in comparison with the period from January to March 2008 grew by 3.8%.

The enviable economic growth rate in 2007 (5.5%) had a positive impact on the changes in the labour market in 2008, so an increase in employment, a decline in registered unemployment and a declining unemployment rate were recorded. According to the CBS data, at the end of 2008 Croatia’s active population was 1,791,546, of whom 1,554,805 were employed, and 236,741 unemployed persons, with the consequential unemployment rate of 13.2%. This was a significant decline in unemployment in comparison with 2007, when the average unemployment rate was 14.8%. At the end of March 2009 Croatia’s active population was 1,779,689, of whom 1,512,445 were employed persons, and 267,244 unemployed persons, rendering the unemployment rate of 15.0%.

In 2008 the highest number of employed persons worked in legal entities – 80.5% (by 0.6% more than in 2007), which was followed by crafts and self-employment – 17.0% (0.4% less than in 2007), whereas insured farmers accounted for 2.5% (0.2% less than in 2007). According to the National Classification of Economic Activities, the largest number of the employed worked in the manufacturing industry (19.4%) and trade, repair of motor vehicles and household goods (17.4%). In comparison with the previous year the number of employees increased in almost all sectors (except in activities of private households, agriculture and energy supply), and the most in the following ones: real estate business and business services (6.8%), construction industry (5.6%), other services (5.1%), financial intermediation (5.0%) and public administration, defence and compulsory social insurance (4.6%). In the first three months of 2009 in relation to the same period of the previous year, the total number of employees in legal entities increased by 0.7%.

In the course of 2008 seasonal factors impacted the trends in the registered unemployment according to CES records. At the beginning of the year unemployment was high and on a slight decline, then saw a significant decline until August, whereas after the end of the summer season unemployment was on the increase again until the end of the year. In accordance with this, the highest unemployment was recorded in January (261,129), and the lowest one in August (219,334). In December 2008 the registered unemployment according to CES records was 240,455, and this was lower by 5.5% than in the same month of the previous year. At the end of March 2009 there were 267,244 people on CES unemployment records – 11,753 more people than in March 2008. Consequently, in March 2009 unemployment increased by 4.6 % in comparison with the same month in 2008.

The number of the unemployed at the end of 2008 was lower than the number of the unemployed at the end of the previous year. The average number of the unemployed decreased from 264,448 in 2007 to 236,741 in 2008 – a 10.5-percent decrease. The percentage decreased in unemployment was higher in male unemployment (12.6%) than in case of women (9.1%). The share of men in the total number of unemployed dropped, while the share of women increased.

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2 The shares of the employed in the sectors indicated above were computed from total employment data calculated (data included employees in legal entities, employees in crafts and self-employed and employed insured farmers).
of women increased (by one percentage point). Of the total unemployment number in March 2009, there were 162,196 of unemployed women, which was by 2.8% more than in March 2008. The share of women in registered unemployment in the monitored period declined from 61.7% to 60.7%.

At the end of 2008, in comparison with the same period in 2007, unemployment decreased in all age groups, except for the oldest ones. The number of the unemployed increased in the 54-59 cohort, and particularly in the 60+ group. Therefore, their share in the total number of the unemployed increased as well (from 12.2% to 14.1%). The most significant decrease in unemployment was recorded in the youngest groups. In the group of unemployed people in March 2009 there were 4.5% of persons between 15 and 19 years of age and 13.3% of persons between 20 and 24 years of age.

In terms of educational qualifications, the year 2008 saw a decline in the average number of the unemployed of all education categories. However, the number of the unemployed without educational qualifications, i.e., without any schooling or with uncompleted or completed primary school was decreasing less than the number of the unemployed with secondary, two-year-post-secondary or university qualifications, therefore their relative share in unemployment increased.

An analysis of unemployment trends has shown that there were significant differences among counties in the volume of decreased unemployment. The most significant percentage decrease in the average unemployment in 2008 was recorded in the Krapina-Zagorje County (15.5%) and in the City of Zagreb (15.2%). The number of unemployed decreased the least in the Sisak-Moslavina (4.6%), the Bjelovar-Bilogora (7.7%) and Osijek-Baranja County (7.8%). In the first three months of 2009, in comparison with the same period last year, registered unemployment increased in all counties except for the Koprivnica-Križevci County, where a 1.9-pct decline in unemployment was recorded.

As regards the length of unemployment, at the end of 2008 there were somewhat more than one-third of the people unemployed up to six months, and 55.2% longer than one year. In comparison with the previous year, the number of unemployed up to three months increased, whereas the number of people who were unemployed for a medium term and longer term decreased, especially those unemployed from one to two years. In other words, the share of the people unemployed mostly for a shorter time increased, and the number of people who were unemployed for a medium term and longer term decreased. With regard to the duration of unemployment according to gender, the share of long-term unemployed (longer than one year) in the total number of unemployed men was 52.5%, and in the total number of unemployed women 56.9%. The situation did not change more significantly in the first three months of 2009.

Educational qualifications have a significant impact on the duration of unemployment. The share of long-term unemployed in the total number of unemployed with no schooling and primary school leavers was 74.3%, and in the total number of the unemployed with the completed primary school it was 62.9%. The share of long-term unemployed was lower with people with secondary three-year or four-year education (53.8% and 48.4%, respectively), and with college and higher educational qualifications (42.8% and 40.4%, respectively).
In 2008 a total of 128,228 people from CES records became employed (12.6% less than in 2007). Of the total number of the employed, 75,684 people were women, with the share in total employment of 59.0%, as opposed to 58.3% in 2007.

Instead of the former lowest wage system (HRK 2,441 gross a month which was supposed to be paid for full-time work and was used as the base for paying social contributions), as of 1 July 2008 the provisions of the Minimum Wage Act came have been implemented. Pursuant to that Act the system of minimum wage is introduced. The minimum wage from 1 July 2008 to 31 May 2009 accounted for 39% of the average monthly gross wage earned in the previous year with legal entities in RC, or HRK 2,747 gross per month. For textile, wood processing and leather-and-footwear industry, as labour-intensive branches of industry, the share of minimum wage is multiplied by the following coefficients: in the first year, from the day of coming of this Act into force, by 0.94; in the second year by 0.96; in the third year by 0.97 and in the fourth year by 0.98.

Total social costs in Croatia (19.1% of GDP in 2008) are higher than in most of the former socialist countries (with the exception of Slovenia), but are significantly lower than in EU27 (26.9% of GDP in 2006). Also, there is a visible trend of a gradual decline of total social expenditures after 2001, with stagnation of those costs from 2005 to 2008 (throughout this period they accounted for approximately 19% of GDP). The reasons for a decline in total social expenditures should be sought primarily in a relatively high economic growth and a reduction in pension expenditures. Despite relatively high costs, most of the benefits in the social protection system are low. This is particularly the case with pensions, unemployment benefits and social assistance benefits (in 2008, the average pension benefit accounted for approximately 40% of average wage, the average unemployment benefits accounted for 22% of average wage, and the standard permanent social assistance benefits for an able-bodied single person accounted for approximately 10%). The social protection system is predominantly public, but there is an increasing privatisation in some social protection sectors (the pension and health systems and the social services system).

It is not surprising that the pension system accounts for the largest part of social protection expenditures. The costs of the public pension system have been on a continual decline since 2001, when they reached the maximum amount (12% of GDP). In the period from 2006 to 2008 the costs of the pension system were cut from 10.1% of GDP to 9.8% of GDP. Although the pension system is based on the insurance principle, due to insufficient funds collected through contributions and the legal obligation for the provision of funds for pensions accrued under more favourable conditions, more than 40% of funds for payment of pension benefits are earmarked in the State budget. The pension reform that was launched in 1999 introduced a number of changes in the pension system. A three-pillar system was introduced, with one public and two private pension insurance pillars. The ratio between the number of insureds and the number of pensioners – the dependency ratio - was constantly worsening until the enactment of the new Pension Insurance Act (1999), and thereafter it stabilised (1.36) and improved after 2004 (the dependency ratio increased from 1.37 in 2004 to 1.40 in 2008). In the period of 10 years (1999-2008) the retirement age was raised by 5 years (from 55 to 60 for women and from 60 to 65 for men). The low pension replacement rate remains the key problem. The share of average pension in the average wage has somewhat risen after 2000, but dropped again after 2005, so that at the end of 2008 the share of average pension benefit

3 CBS works intensively (under the PHARE 2006 program) on the preparation of statistical data on social protection in accordance with ESSPROS methodology. It is envisaged that at the end of 2009 data on social costs in accordance with ESSPROS methodology for the period from 2003 to 2007 might become available.
in the average wage was just below 40% (the share of the average old-age pension for full years of service for retirement accounted for 63% of the average wage in 2006 and 58% in 2008). People who had low wages over their years of employment have a big probability of being poor as pensioners. Nevertheless, in the pension system there is a strong instrument of solidarity or distribution in terms of the minimum pension, which alleviates or reduces poverty of a significant number of pensioners. Also, during 2007 and 2008 legislative amendments were adopted that improved the material status and social security of pensioners who became entitled to pension benefits after 1999.

After 2000, income inequalities and poverty have mostly stagnated or declined mildly. The Gini coefficient in the period from 2001 to 2005 was 0.29, dropping to 0.28 in 2006 and 2007. Also, the quintile share ratio (S80/S20) decreased from 4.5 in 2005 to 4.2 in 2006, and to 4.3 in 2007. The at-risk-of-poverty rate in 2006 (16.3%) decreased by one percentage point in comparison with 2005 (17.5%) and increased again to 17.4% in 2007. The relative at-risk-of-poverty gap in the in the period from 2001 to 2006 did not change more significantly (it was approximately 22.5%), and dropped below 22% in 2007. In 2006 and 2007 the at-risk-of-poverty rate of women was higher by 2 and 3 percentage points, respectively, than the at-risk-of-poverty rate of men. Of all age groups, only the oldest age group (65+) has an at-risk-of-poverty rate above the national average and in this age group the difference between the at-risk-of-poverty rates of men and women is the biggest (4 and 6 percentage points in 2006 and 2007, respectively).

In the period from 2005 to 2006 there was an evident trend of growth of the at-risk-of-poverty rate among single households (38.1% in 2006 in comparison with 31.1% in 2005), and especially among older single households (43.8% in 2006 in comparison with 35.2% in 2005). In 2007 the at-risk-of-poverty rate among single households decreased to 36.5%, and among older single households to 41.5%. Households with single parents with one or more dependent children face a high poverty risk, with a slight decline in the at-risk-of-poverty rate for this type of households after 2005. Also, the at-risk-of-poverty rate of the households with two adult persons and three and more children was above the average (24.5% and 25.9% in 2006 and 2007, respectively). The at-risk-of-poverty rate of pensioners was by approximately 30% higher than the national average in 2007, but the at-risk-of-poverty rate of elderly people who do not receive pension benefits was by 170% higher than the national average. It is estimated that in Croatia there are approximately 13% of people above 64 years of age who do not receive any pension benefits (women account for more than 95% of this cohort). The share of elderly people without pensions among the members of minority groups is lower (8.5%) than among Croats (12.4%). Elderly people without pensions who live in single households are at the most unfavourable economic position. One-half of all elderly people without pension benefits live in Dalmatia counties and Eastern Croatia.

Whereas the number of permanent social assistance beneficiaries in the period 2002-2005 mostly stagnated (2.7% of the population), from 2006 a gradual decline of the number of beneficiaries has been observed (the share of permanent social assistance beneficiaries in the population was 2.5% in 2006, 2.3% in 2007 and 2.1% in 2008). The share of unemployed people capable to work among permanent social assistance beneficiaries also dropped, from 45.6% in 2006 to 43.3% in 2008. There were no significant changes in the regional distribution of beneficiaries. The largest number of the beneficiaries of social assistance

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continues to be in the Šibenik-Knin County (3.6 times as high as the national average) and the Međimurje and Karlovac Counties (twice the national average). The counties with above-the-average high number of beneficiaries of social assistance were mostly affected by the war, except for the Međimurje County, in which an increased number of beneficiaries is a consequence of a concentration of the Roma population (almost 1/3 of all Roma in Croatia live in this county).

The trends in education according to 2007 Eurostat data show that the percentage of population between 18 and 24 years of age who have not completed secondary education (early school leavers) and are not included in any form of education is 3.9%, a 1.2-pct reduction in comparison with 2006, whereas the share of the young aged between 20 and 24 year with completed secondary education was 95.4%, and this was a 0.7-pct increase in comparison with 2006. MoSES data on situation per education sectors in school year 2007/2008 indicate that some sectors in vocational education are less represented in terms of the number of attendees (for instance, geology, mining, oil and chemical technology), unlike others (such as the following sectors: mechanical engineering, naval engineering and metallurgy, electrical engineering and computing, economy, trade and business administration, tourism and catering). According to MoSES data, the biggest number of students enrol into education sector "economy, trade and administration" (usually the choice of female young), and then the sector which includes professions in electrical engineering and computing, sector "mechanical engineering and metallurgy" and tourism and catering sector.

According to the HBS data, the share of costs of housing and energy consumption in the structure of personal consumption was on a mild increase from 2004 to 2006 (from 13.02% to 13.68% in 2004 and 2006, respectively) and was coming close to the share from 2002 (13.71%). In 2007 this share dropped to 13.34% in the household expenditures structure, whereas the nominal growth in 2007 was higher by HRK 373 on average per year per household than the average for 2006. In 2008 the share grew to 13.83%, and this was consistent with the expectations given the increase in the prices of energy and communal costs in 2008. The number of newly built flats continues to grow (from 19,995 in 2005 and 22,121 in 2006 to 25,609 flats in 2007).

Despite the increase in the number of newly built flats mentioned above, RC today has pressing housing problems: a shortage of flats, particularly in urban areas, a significant number of vacant flats in small settlements, undeveloped flat rental market, insufficient engagement of local self-government units in resolving housing problems in a specific area. In war and economically unviable conditions social housing was neglected and in the Government’s reports on social policy they were related to provision of housing for the Homeland War victims and more difficult welfare cases. At the same time, during the Homeland War a huge drop in the number of newly built flats was recorded, resulting in an unrealistic increase in the prices of housing resources.

There are significant regional differences in Croatia, which are partially a historical legacy, and partially a consequence of recent war events. Regions, counties and local self-government units differ significantly in terms of a number of indicators, such as GDP per capita, unemployment rate, demography, education structure of population, etc. According to an analysis of the situation at the level of three NUTS-II regions, in 2007 GDP per capita in the northwest region was approximately 60% of the EU27 average, in the Adriatic region approximately 45%, and in the Pannonia region approximately 30% of the EU27 average. The ratio between the net per capita income in the county with the highest and the county with the
lowest income was 1.8 in 2007. Also, the unemployment rate in the county with the highest unemployment level was approximately 4 times as high as the unemployment rate in the county with the lowest unemployment level. Differences between local self-government units are much greater than the differences between counties and regions. The ratio between the net per capita income between the richest and poorest local self-government unit was approximately 7, whereas the ratio in unemployment rates between the local self-government units with the highest and lowest unemployment rates was approximately 53. Although the differences in the distribution of household income among territorial units in Croatia are not significantly higher than in EU countries, without adequate political measures those differences might increase.

2.2. Overall strategic approach

The worsened economic and financial situation in 2008 and 2009 had a significant impact on the strategic approach in the area of social protection and social inclusion. Big efforts are still focused on control and curbing the growth of costs in the most important social protection systems, such as the pension and health systems. In both of those systems the efforts are aimed at increasing the responsibility of an individual for his or her own social wellbeing (encouraging voluntary pension insurance and increasing the role of co-payment in the health system). On the other hand, the objective is to promote the concept of an active social policy, both in the area of employment and protection from unemployment and in the area of social assistance. It is also planned to design social services and other social policy measures in such a manner that they are adjusted to the beneficiaries and by taking into consideration their needs and choices. This implies a greater role of local authorities and CSO and continuation of the commenced de-institutionalisation and decentralisation processes. Unfortunately, economic and fiscal crisis referred to above has aggravated and deferred planning and implementation of activities related to those processes.

Financial sustainability and efficiency of the social protection system is difficult to achieve without economic growth and an adequate labour market policy. In the area of employment the National Employment Action Plan 2005-2008 was adopted, which represents the first national plan of this kind in RC. Its preparation was a result of the procedure of consultations carried out with a wide participation of individuals and institutions throughout the country. On the basis of the Joint Assessment of the Employment Policy Priorities that the Government of RC (i.e., MoELE) prepared together with EC, Directorate-General for Employment, Social Affairs and Equal Opportunities, it was envisaged that in the forthcoming years an Annual Employment Promotion Plan would be prepared, which would continue to tackle social issues and issues of equal opportunities. The Annual Employment Promotion Plan for 2008 has been passed by the Government of RC on 19 March 2008. It includes various measures for encouraging entrepreneurship, development of cooperatives, co-financing of employment, education and self-employment. The Governing Council of CES, at the session held on 27 March 2008, adopted the conditions and manner of utilising of funds for implementation of active policy measures from the scope of competence of CES. Active employment policy measures that CES implemented in 2008 are an integral part of the Annual Employment Promotion Plan for 2008, which is harmonised with the National Employment Action Plan 2005–2008 and European Directives on employment.

The pension system reform, which was launched at the end of 1990s, targeted attaining financial stability and sustainability of the pension system and improving financial position of pensioners through a partial privatisation and greater dependency of pension benefits on paid contributions. The new pension system tries in various ways to encourage a longer stay of
working population in the labour market. Since the period on the basis of which the pension base is calculated is gradually increasing, the insured are motivated to work longer because this has an impact on the amounts of their pensions. Early retirement is financially discouraged, although it is alleviated by the legislative changes in 2007. Namely, persons retiring early have a permanent decrement in pension benefits of 9% (before the legislative changes this decrement was as much as 20.4%). Active labour market measures for people above 64 years of age have been adopted, such as the provision of partial retirement or exemption from payment of contributions in the public pension pillar for those who work part-time. However, a problem has emerged due to the functioning and sustainability of the mandatory pillar of the pension system, which is based on individualised capitalised savings. Since the introduction of the three-pillar pension system model in 2002, for the first time it happened at the beginning of 2008 that the yields of mandatory pension funds were negative. Also there emerged the problem of pension benefits of the first cohorts of pensioners who started receiving pension benefits from both pension system pillars at the beginning of 2008 (those were women who entered into the new system on a voluntary basis, and who earned early retirement pension benefit at the age of 55). Namely, their pensions from both pension pillars were lower than the pensions that they would have acquired if they had remained only in the first pension pillar (pay-as-you-go pillar). The number of such pensioners will increase in time, particularly because since 2012 men will start to receive early retirement pension benefit from both pillars. Simulations suggest that in the future it will probably be necessary to also increase the contribution rate in the second pillar of individual capitalised savings (which now accounts for 5% of the gross salary), but also revise the mode of determining the basic pension in the first public pillar of pension insurance, in order for pensioners under the new system to acquire pension benefits which will guarantee decent living standards. In addition, during 2007 and 2008 there were discussions on the introduction of a specific form of state (social) pension, probably within the social welfare system, for the elderly people without pensions who do not have sufficient means for livelihood. For the time being, this category of elderly people is oriented on the social assistance benefits.

The role of social services is becoming increasingly important due to demographic changes and the changes in the structure of the families (constant growth of older population, weakening of the traditional families, employment of women, increase in the number of single-parent families and other vulnerable kinds of families). Therefore, there is a need for the development of a network of alternative forms of services which will be available to beneficiaries in their homes or local communities (decentralisation and de-institutionalisation). The requirement for decentralisation of social services builds on the recommendation of the European Charter of Local Self-government which says that public authorities should be as close to the citizens as possible, and on the Constitution of the Republic of Croatia, which includes welfare services into the scope of activities of local self-government. There are numerous difficulties in the way of decentralisation. Given that municipalities, as basic local self-government units, are small, understaffed, and lacking economic resources, decentralisation can be implemented only at the level of counties or larger cities. For the time being, the fiscal and financial decentralisation framework, which is crucial for decentralisation of social services, has not been fully agreed. It is necessary to establish cooperation between state institutions and CSOs at the county, city and municipal

levels. Significant progress has been made in terms of the development of a network of non-institutional services for elderly and infirm persons (assistance in the home, day care centres). However, it is necessary to continue improving cooperation between state bodies for purpose of efficient implementation of policy. Early 2009 saw the commencement of drafting the new legislative acts on social welfare, which would define in greater detail the role of centres for social welfare in provision of services - primarily in terms of the role of subnational levels of government in organising social welfare and the role of CSWs in provision of services – primarily in terms of the role of CSWs in the development of a partnership with non-profit and profit organisations that provide various services, whereby the beneficiaries would gain access to a larger scope of services and the possibility to chose among services depending on the available financial resources.

The Republic of Croatia is fully committed to promoting the gender equality policy, which is being integrated into all programs and regulations. The new 2008 Gender Equality Act provided for the legal foundation for empowering and strengthening the capacities of county committees for promotion of gender equality. The Act specifically prohibits discrimination on the basis of pregnancy, maternity or any form of guardianship, and imposes fines for breaching the provisions mentioned above which have been significantly increased. They now include persons from the private, and not only public sector. In line with the National Gender Equality Promotion Policy, the Act makes territorial (regional) self-government obliged to provide the conditions and funds for the work of county committees for promotion of gender equality in order to promote gender equality (equal opportunities) at the local level. In October 2008 a meeting of the Coordination of committees was held, the conclusion of which was that most of the committees still do not have precisely defined budget line items for their work in the county budgets. OGE, on the basis of a letter sent to all counties, conducted an analysis of 15 submitted opinions on financial resources whereby the counties and the City of Zagreb supported the work of county committees for promotion of gender equality in 2006, 2007 and 2008. The analysis showed that in 2008 all committees were financed, although some of them for the first time. A comparison of 2007 and 2008 indicated that the committees received from the county budgets on average a total of 11% more funds in comparison with the previous year, thus making a progress in the process of empowering and strengthening the capacities of committees for promotion of gender equality.

In mid 2008 the Croatian Parliament enacted the Anti-discrimination Act, which came into force on 1 January 2009. Accordingly, OHR, in cooperation with the Office of Ombudsman and the Centre for Peace Studies as a non-governmental organisation, in May 2008 submitted an application for the project entitled "Support to the Implementation of the Anti-discrimination Act" under PROGRESS 2007.-2013. EC approved co-financing in the amount of 80% of the total funds required for the implementation of the project, while RC is required to secure 20% of the total costs of the project which are EUR 306,052. The said project consists of five main groups of activities: training of groups directly included in the implementation of the Anti-discrimination Act (employees of the Office of Ombudsman, judges, state attorney’s office, attorneys-at-law, representatives of county coordinations for human rights, commissioners for human rights and for gender equality from ministries, the business sector and representatives of non-governmental organisations), research work at the national level whereby the opinions of citizens of RC on discrimination will be surveyed, public campaigns aimed at raising awareness of the citizens of RC about the problem of discrimination and informing them about the work of the central body responsible for anti-discrimination, launching of a project web page with basic information about the project, project activities and links to European web pages containing relevant data on the fight
against discrimination and upgrading of the existing web page of the Office of Ombudsman, developing a manual on the implementation of the Anti-discrimination Act, the wrap-up conference at the national level that will gather international and domestic experts and all interested participants of the previous training courses. The implementation of the project commenced on 1 January 2008. Of the activities listed above, the following have been implemented so far: the project’s official web page has been launched (available at www.suzbijanjediskriminacije.hr), in the first quarter of 2009 a number of seminars were held for judges of municipal and county courts, for the employees of the Office of Ombudsman, for civil servants and teachers of the Police Academy, the first of two surveys on the attitudes and awareness of discrimination and forms of discrimination, carried out by "Puls" agency, and the first results should be known by the end of June 2009.

In September 2008 the Government of RC adopted the National Anti-discrimination Plan for the period from 2008 to 2013 and the Action Plan for the Implementation of the National Anti-discrimination Plan for 2008–2009. CES as project manager, in cooperation with six partners, including the OHR, applied for a project under PROGRESS - VP/2009/004, entitled "Supporting equality in Croatian labour market". The goal of the project is to contribute to the development and implementation of the national policy of the fight against discrimination in the labour market based on gender, age, disability, religious conviction and ethnic affiliation, and the project, if the European Commission approves it, is planned to be carried out in the period from November/December 2009 to November/December 2010.

One of the presumptions of sustainable development is the policy of even development of Croatia. For a long time the need for defining a regional policy has been evident in Croatia due to deepening of economic inequalities and differences in living standards between various parts of the country. Key strategic documents in this area have not been adopted as yet, but they are in final stages of drafting. Although the report on the implementation of the Joint Memorandum on Social Inclusion for the period 2007-2008 announced the adoption of the Regional Development Strategy by the end of 2008, it did not materialise. One of the reasons were the disagreements about the regional division of Croatia (NUTS-II regions). Therefore, the existing proposal of the Regional Development Strategy of Croatia has been elaborated and in early 2009 finally the division of Croatia into three NUTS-II regions was agreed: northwest Croatia, central and eastern Croatia and Adriatic Croatia. As part of the amended Strategy developmental priorities of wider regions were defined and instruments for the implementation of the Strategy were developed. Adoption of the Strategy is expected by the end of 2009. The Strategy should contribute to sustainable development, increasing national competitiveness and reducing regional inequalities. Establishment of an appropriate regional policy is also considered important from the aspect of utilisation of resources from pre-accession funds and, in the future, structural cohesion funds of the EU. The Strategy focuses on two strategic objectives: 1) capacity building at the level of regions and enhancing the efficiency of regional development programmes and 2) establishing a comprehensive legal framework and building institutional structures to manage the regional development policy. Also, it is expected that the new Regional Development Act will be adopted in 2009. The new act would prescribe more clearly and in a different way the criteria for identifying the areas lagging behind in development according to their development index and instruments for managing regional development. The regional policy management model would be based on the principle of partnership and cooperation between the levels of government and regional units (horizontal and vertical coordination). The drafts of the Regional Development Strategy and the Regional Development Act propose that county development strategies be prepared, which would provide for the development needs of the counties (economic development,
employment, acquiring the necessary skills, infrastructure needs, environment, local, urban
and rural development, resolving the problem of poverty and social exclusion).

To address housing issues, the Government of RC, on the basis of the Strategic development
Framework for the Period 2006–2013 with regard to housing, and having in mind own
possibilities, set certain priorities: reconstruction and renovation of the housing resources,
provision of housing for the Homeland War victims, state-subsidised housing construction,
provision of housing for returnees – former tenancy right holders.

Also, to mitigate the housing problems that appeared, MoEPPPC started developing a Social
Housing Strategy that will be based on the available data of CBS and the results of the
CERANEO study.

The MoHSW as the coordinator of pre-accession activities between the Republic Croatia and
the EU in the area of social inclusion keeps actively implementing the activities provided for
by JIM. Immediately after signing of JIM the National Implementation Plan on Social
Inclusion 2007- 2008 was prepared, and in July 2008 the first report about its implementation
was prepared. In May 2009 the National Implementation Plan on Social Inclusion 2009-2010
was adopted by the Government of RC. During the preparation of the NIP 2009–2010
comments of EC Evaluation Report were taken into consideration, and clear indicators of
measures were defined, as well as financial impacts for purpose of facilitating implementation
and evaluation of the measures. For purpose of efficient implementation and coordination of
various activities of social inclusion, a Department for the Preparation and Implementation of
EU Projects in the Area of Social Inclusion was established in MoHSW. The Department
currently has four employees, although five posts have been envisaged. The Department
coordinates, directs and supervises activities aimed at enhancement of social inclusion,
proposes measures for improvement of organisation, content and mode of work, proposes
professional development of professional workers of the Department, participates in the
preparation of the draft proposal of Strategy and other documents in the scope of work of the
Department, prepares and participates in the preparation of analyses, plans and reports,
ensures the preparation and monitoring of the implementation of sectoral projects within the
framework of the Instruments of pre-accession assistance, follows international regulations
and cooperates with international organisations and institutions.

From October 2005, when the work on the Joint Inclusion Memorandum commenced, a
continual process of inter-departmental cooperation was initiated as a new approach in
resolving the issues of poverty and social exclusion and designing the relevant policy. This
primarily refers to the public debate on all points of the Joint Inclusion Memorandum and
involvement of all stakeholders on an equal footing – not only various ministries, but
primarily representatives of local authorities, social partners and CSOs, as well as experts
from the area of social inclusion. Many measures in the Memorandum were envisaged on the
basis of an explicit and well-argumented advocating of involved stakeholders. This approach
was also adopted on the occasion of the preparation of the two National Implementation
Plans. Those documents were prepared on the basis of the proposals of the responsible and
implementing institutions and on the basis of the comments and proposals of CSOs,
representatives of local self-government units and social partners.

The preparation of the Memorandum has contributed to strengthening of inter-departmental
cooperation and setting up of a better coordination of social inclusion policy at all levels.
Surely relevant is the fact that, for purposes of the work on the Memorandum, the issues of
poverty and social exclusion gained importance within the scope of activities of various institutions, as it became clear that a number of implementation policies have to be in coordination with the process of social inclusion. Yet, related to those issues is the issue of coordination, with intensive ongoing improvement efforts.

To enhance the insufficient coordination with the representatives of LRSGUs from the previous reporting period, communication with the representatives of LRSGUs was intensified and their representatives were appointed into one coordination body whose role was active participation in social policy making at the local level and linkage with the MoHSW as the coordinator. Representatives of cities and counties participated in the Third Conference on JIM follow-up activities and implementation of measures and they were informed and consulted about all activities implemented under JIM.

Since in the process of implementation of JIM it has become evident that many necessary data are not collected and that analyses are missing, precisely thanks to this fact, in the meantime, for example, a study on the efficiency of housing subsidies was carried out and other necessary research was instigated (more about this is elaborated in Chapter 4). MoHSW, in cooperation with UNDP, started preparing the framework for monitoring of JIM measures in the area of the development of the social services network.

2.3. Strategic approach for the period 2009-2010

Strategic approach for the period 2009-2010 is defined by the Programme of the Government of the RC for the Mandate 2008-2011, as well as by other strategic documents.

Strategic framework for development 2006-2013 focuses heavily on employment and employing and states that the objective that we want to attain is the following: development and employment in a competitive market economy operating in a European welfare state of the twenty-first century. The Government of RC, at the session held on 21 May 2009, passed a decision on the adoption of the National Employment Promotion Plan 2009-2010 with implementation measures that follow the employment policy priorities specified in the revised Lisbon Agenda on employment growth and job creation. In 2009 a new cycle of active employment measures in RC commenced, based on the Joint Assessment of the Employment Policy Priorities of the Republic of Croatia (JAP) adopted by the Government of RC at the session on 24 April 2008, and signed by the representatives of EC and the Government of RC on 28 May 2008.

The Annual Employment Promotion Plan 2009-2010 provides for the basic principles of the public employment policy. It also provides for the responsibilities and defines the tasks of the competent state administration bodies and public institutions in the implementation of the plan, encourages their joint operation and mutual cooperation. The key priorities that the RC intends to implement by means of this plan are the following: increasing the participation rates of prime-age women (particularly those with low or inadequate skills), increasing the participation rates of the elderly, increasing the participation rates of the young, addressing the long-term unemployment problem, decreasing the skills mismatch in the labour market, enhancing the adaptability of workers and enterprises, increasing investments in human resources through improved education and skills, good governance, administrative capacity building.

Interventions aimed at education and co-financing of employment target the following cohorts: prime-age women (women 25-49 years of age) with low or inadequate skills,
unemployed people (50+) and employed people at risk of losing jobs, young secondary school leavers (the ‘drop-outs’), young people without work experience, long-term unemployed, with particular focus on disabled people, victims of domestic violence, single parents, treated drug addicts, Croatian war veterans and members of the Roma national minority. Measures from the scope of competence of CSE target the following: promoting motivation for employment, co-financing and financing of education, co-financing of employment of the long-term unemployed and other cohorts of unemployed at risk of social exclusion, as well as the cohorts at risk of long-term unemployment due to loss of jobs.

In the area of housing of socially vulnerable groups, MoEPPPC plans the completion of the preparation and adoption of the Social Housing Strategy, whereas MoHSW and CSOs will identify key housing problems and prepare housing priorities. For the provision of housing accommodation of returnees – former tenancy-rights holders (FTRH) in the areas of special state concern for the period 2009-2010, HRK 107,960,541 has been allocated in the State budget.

One of the key goals is the regional development and fiscal decentralisation policy. The goal is to strengthen economically and develop areas below the national average and create an enabling environment of successful work, competitiveness and excellence. The strategic goal was, until the end of the mandate of this Government (2011) that the share of revenue of LRSGUs accounts for at least 20% of total state budget revenues and revenues of LRSGUs. It is planned that in 2009 the amended Regional Development Strategy of Croatia, the Fiscal Decentralisation Strategy, the Act on the Financing of Local and Territorial (Regional) Self-government Units and the Act on the Regional Development of RC will be prepared and adopted. The regional development policy is linked to administrative decentralisation as well, which includes transfer of authorities according to staffing possibilities and expressed preferences of LRSGUs. In this respect, on the basis of discussions with LRSGUs, and also with the Association of Cities and Municipalities and the Community of Counties, a decision will be made on further transfer of authorities of primary and secondary education and authorities of CSWs to the local and/or regional self-government and providers of services in the area of primary health care. Decentralisation in the area of social welfare should also be underpinned by the new act on social welfare whose preparation is planned in 2009 and 2010. However, economic and fiscal crisis will certainly make planning and implementation of activities in the area of decentralisation more difficult and postpone them.

Another important priority related to the regional policy development is the programme of rural and agricultural development. According to OECD definition, in Croatia in 2001, 47.6% of the population lived in rural areas. When this definition is applied on counties, it turns out that only one county (the City of Zagreb) is "mainly urban", whereas the majority of counties is classified as "mainly rural". The baselines for the preparation of this programme are the Draft Rural Development Strategy, Revitalisation of the Croatian Village and the Programme for Agriculture. In mid 2008 the Plan for Agriculture and Rural Development 2007-2013 was prepared as part of the IPARD (IPA Regional Development) programme. The goal of documents mentioned above was to accelerate the implementation of legal regulations on agricultural land for purpose of better usability of the available agricultural land and higher competitiveness of Croatian agriculture. In other words, the goal is promotion of rural development (through the development of rural tourism, traditional crafts and trades, quality food etc.) and an increase in the quality of life in rural areas (through investments into rural infrastructure, social and cultural institutions, building family houses etc.). The intention is surely to decrease the differences in rural-urban development.
There is a general consensus that education plays a key role in the future development of Croatia. The goal is for Croatia to become a knowledge-based society and create the most successful education system in the region by 2011. In terms of this goal it is expected that the share of population with higher education qualifications will increase, that the duration of compulsory education will expand and that the coverage of children with pre-school education will expand. The goal is to make education accessible to all, under equal terms. It is important to enable to each pupil to obtain the first qualification and promote various forms of lifelong learning through a partnership of various institutions. In addition, international cooperation will be encouraged through exchange of teachers, scientists, students, ideas and equipment. It is planned to increase the number of scientists, junior researchers and doctors of science. In general, the intention is to increase the allocations from the State budget for the education, science and technology system.

In the area of the pension system and social welfare it is envisaged that a number of changes will be introduced in order to improve the material position of pensioners, as well as citizens socially vulnerable in general. The program of the Government of RC envisages by 2011 introduction of the institute of the state pension, which might be received by elderly and infirm persons without any income, Croatian citizens above 65 years of age who have been living in RC for more than 40 years or with an interruption for more than 50 years. Although a debate about the future model of state pensions for elderly people without an income is yet to be conducted, there is a higher probability that, due to the current economic and fiscal situation in Croatia and problems in the pension system, a means-tested model will be adopted, which will function within the social welfare system. Besides, further improvement of the material position of pensioners is expected through the increase in the average and minimum pensions. The goal is to increase by 2011 the average pension (which accounts for a little more than 40% of average wage) up to the amount of 50% of average wage and ensure that the minimum pension for 25 years of work experience is HRK 1,500. Also, attempts will be made to improve the situation of the so-called old pensioners (who earned pensions before the coming into force of the new Pension Insurance Act (1999). Nevertheless, implementation of those goals will depend on economic and financial trends in 2009 and 2010.

Particular attention has been paid to the protection of the family and strengthening family values and a positive attitude towards marriage and children. In this respect various activities have been envisaged that should be implemented as part of the National Population Policy, the National Strategy for the Protection against Family Violence, the Anti-discrimination Act and other strategic documents. Work will continue on the development and institutionalisation of the family support system, a media campaign will be conducted to raise public awareness of demographic issues and parenting, a number of housing, tax and employment policy measures will promote pro-birth policy and improve the quality life of families with children, assistance will be provided to parents to reconcile professional and family commitments etc. The goal is to improve the demographic picture of Croatia and significantly alleviate child poverty.

2.3.1. The impact of economic and fiscal crisis on the implementation of activities provided for by JIM

After a long period of enviable GDP growth rates of approximately 4%, the second half of 2008 saw an economic downturn. With a certain time lag of several months, this was also reflected in a slowdown of new employment, decreasing reported demand for new workers and an increase in unemployment. This rearranged positive trends in the labour market, and
unemployment grew in all counties. Further, there is a high share of the long-term unemployed (more than one-half of all registered persons), and there are limited possibilities of employment for people with lower educational qualifications. The number of reported vacancies is decreasing significantly: in the first quarter of 2009 from one-quarter to over a third less of job vacancies were reported to CES than in the same period in 2008.

A significant portion of the citizens of Croatia is in a bad economic and social position, and because of the recession, increase in unemployment and budgetary problems, further worsening of the social situation can be expected (although it is difficult to forecast very precisely the trends in the numbers of the unemployed and poor). The economic crisis will also have an adverse effect on salaries of those who are employed (due to wage freeze, wage cuts or slowed wage growth). Wages in public and civil services have already been cut by 6%. Besides, further cuts of wages of all employees are expected. Therefore, it is possible to forecast a drop in total household income, but at the same time also an increase in the cost of living because of the possible price increases. On the other hand, the State budget faces enormous problems, both on the revenue side and on the expenditure side. During 2009 there was a big reduction in budgetary revenues because of the shrinking economic activity. The challenge is how to increase the revenues and decrease high budget expenditures.

To mitigate the effects of the crisis, the Government proposes and implements measures of the appropriate economic, fiscal and social policy. The Government is trying to distribute the burden of crisis and fiscal consolidation evenly among all social groups, i.e., it is trying to prevent a decline in the living standards of the most vulnerable citizens. Although the Government adopted the position that in the State budget, as well as in the local budgets, the level of funds necessary for the provision of material rights of socially vulnerable groups should be maintained (beneficiaries of rights in the social welfare system, the unemployed, elderly people without pension benefits, pensioners with low pension benefits etc.), this will be very difficult to achieve. For instance, the Government is forced to suspend – at least temporarily – some social measures that had an impact on the total household budget (free textbooks for all pupils of primary and secondary schools are abolished and instead, textbooks would be granted only to the poorest families with children).

For the time being in 2009 there has been no significant increase in the number of social assistance recipients. However, if adverse economic trends continue, an increase in the number of beneficiaries of various kinds of social welfare programmes could be expected, and this means that in that case additional funds and programmes for the most vulnerable groups of citizens should be activated.

Implementation of various activities within JIM implies a more active and greater role of local authorities. The issue is primarily the challenge of decentralisation of social services and other social welfare rights to sub-national levels of government. With regard to a very unenviable fiscal situation at the central and local levels, decentralisation of the social welfare system will surely be very difficult, or be stopped completely. In the meantime, new legal regulations in the social welfare system will be prepared, which will enable accelerated implementation of decentralisation when a more favourable economic and fiscal framework is created. However, the current crisis re-opened the issue of sustainability of the current territorial and administrative organisation of Croatia (21 counties and in excess of 500 municipalities and cities). Therefore, the decentralisation of social welfare/services will also depend on the changes that possibly will occur in the territorial organisation of government.
There are various estimates about the duration and severity of the crisis, but in general there is a consensus that GDP in 2009 will primarily have a negative trend (most probably, a decrease of between 4% and 5%). Economic crisis, together with unemployment growth, will surely cause difficulties in terms of household loan repayment. According to CNB data, the citizens have most problems with repayment of cash credits and credit card debt, whereas the housing loan category is not problematic for the time being. Given that so far there are no positive signs that the economic situation by the end of 2009 might reverse, in the next half a year banks will be forced to create greater reserves and decrease credit volume, thus having lower profitability.

No doubt, in the forthcoming period it will be necessary to target material support at the most vulnerable and promote employability as a prerequisite for enhancing social inclusion, and to clearly inform the citizens about economic difficulties and measures for their mitigation.

3. REPORT ON THE PROGRESS MADE IN TACKLING KEY CHALLENGES AND IMPLEMENTING PRIORITIES AND MEASURES IN THE FIELD OF SOCIAL INCLUSION IN THE REPUBLIC OF CROATIA

3.1. Assessment of the progress made in implementing policy priorities for tackling poverty and social exclusion in the Republic of Croatia set in the chapter 8 of the JIM

3.1.1. Raise employability of the groups most affected by long-term unemployment or discrimination

In the Annual Employment Promotion Plan for 2008 due attention was paid to various measures aimed at increasing the employability of long-term unemployed and other groups in particularly unfavourable position in the labour market (see 3.2.1.1.). There were a number of programmes and projects at the local level, such as Creating New Opportunities in the Labour Market whose implementer was CESI – Centre for Education, Counselling and Research. The project objective was improving the position of women in the labour market by providing equal opportunities for women and men in the labour market, and influence decreasing the level of unemployment of women. Specific objectives of the project would be enhancing the skills and knowledge of women in order to increase their competitiveness and facilitate integration into the labour market, empower women in the process of seeking, selection and obtaining employment, increase the availability of information about employment and labour rights, inform employers about the practice of socially responsible business operations, raise awareness and inform the public and key stakeholders about unequal position of women in the labour market and problems of poverty and social exclusion of women. Targeted groups are unemployed women above 40 years of age, young women first time job seekers, women without formal education and single mothers. On 19 April 2007 the Government of RC launched the "Project of Re-socialisation of Drug Addicts who completed some of the programme of rehabilitation and curing from addiction in a therapeutic community or imprisonment system, and addicts in out-of-hospital treatment and maintain abstinence for a longer time in a stable manner and adhere to the prescribed mode of treatment". In line with the Annual Employment Promotion Plan for 2008, the measures targeting treated drug addicts were Measure 4. Co-financing of employment of special groups of unemployed people, Measure 6. Financing of education for an unknown employer, Measure 7. Public works and Measure 8. Public works – individual projects, and implementation of those projects is in the competence of CES. In April 2008 the Government of RC adopted the Program of promoting small and medium-sized entrepreneurship for the period 2008-2012, and in May 2008 also the Operational plan of promoting small and medium-sized entrepreneurship for 2008 which, among other things, contains the Project "Cooperative Entrepreneurship for 2008". As part of
this project the project activity was elaborated – Support to development of cooperatives aimed at inclusion into cooperatives and entrepreneurship of socially vulnerable groups, including the treated drug addicts. At the session of the Committee for Fight against Abuse of Drugs held on 17 March 2009 a follow-up of the Project was adopted, enabling the addicts after the completed treatment in the therapeutic community or imprisonment sentence to complete the commenced secondary education at the expense of MoSES. To improve the efficiency of the implementation of the Project and inclusion of as large number of addicts as possible, presenting the Project was continued in counties and county committees for abuse of drugs. In June 2008, in Zagreb, Regional Education on the Project of Resocialisation was held. This training course was intended for implementers of the measures from the Project in the area of the City of Zagreb, Zagreb County and Krapina-Zagorje County. In March 2009, on the basis of a public announcement, the office awarded funds to associations which provide assistance in re-socialisation to treated drug addicts in the total amount of HRK 580,000.

3.1.2. Expand the coverage of secondary and higher education and encourage and reform vocational education for purpose of adjustment to the requirements of the labour market

In the area of vocational and higher education, a number of legal strategic activities aimed at harmonisation with the labour market demand were carried out. On 31 July 2008 the Strategy of Development of the System of Vocational Education in RC 2008-2013 was adopted. The Strategy was developed with the presumption that vocational education is a strategic development priority of Croatia. It is based on the principles of lifelong learning and adjustment of the learning outcomes with the labour market demand. In March 2009 the Vocational Education Act was adopted, which introduced the focus on learning outcomes in vocational education, enabling further development of social partnership, and created the legal basis for the development of the system of evaluating non-formal education. AVE promoted stronger linkages of vocational schools with the labour market by ensuring that approximately 50% of all professional training courses of teachers are implemented directly in relevant companies. Improvement of the attractiveness of the vocational education programmes is also implemented by organising state competitions of pupils (approximately 80 vocational disciplines, vocational subjects and areas), and the best pupils are secured direct enrolment in corresponding faculties. RC is a member of the organisation Euro Skills and World Skills. Vocational professions are also promoted through organisation of a number of field-days and participation at fairs.

In the area of higher education in April 2009 the Act on Quality Assurance in Science and Higher Education was adopted. The Act regulates assurance and improvement of quality in science and higher education and the status, activity organisation of the Agency for Science and Higher Education as a public institution in RC, which takes care of assurance and improvement of quality in science and higher education. The provisions of the Act providing for the collection and processing of data on the system of higher education and science are particularly important for the employment issues. In the areas of higher education in 2008 passed was, besides other by-laws, an Ordinance on the Amendments in Employment Mediation for Regular Students.

MoSES issued a total of 5 permissions (dopusnica) for the commencement of performance of activity of private higher education institutions and 46 permissions for performance of professional studies on polytechnics and higher schools.
In August 2008, pursuant to the Act on Education in Primary and Secondary School the Ordinance on Implementation of the State Matura was passed, which regulates the manner and rules for conducting the state matura – school leaving examination. Implementation of national examinations continued, and in April 2009 a pilot state matura was conducted for pupils of third forms of secondary schools. Underway is the drafting of the subordinate legislation arising from the Act on Education in Primary and Secondary School and the Vocational Education Act. The most significant among them are the ones which will regulate integration of special needs children, work with gifted children, induction training of teachers, preparation and defending of final paper, setting the norms of the work of the teachers and many other required regulations for efficient and quality work in the education system. Drafting of the University Act is underway.

By the implementation of the measure of covering the costs of providing accommodation in pupils’ homes within the framework of the National Programme of Measures for the Introduction of Compulsory Secondary Education, the number of pupils in pupils’ homes increased from 6,362 pupils in 2006/2007 (before the implementation of the measure to 6,746 pupils in school year 2008/2009, and this was an increase of approximately 6.1%. For this purpose MoSES spent HRK 49,264,020 (school year 2007/2008 and 2008/2009). For procurement of free textbooks for primary and secondary schools in school years 2007/2008 (eight forms of primary school and the first form of secondary school) and 2008/2009 (eight forms of primary schools and the first and second forms of secondary schools), a total of HRK 837.5 million was spent.

As regards the Croatian Qualification Framework, in November 2007 the first session was held of the National Committee for the preparation of the Croatian Qualification Framework (CQF), which will include all levels of education. During 2008 intensive work on CQF continued. It is implemented by MoSES according to the adopted CQF Baseline. Operational Committee of MoSES was appointed, which prepared the operational implementation plan of all activities according to the adopted action plans and logical framework for the implementation of the CQF development project. On the web page of the Government of RC a link for communication with the public related to the work on CQF was set up. The following plans were adopted at the sessions of the Committee for the preparation of qualifications: Plan of Activities on the Preparation of CQF for 2008, Plan of Activities on the Preparation of CQF for the Period 2008-2012 and Plan of Activities on the Preparation of CQF for 2009. The Committee consists of 27 persons from the education sector (universities, agencies, school institutions, trade unions, representatives of the economy). In 2008 the Operational Team for the support to the Committee for the preparation of the qualifications worked through five workshops. There is an ongoing public call for proposals for the selection of members of working groups for the preparation of qualifications. The objective is to form a body that will define in a professional and competent manner the qualifications necessary to the Croatian society. Under the IPA programme, component IV of OPHRD, MoSES is the beneficiary of the project in priority 3: Further development of the Croatian Qualification Framework. Through the IPA human resources development programme 8 projects will be implemented in the area of education of children with developmental disabilities, vocational education and adult education, with a view to further modernise the education system, its adaptation to the needs of users and strengthening of operational efficiency of AVE.
3.1.3. Expand social services network for children, elderly and disabled persons

The trend of growing demand has been present in Croatia for a long time, both for institutional and non-institutional services (the demand by far surpasses the supply). The demand for accommodation in all types of state and non-state homes in 2006 was approximately 30 times as high as the number of available places, and in 2007 it was 54 as high. This means that the number of beneficiaries in institutions and out of institutions increases at the same time. The number of beneficiaries in state welfare institutions in 2007 and 2008 is mostly stagnant (somewhat more than 8.5 thousand beneficiaries). In the course of 2007, 2008 and at the beginning of 2009 significant funds were invested in the improvement of hygienic, housing and material living conditions of beneficiaries in institutions (see 3.2.2.4.). Of the total number of beneficiaries residing in social welfare homes, family homes and foster families, whose accommodation is partially or fully paid for by the state, in 2007, 88% beneficiaries were placed in permanent accommodation, whereas in 2008 this was the case with 87.6% beneficiaries. Building of institutions with a large number of beneficiaries was stopped. The number of family homes whose accommodation capacities are from 5 to a maximum of 20 beneficiaries increased from 53 in 2007 to 100 in 2008, and the number of beneficiaries in those homes increased from 53 in 2007 to 216 in 2008. There were a mild increase (of 1%) in the number of beneficiaries of full-day and half-day care in 2008 in comparison with 2007, but the number of people in small housing units in the same period rose by 54% (from 78 to 120). After the adoption of the Foster Care Act in mid-2007, in 2008 the number of foster families grew (from 2,575 in 2007 to 2,621 in 2008), but in the same period the number of beneficiaries declined (from 5,519 to 5,153).

In 2008 the activities focusing on expanding the network of social services for specific groups of beneficiaries were continued. As regards the elderly, during 2008 and 2009 extension of non-institutional services for this cohort continued through the Government’s Programmes of intergenerational solidarity entitled "In-home assistance for the elderly" and "Day care and in-home assistance for the elderly". In comparison with 2007, the number of programmes increased from 44 to 75, on the basis of signed Contracts of cooperation with LRSGUs, thanks to which by the end of the first quarter of 2009 free social services for the elderly 110 cities and municipalities, in 20 counties of RC were included. The number of elderly citizens who are beneficiaries of services rose from 8,241 in 2007 to 13,275 and 13,725 in 2008 and 2009, respectively. This represented an increase of the beneficiaries by 60%, but the number of services providers increased as well. More precisely, the number of the employed in local communities increased from 538 in 2007 to 887 and 902 people in 2008 and 2009, respectively. This is mostly the category of "social employment" with prevalence of long-term unemployed women, but other vulnerable groups were represented as well, such as displaced persons, returnees, settlers or former refugees and a portion of the members of minority ethnicities. Non-institutional programmes for the elderly are a good example of active social inclusion where one socially excluded group participates in overcoming the social exclusion of another one, particularly in case of elderly people in communities with less opportunities, thus sharing the responsibility for common living space. The total funds from the State budget of RC utilised on the implementation of social services for the elderly that are provided in their homes and local communities increased from HRK 23.6 million in 2007 to HRK 36.0 million and HRK 40.9 million in 2008 and 2009, respectively. This includes the introduction of new services through development of volunteer assistance for the elderly. MoFWViGS launched a new pilot programme entitled "Volunteer assistance in day care for the elderly", which was implemented in 2008 by 10 local self-government units in cooperation with CSOs. The basic goal of the programme is inclusion of volunteers of various ages in the enriching of the supply and content of services for the elderly, as part of the day care centres in which they
gather in the local community. Primary and secondary schools, religious communities, humanitarian organisations and associations of citizens, various entrepreneurs, local media and tourist boards participated in the inclusion of volunteers. MoFWVIG, in addition to partnership with LRSGUs, CSOs and social welfare institutions at the local level, who are included as direct providers of services for the elderly, also develops cooperation with other public, civil and business sector which operates in particular communities for purpose of coordinating and exercise of various rights of elderly people or for purpose of inclusion of volunteers in the care for the elderly. In particular, focus was on the development of the network of services for the elderly in the areas of special state concern (ASSCs) because of unsatisfied needs of the elderly population and lack of provisions of care within family structures, which were affected by large war-time and post-war migration of the younger part of the population. Unlike 2007, when 37 local self-government units in ASSCs had organised social services for 5,125 beneficiaries of the elderly cohort, in 2009 this number grew to 43 local self-government units and 8,125 beneficiaries. The needs assessment from the field and the number of submitted expressions of interest of the local communities from ASSCs (16) requires further expansions of the social services network for the elderly. However, to date the programmes of services for the elderly have not been sufficiently evaluated. Therefore, the intention of MoFWVIGS to pay more attention, starting in 2009, to sustainability of services, their quality and availability in terms of the type, methodology and financial resources. In this respect at the end of 2009 it is planned to carry out an extensive external evaluation of services for the elderly, which will improve the quality of provision of services, pass the guidelines for their organisation in local communities and be a background paper for the preparation of the legislative framework of a good quality of living of the elderly in their own homes and the local environment.

With regard to children and persons with disabilities, as early as 2007 specific measures that contribute to preventing of institutionalisation of those people were adopted. A note should be made at this point of the right to the status of parent caregiver, intended for parents with children having severe impairments. Parents take care of the child’s everyday needs in the environment at their own home, and in return they receive a financial compensation and rights from pension and health insurance. The right to the status of parent caregiver was exercised by 242 and 1,398 parents by the end of 2007 and by the end of 2008, respectively. However, the number of people with physical and mental disabilities in foster families dropped from 957 in 2007 to 903 in 2008 (children accounted for 37% and 32% in 2007 and 2008, respectively of the total number of people with physical and mental disabilities in foster families). However, very modest progress has been made so far in terms of the deinstitutionalisation of people who are already placed in institutions.

Child care services are increasingly perceived as an important factor from the aspect of work-family balance. The year 2008 saw a more extensive coverage of children by pre-school education, particularly in some counties, the number of kindergartens and programmes designed for pre-school children were increased, and some effort has been made to adapt working time of preschool education institutions to parental needs (this topic is elaborated in 3.2.2.6).

3.1.4. Focus more intensive efforts on prevention of diseases and disability and provide for equal access to health care services for overall population

Pursuant to the plan and programme of obligatory health protection measures from 2006 the activity of the contracted general/family medicine team comprises the liability of regular carrying out of the preventive medical checkups of the insured persons in the age 50+, who
have in the preceding 2 years not made a clinical check-up and/or diagnostic examination provided for by the planned preventive examination, while the preventive check-ups are implemented within the annually monetary amount to which the beneficiary is entitled ("capitation").

The national programmes implemented for the purpose of early detection of certain malignant diseases (breast diseases, colon cancer), were not able to deliver within a short time period the evident positive outcomes in terms of reduced mortality, however the said programmes do deliver positive outcomes in early detection of diseases and will have impact to the mortality rate reduction upon its implementation over several years.

In July 2008 the Act on Amendments to the Health Protection and Safety at Work Act was adopted in the field of health protection and safety at work with a view to harmonizing the Croatian regulations with the EU regulations, i. e. the Guideline of the Council 92/57/ EEC on the Implementation of Minimum Safety and Health Requirements at Temporary or Mobile Construction Sites.

According to the assessment of the CIPH for 2007 the 4/5 of the population is covered by activities of the emergency medical assistance professional units and the remaining 1/5 is covered by doctors on duty or by permanent readiness of other medical teams.

In line with the National Strategy of Croatian Health Care Development 2006-2011 the Development of Emergency Medical Services and Investment Planning Project (DEMSIPP) is implemented, for which in October 2008 the contract was signed with the World Bank. The activities of the Project are aimed at providing skills, equipment and organizational support of the medical staff, required for prompt reaction upon receiving the emergency call and finally saving more human lives. The World Bank Loan Agreement amounts to EUR 18 million. The project is aimed at improvement of emergency medical assistance efficiency by investment in its restructuring for the purpose of availability on the overall territory of Croatia, reducing the response time and achieving better efficiency and quality of services. In the moment of drafting this Report the review of the purchasing plan from the World Bank Loan is in its final phase, and the plan comprises purchasing of goods, services and training. Three project tasks have been planned, referring to: purchasing of consultants’ services; contracting of consultants for development of the service of drafting plans and standards (international and local experience); for services of drafting guidelines, protocols, algorithms and the system of adoption, as well as defining of methods of work, conditions and technical capacities of the EMS dispatch units and the methods of cooperation with the other emergency services.

The implementation of the Plan and Programme of Health Protection on Islands continues, adopted in 2007, and is aimed at enhancing the health of the population on islands, improvement of availability and raising the quality of overall health care services. In the period from 2007 to 2009 the overall number of 107 general medicine teams were contracted, 5 pre-school children health protection teams, 9 women health protection teams, 64 polyvalent dental health protection and 41.5 health visitors medical teams.

The Island and Coastal Development Directorate of the MoSTI co-financed by means of capital investments from the State Budget and CEB IV Project the projects of construction, renovation, reconstruction, adaptation and/or equipping of health centres and outpatient clinics on islands, which investment amounted to HRK 3,473,267.73.
3.1.5. Define the concept of social housing, develop a more appropriate system of housing subventions and assistance for households with unfavourable housing status; expand the capacities of homeless shelters; accelerate the resolving of housing issues of returnees by housing programmes in particular of the former tenancy right holders.

The Social Housing Strategy which should integrate the Housing Programme for Homeland War Victims, the Programme of State Supported Public Housing and take in account the providing of housing for socially vulnerable groups of citizens in the competence of local self-government units is in the final phase of drafting. The general goals comprised by the Social Housing Strategy are harmonized with the resolution of the UN Conference on Human Settlements – Habitat II, which include: creating preconditions for enhancement of the housing standards and standards of living; reducing of the number of socially vulnerable persons, poverty and unemployment; prevent the deterioration of the housing fund; promotion of construction of new housing; general raising of the quality of settlement management; protection and improvement of environment.

The MoEPPPC implements three programmes of housing construction with the aim to implementing measures for meeting the housing needs of particular groups of population: Housing Programme for Victims of the Homeland War, the Programme of State Supported Public Housing and the Housing Programme for Returnees, Former Tenancy Rights Holders over housing outside the area of special state concern. The programmes are aimed at specific groups of population, not necessarily the socially underprivileged, however exposed to the risk of social exclusion. By the said programmes the state subsidises the housing construction and provides for acquiring of housing ownership by sale of the apartments under conditions more favourable from the market conditions, since the price of a square meter is below the market price.

Under the Housing Programme for Victims of the Homeland War the overall number of 5,292 apartments was built on 231 locations in the Republic of Croatia in the period from 1997 to the end of June 2009, for which purpose the overall amount of HRK 1,800,848,243 was spent. The local self-government units (towns and municipalities) are liable to provide locations for housing construction with public utilities.

The Programme of State Supported Public Housing is implemented by means of construction of housing, i.e. housing buildings, organised in a way of appropriate use of public and other resources for coverage of the costs, provides for return of the said resources, provides for sale of the apartments with repayment in instalments at the conditions more favourable from the market conditions with respect to interest and repayment terms. Pursuant to the provisions of the State Supported Public Housing Act the local self-government units establish the preference lists based on the carried out survey and identify thus the housing needs in a particular area and start the construction of apartments. The local self-government unit provides for the land and the bears the costs of equipping of this land by municipal utilities while the coverage of the part of the costs referring to construction of apartments is provided by the financial resources of the Republic of Croatia. From 2004 to present the MoEPPPC follows up the adherence of the law in implementation of the state supported public housing project (SSPH) and participates in addressing the complex tasks within the scope of the Agency for Mediation of Real Estate Transactions (APN). In cooperation between the Republic of Croatia and the local self-government units in 2007 under the SSPH the overall number of 846 apartments was built on 8 locations, and in 2008 the overall number of 99 apartments was built on 2 locations. There are further 341 apartments on 5 locations in the construction phase. From 2000, the year of the launching of the Programme under the SSPH
the overall number of 4,619 apartments on 54 locations was built. It should be mentioned that certain local self-government units (the City of Varaždin in 2004, the City of Rijeka in 2005 and the City of Dubrovnik in 2008) have established their own non-profit legal persons which carry out all SSPH activities as well.

Since 2008 the MoHSW collects statistical data received from the CSWs on the number of homeless who acquired the right to accommodation in the homeless shelter, as well as the meals in the soup kitchen. The data are followed-up on their number, gender and age structure, family status and employment. Additionally, the capacities and the degree of utilization of capacities are followed up in institutions organising accommodation and soup kitchens.

For resolving of the housing issues of the returnees, former tenancy right holders the activities from the previous report period are continued. From January 2008 the overall number of 454 apartments on 33 locations was purchased, for which purpose the overall amount of HRK 246,278,881.00 was spent.

3.1.6. Work systematically on reducing of regional differences
Reducing of regional differences requires a whole range of both short-term and long-term measures. In 2008 and 2009 the activities were continued aimed at eliminating the war aftermaths, demographic and economic renovation of depopulated and devastated areas. Significant funds have been spent for improvement of the basic infrastructure (roads, electricity and telephone network, water supply and sewage system) in areas of special state concern (ASSC) and highland areas, what is a precondition for economic and social development. Certain funds are still being spent on de-mining of agricultural and other areas.

The key measures are focused on return of the remaining refugees and returnees, as well as demographic renovation of the war stricken areas. In promotion of return of displaced persons the provision of housing has a significant place (allocation of land, construction material and construction of houses) for which purpose most of the funds intended to war stricken areas have been spent in the recent years. Under the projects of providing housing accommodation for the former tenancy right holders in ASSC or outside ASSC (mostly the persons of Serbian ethnicity) in 2008 and 2009 the activities of providing housing, initiated in 2005, were intensively proceeded.

Efforts are being made to promote the economic and demographic development of the depopulated areas or economically underdeveloped area by means of tax incentives intended for entrepreneurs and citizens, by promotion of investments or better utilization of land and forestry resources. As a result of the CARDS programmes as well the projects of trans-border cooperation with the neighbouring countries have been realized.

In 2008 the new Act on Areas of Special State Concern was adopted and the acts on highland areas and the City of Vukovar were amended. By the new Act on Areas of Special State Concern, amendments to the Highland Areas Act and the Renovation and Development of the City of Vukovar Act, all three acts adopted in 2008, the adjustment of the three acts was made to the EU legal regulations referring to state subsidies in the part referring to tax allowances for entrepreneurs in the said areas. The state subsidies were defined as low value subsidies which amount may not exceed the overall amount of EUR 200,000 (HRK 1,485,024) or EUR 100,000 for the activity of road transport, including the other types of low value subsidies granted in the said period.
The Strategy of Regional Development and the Act on Regional Development were prepared as the basic and strategic documents for directing of regional development, which are currently in Government’s procedure of adoption. The log-term goal of the said documents is eliminating of disparity in development of the war affected areas, as well as other underdeveloped areas lagging behind the development of the other parts of Croatia and to provide for more significant investments from the EU pre-accession funds in the poorest regions of Croatia. By the Act and the Strategy the development index was defined, as the complex indicator of development of a particular county, town or municipality in the Republic of Croatia, which provides for better assessment of the required Government’s interventions and is used as efficiency indicator of the implemented measures. The adoption of the Strategy and the Act is important for integral institutional framework of regional development, providing for more efficient coordination between the ministries, counties and regions. The Strategy provides for a whole range of incentive measures for underdeveloped regions, including the social development projects and projects of access to social services. Part of the measures which proved as efficient in implementation in the ASSC or highland areas will be retained and replicated in other underdeveloped areas.

3.1.7. Find long-term and viable solution for the poverty issues among elderly

With respect to the material status of elderly two categories should be distinguished – persons with and without pensions. With respect to the pensioners, the pension reform was continued in 2008 and the status of particular pensioner groups was improved due to the recent amendments of the laws. Correspondingly, the defining of the minimum pension for pensioners with length of service for retirement exceeding 30 years is more favourable from the beginning of 2008. As for instance, the minimum pension by virtue of 40 years of service for retirement is since mid 2008 higher by 22% from the minimum pension for the same length of service for retirement in late 2007. The reducing of the difference between the old and the new pensioners was proceeded in 2008 as well. However, in 2008 the issue of low pensions pursuant to the second pillar of individual capitalized savings emerged for the pensioners whose savings period in the second pillar was shorter and they were correspondingly entitled to pensions lower from the pensions to which they would be entitled if they were insured only pursuant to the public pay-as-you-go pillar. For this reason the Government of the Republic of Croatia issued the conclusion to prepare the assessment of long-term social and fiscal impacts of the possible solutions with a view to rendering the decision which adoption would provide for entitlement to appropriate level of pensions for the persons insured pursuant to the second pillar.

On the other hand, the material status of the part of elderly without pensions was improved from late 2008. That is, the elderly without pensions or assistance from the other family members may apply for benefits in the social welfare system. The improvement of the income status of elderly entitled to the rights from the social welfare system resulted from the decision of the government to increase the standard social welfare benefit for HRK 100, i.e. by 25% from November 2008. That means for instance that the older person, fully incapable of work and without any income, living as single, may be entitled to permanent assistance amounting to HRK 750 (EUR 102 or 14.5% of the average net wage in 2008). The older persons without income can hardly meet the basic needs by social welfare benefits. For this reason, in line with the Programme of the Government of the Republic of Croatia, the introducing of the social or state pension is anticipated for this group of elderly. However, since the model of social pensions to be introduced has not yet been discussed in detail, the decision was adopted to accomplish it during the next two years (2009-2010).
The Office for Human Rights (OHR) organized in June 2008 the round table in Topusko addressing the topic "Exercising Human Rights of Elderly" with a view to indicating the vulnerable status of the elderly, as well as the need of systematic and more frequent considering the issues they are faced with.

3.1.8. Follow-up and evaluate the implementation of the National Strategy of Health Care 2006.-2011. from the aspect of its impact to mitigating the poverty and social exclusion

With a view to providing for equal access to health care services the Agency for Healthcare Quality and Accreditation was established; preparations are made for implementation of emergency medical assistance reorganization; implementation of the Ambulance Transportation Pilot Project; and pursuant to implementation of Specialization Plan for 2008 the overall number of 506 specializations are planned, whereof no less than 63 specializations required in primary health protection; in 2008 the specialization of 429 residents started and 179 sub-specializations.

The establishing of the new public health care services is in its final phase, providing for required number of health care institutions and private health care workers for the territory of the Republic of Croatia, i.e. local self-government units, with whom the CIHI will conclude contract on providing health care services.

3.2. Assessment of the progress made in implementing policy priorities for tackling social exclusion in Croatia set in the Chapter 4 of the JIM

3.2.1. Enhancing participation of the world of work

3.2.1.1. Facilitate the availability of stable and better quality employment, active employment and training policy

Overview of measures

- Implement the programmes of training and education as well as intensive personalized mediation and counselling in employment, learning of skills and seeking and creation of jobs. The Government of the Republic of Croatia has adopted the Annual Employment Promotion Plan for 2008, comprising various measures for promotion of entrepreneurship, development of cooperatives, employment co-financing, education and self-employment. The measures are focused on employment and education of long-term unemployed persons, youth without working experience, older working age persons and persons with lower educational level, i.e. persons who ceased education, for the purpose that all mentioned groups acquire additional education and skills required on the labour market. In addition, a part of operative measures referred to promotion of integration and combating discrimination against persons being in unfavourable position on labour market (as for instance disabled persons, persons with lower employability factor, unemployed single parents of minor children etc.) that is, by measures of employment co-financing and involvement in public work programmes, implemented by local self-government units. In line with the Joint Inclusion Memorandum (JIM) of the Republic of Croatia (Chapter 4.1.1.2) and the National Implementation Plan on Social Inclusion (Chapter 3.3.1), a number of measures have been implemented aimed at raising the level of employability of the groups most affected by long-term unemployment by means of subsidies for employment on open market, comprising co-financing of employment of youth without working experience up to the age of 29, long-term unemployed persons, women above the age of 45 and men above the age of 50, as well as the special groups of unemployed
persons; - subsidies for upgrading and co-financing of training for the known and unknown employer, education and employment aimed at increasing the employability of unemployed persons and public works; - measures comprised by the National Programme for Roma/Action Plan of the Decade for Roma Inclusion 2005-2015. The common goals of all the measures were increasing of employability of special groups, emphasizing the social inclusion. Since the commencement of application of measures within the competence of Croatian Employment Service (CES) in line with the Annual Employment Promotion Plan for 2008 and 2009 in the period from January 1 – March 31, 2009 the following outcomes were achieved: - co-financed the employment of unemployed persons: 1,003 young persons (whereof 460 women) without working experience; 1,290 long-term unemployed persons (807 women) without working experience; 706 older persons (432 women) and 351 persons from special groups (70 women); - co-financed training of 1,105 persons (426 women) for known employer and financed training of 2,361 persons (1,259 women) for unknown employer; - involvement in public works of the overall number of 715 persons (187 women) from special groups. The overall number of comprised persons is by 11.3% lower if compared with the previous year. Within the measures of Active Labour Market Policy (ALMP) within the competence of CES the total amount of HRK 132,797,862 was disbursed from the State Budget. The total number of 247 persons (56 women) was comprised by the measures intended for Roma, what is by 14.4% more than in 2007. Out of this number the co-financing comprised the overall number of 20 persons (3 women), the training for unknown employer comprised 24 persons (6 women) and the public works comprised the overall number of 203 persons (47 women). In 2009 the introducing of training without employment and training for self-employment is planned. Within the measures for Roma within the competence of CES the overall amount of HRK 4,259,721 was disbursed from the State Budget.

- It is more appropriate to focus the AlMP measures on groups faced with long-term unemployment or groups threatened by becoming unemployed. The CES implements a number of targeted activities aimed at addressing the issues of the long-term unemployed groups. In the period March 25 – November 30, 2008 the overall number of 4,874 requests have been received, whereof for 3,892 requests the positive decision was rendered. The total number of 3,869 contracts was signed on allocation of subsidy for employment and education, financing of education of unemployed persons and co-financing of employment in public works programmes. The highest number of requests, that is, 1,607 requests was received for Measure 2. Co-financing of Employment of Long-term Unemployed Persons, whereof 1,233 employment contracts were signed for employment of 1,290 persons. The following is the Measure 1. Co-financing of Employment of Young Persons without Working Experience with 1,274 requests, whereof 978 employment contracts for 1,003 persons were singed. The overall number of 894 requests was received for the Measure 3. Co-financing of Employment of Women above the Age of 45 and Men above the Age of 50 and the overall number of 681 employment contracts was singed for employment of 706 persons. Although for Measure 5. Co-financing of Education for Known Employer the overall number of 139 requests was received, 1,105 persons were comprised, since the said upgrading is organized upgrading of a higher number of workers employed with the same employer. The measures comprised 7,531 persons from the unemployment records, whereof 3,350 persons was employed by means of employment subsidy, 1,105 persons were involved in education for known employer (upgrading subsidies) 2,361 persons were involved in education for unknown employer, 699 persons were employed within the programme (Measure 7.) and 16 persons within the programme (Measure 8.). Out of the overall number of 7,531 persons comprised by the measures in 2008, 3,641 were women
(or 48.3%). In the period from commencement of measures up to December 31, 2008 the overall amount of HRK 132,797,862 was distributed.

- Develop the "evaluation culture", i.e. analysis of the impact of ALMP measures and avoid the random approach. CES implemented PHARE 2005 Project "Active Employment Measures Project" for the groups facing social exclusion and the Project was implemented by the consortium comprising the GVG counselling company (lead partner), German Federal Employment Agency and Slovenian Employment Service. The project partner and beneficiary is CES. The comprehensive project goal was strengthening of economic and social cohesion of the most vulnerable groups in Croatian society by raising the level of their employability. In addition the Project was aimed at strengthening of capacities of various participants on Croatian labour market in implementing the active labour market policy measures intended for groups threatened by social exclusion. This will alleviate the access to labour market to unemployed persons threatened by social exclusion by implementing the adequate measures, designed in line with their needs. The Project was launched within the policies referring to human resources development and social cohesion in Croatia. The goals of the Project are in line with the European Employment Strategy (EES), the National Employment Action Plan 2005 – 2008, as well as Annual Employment Promotion Plans. The Project was launched on April 10, 2007 and was accomplished on December 9, 2008. The Project activities comprised 4 components:

- Evaluation of efficiency of current measures of active labour market policy in Croatia and the system for their application and management. The anticipated outcomes present an overview and comprehensive assessment of the relevance, efficiency and outcome of measures implemented by CES; as well as description and assessment of the management system and capacities of CES in shaping, application, follow-up and assessment of the measures of active labour market policy. In the evaluation research the qualitative data (the so called soft data) and the facts (the so called firm data) have been used. The field survey in 4 selected counties was carried out. The focus groups have been organized with stakeholders at central level. The overall number of 9 individualized research instruments has been developed, covering all the beneficiaries of measures. The overall number of 4,143 questionnaires were distributed (whereof 1,286 to employers and 2,857 to individuals). The meetings of focus groups with the stakeholders at regional and national level were held. Out of the overall number of distributed questionnaires 27.2% has been returned. The overview was prepared, as well as the comprehensive assessment of relevancy, efficiency and outcomes of the measures of active labour market policy.

- Preparing recommendations on improvements of the current measures of active labour market policy and the proposal of new measures in cooperation with the relevant stakeholders. The draft recommendations were prepared for improvement of measures implemented by CES. Based on the outcomes collected in evaluation research the draft recommendations of the new measures of active labour market policy was prepared, comprising the recommendations for changes at institutional level in implementing the measures. The first draft recommendation was presented at four regional workshops. The comments received during the regional workshops were incorporated in the final draft recommendations.

- Strengthening of capacities of CES employees in management and application of measures of active labour market policy. The training comprised the CES employees at national and regional level, responsible for application of measures and the grant management for the purpose of improving the measures. Within this component the Analyses of the Training Needs of CES Employees was prepared.

- Support in application of the PHARE 2005 programme of grant management "Measures of active employment of groups threatened by social exclusion". The employees of
Department for Project Implementation were trained for grants management. The grant beneficiaries were informed on the principles, mechanisms, regulations and procedures related to implementation of EU projects under the grants.

- **Assess the extent of successful coordination between the competent services and the ministry and the local initiatives of active employment policy.** According to assessment, the coordination and cooperation between the competent services and the ministry was significantly improved. The Ministry of Science, Education and Sports (MoSES) organised in July 2008 the conference involving the representatives of economy, high education institutions and students. The conference addressed the employability of baccalaureus, i.e. proper recognizing of their competences, skills and knowledge level on labour market. Further, the Local Employment Partnership Project was implemented in direct cooperation with the CARDS Project for implementation of Regional Operative Programmes; within each respective Regional Partnership Council the Thematic Working Group for Human Resources Development was established, representing the anticipated local employment partnership. As a good practice example the Fund for Professional Rehabilitation and Employment of People with Disabilities (FPREPD) may be mentioned, which is, together with the MELE, the implementing agency of the Promotion of Gender Equality Programme in Combating Poverty. The activity is aimed at strengthening of women entrepreneurs. The CES, several ministries and the competent services jointly participated in several national and international projects, out of which the following should be emphasized:

  - **PHARE 2005** – financed by the EC and projects under the grant aimed at enhancing the employment of persons with lower employability prospects, i.e. the persons in unfavourable position on the labour market;
  
  - **Active Employment Measures Project for Groups Threatened by Social Exclusion**, under which project the overall number of 11 sub-projects with various goals have been developed, as for instance strengthening of economic and social cohesion, introducing of the model of informal education for the purpose of enhanced employment of persons with developmental disorders, enhancement and increasing the prospects for employment and self-employment (through entrepreneurship) of the risk groups and upgrading their knowledge, skills and competences.

- "Development of the Integrated Labour Market of the Adriatic Region" (DILMA Project) is a part of the INTREGG III A Adriatic Programme, financed with the funds of CARDS 2004 Regional and is a follow-up of the Project "Development of Adriatic Labour Market" (SVILMA). The implementation of the Project commenced on July 31, 2007 and was accomplished on January 31, 2009. The total value of the Project for all partners amounted to EUR 1,250,000, whereof the amount of EUR 48,066 was allocated to CES. The implementing agency of the Project was the Italian Region Veneto and the CES participated in its implementation from Croatian side. Apart of Croatia the Project comprised Bosnia and Herzegovina, Serbia, Montenegro and Albania as well. The goals of DILMA Project were enhancement of labour market, employment and migration trends management in the Adriatic zone, as well as its harmonizing with the European trends.

- The IPA Programme for the period 2007 – 2009 is a unique pre-accession instrument which is going to replace the current pre-accession programmes such as CARDS, ISPA and SAPARD and integrate their elements. The IPA Programme is aimed at preparing the candidate countries for best possible implementation of structural and rural development funds upon EU accession. The CES participated in preparing and adoption of two documents significant for implementation of the fourth component of the IPA Programme – "Strategy Adjustment Framework for 2007 – 2013" and the operational programme
Carry out the decentralization in employment policy making, launch and stimulate the initiatives on regional and local labour market capable of enhancing partnership and involving all available factors contributing to enhancing employment at local and regional level. Under the CARDS 2004 Programme the CES implemented the Project "Local Employment Partnerships – Phase 2". The Project comprised two components: contract on providing services with validity by May 2007 and grants programme. Within the grants programme the overall number of 10 contracts was signed in June 2007, which implementation was successfully accomplished in July 2008. The projects were implemented in 8 counties. The grant programmes were aimed at providing assistance to target groups in access to employment (including the self-employment as well) on local labour markets, as well as support and strengthening of capacities of local stakeholders for preparing and implementation of measures and projects according to the needs of local labour markets. The grant programme projects were aimed at activities of raising the knowledge level and acquiring of new skills recognized as the best and most useful method for increasing employment. The education and training for preparing of CV-s was organized, as well as introducing to the employer, enhancing the motivation, development of social skills, and assessment of competences, ECDL courses and foreign languages courses. In addition some projects were aimed at education on self-employment, fundamentals of entrepreneurship, development of business ideas and preparing the business plans. Over 400 persons have accomplished the education and training and over 100 persons were employed during or immediately upon the project implementation.

Restore the previous social partner status to unemployed persons (their associations). Under the Decentralization Strategy it was emphasized that the need was identified at various government levels for enhanced coordination and long-term integration of the employment sector and social welfare services for the purpose of optimization of the use of the resources and avoiding the duplication. The representatives of the unemployed have been invited to several meetings addressing the implementation of strategic documents of JIM and JAP, as well as to the job fairs held in 2008 and 2009 across Croatia. The unemployed persons and the other job seekers had the opportunity to introduce themselves to the employers, to be informed on their needs in the forthcoming period, on prospects for additional education, scholarships and similar. The organisation of the job fairs was supported by the partners at local level: local self-government, Croatian Chamber of Trades and Crafts, Croatian Chamber of Economy, Croatian Employers Association, development agencies, entrepreneurial centres, schools, high education institutions, institutions for adult education and others.

3.2.1.2. Promoting integration and fight against discrimination of people in the unfavourable position in the labour market

Overview of measures

Promote employment of disabled persons in open labour market. The overall number of persons with disabilities registered in CES amounted in late June 2008 to 5,400, accounting for 2.5% of the overall population of unemployed persons registered in the CES records. According to CES records on December 31, 2008 the total number of 5,579 unemployed persons with disabilities was recorded. During 2008 1,267 persons from the CES records were employed. The reasons for aggravated employment of disabled persons is the surplus of acquired qualifications (as for instance in the field of textile and graphic occupation, i.e. other professions less in demand in the labour market); lower formal
educational level in contrast to the rest of population, lack of working experience (43.9% without working experience) and long-term unemployment (78.2% of disabled persons is recorded in unemployment records for the period exceeding one year). The structure of unemployed disabled persons in CES records with respect to the type of disablement indicates that the highest number refers to persons with intellectual impairments (31%), followed by persons with physical impairment (23%) and finally the persons with combined impairments (22%). The disabled persons from the CES records are mostly employed in lower educational level professions. In all local CES services the counsellors have been appointed for employment mediation of disabled persons. The purpose of the said reorganization was enhanced assistance provided to this group of unemployed persons and their alleviated access to labour market. During 2008 the overall number of 700 disabled persons participated in activities of professional counselling, whereof the individual counselling was provided to 433 persons and in workshops to 267 persons. The overall number of 25 workshops was held. With a view to increasing the employability in 2008 the overall number of 271 disabled persons participated in some aspect of education. Under the Project "Right to Life in the Community: Social Inclusion of Disabled Persons", with United Nations Development Programme Croatia (UNDP) as implementing agency, the research was carried out on attitudes of 600 unemployed disabled persons on employment in the Republic of Croatia and the outcomes have been published in publication "Employability of Unemployed Disabled Persons". In the second part of the Project the individual plans of professional rehabilitation and employment of 100 disabled persons were prepared, who were assessed as highly motivated for employment. By the end of the Project some 60% of persons from this group were employed. In the Project "Employer of the Year for Disabled Persons" the CES, as the partner institution, participated in shaping the criteria for granting award. The annual awards were granted for the best employer of disabled persons in various categories.

- **Implement measures of employment of disabled persons through various types of self-employment, by carrying out particular crafts of service activities (promote the development of entrepreneurship of vulnerable groups).** Promotion of integration and combating discrimination against persons being in unfavourable position in the labour market, measures for unemployed and employed disabled persons are carried out through five groups of activities:
  1. Co-financing of the costs for adjustment of the working place and working conditions
  2. Co-financing of interest for special purpose loans for purchasing of machines, equipment, tools and appliances.
  3. Compensation of the percentage of the wage due to the reduced performance of disabled person
  4. Co-financing of a portion of costs for personal assistant or occupational therapist for disabled person
  5. Three-months return of contributions calculated and paid for wages of employed disabled persons

The said measure was implemented in entirety, in line with legal regulations. In 2008 the FPREPD disbursed the incentives amounting to HRK 51,480,022 to employers for employment of disabled persons. The incentives were used by 310 employers for 1,924 employed disabled persons (in 2007 the incentives amounting to HRK 43,569,858 were disbursed to 114 employers for 862 employed disabled persons). In the period January – March 2009 the incentives were used by 95 employers for 271 disabled persons, for which the FPREPD disbursed the overall amount of HRK 11,749,856. The number of employed disabled persons for whose employment the employers are entitled to incentives amounted to 1,924 on December 31, 2008 (in 2007 the overall number of 862 disabled persons).
number of business entities entitled to FPREPD incentives totalled to 310 (in 2007 the overall number of 114 business entities) on December 31, 2008. The number of newly employed disabled persons for whom the employers used the incentives in 2008 amounted to 120, and in the first quarter 2009 further 44 disabled persons were employed, however the FPREPD disposes of no data on employment of disabled persons in cases when the employers have not used the FPREPD incentives. Although some of the measures were only partially implemented the progress in relation to 2007 was recorded. They have regulated the incentive scheme on some other basis and alleviated thus the access to employers. The activities of FPREPD are continuously promoted, what results in significant increase of employers using incentives and thus the increased number of employed disabled persons. The FPREPD participates in IPA and JAP processes with activities implemented in 2009 and 2010. With a view to improving recognition of the status and enhancing of the public awareness on employment of persons with special needs (disabled persons) the CES has, recognizing the importance of education and exchange of experience of relevant stakeholders in the field of education, professional rehabilitation, employment and assistance to disabled persons, organized in September 2008 the international symposium "Education and Employment of Disabled Persons: Experiences, New Trends". The Symposium was aimed at acquiring comprehensive insight in the current status and conditions of disabled persons in the labour market, as well as exchange of experience of the leading national and foreign experts in this area. The Symposium Proceedings are available on CES network site.

- **Provide funds for adaptation of jobs suitable for employment and work of disabled persons and increase the accessibility and adequacy of educational system with a view to their streamlined employment.** Four computers adjusted to the requirements of visually impaired persons for four regional CES offices (Zagreb, Split, Osijek and Rijeka) were purchased, providing for undiscriminated access to information for the said beneficiaries, as well as the possibility of searching the Internet, writing and sending CV-s and applications. Through membership in working groups the CES experts participated in drafting of the new and adjustment of the current curricula for visually impaired persons. The implementing agency for the said activities was the Agency for Vocational Education (AVE). In addition the institute established cooperation with associations of disabled persons and associations providing care for disabled persons; correspondingly the regional offices participated in implementation of the Project ("10 Steps for Individual Support in Employment", "Support to Employment and Self-employment of Disabled Persons in Local Community"), as well as in workshops, round tables etc. Special attention is given to improvement of employability of disabled persons and the CES is continuously engaged in establishing the model of job oriented training in educational system. With a view to better informing on the rights and possibilities of education and rehabilitation the Croatian Employment Service prepared two informative documents: Professional Rehabilitation of Disabled Persons and Employment of Disabled Persons. The materials are available at the CES network web site and have been printed in 5,000 copies.

- **The employment quota system is required with a view of defining the liability of employers to employ a certain percentage of disabled persons.** The measure of efficiency evaluation of the quota system has been partially implemented, in line with the legal and technical possibilities. The FPREPD is in charge of implementation of the measure; in 2008 the Fund established a number of contacts with the competent institutions for the purpose of finding the most efficient method for records and control of the quota system. That is, the efficiency evaluation of the quota system can be performed only partially since neither the records nor the control are available. In this respect the Fund was supported by institutions disposing of certain data bases, which can contribute to efficient
control of the quota system. However, the performance of the control requires sufficient information support as well. Currently only the computer equipment (hardware) is available in the Fund, with the installed basic operational systems and simple accounting systems and programmes. The introducing of information technology and its implementation is necessary for achieving the purpose of the Fund and implementation of all activities within its scope of work. Only such approach will provide for establishing of the sound bases for high quality management of the professional rehabilitation and employment system of disabled persons, what will provide for enhancing the implementation of priority goals of employment. For this purpose in the State Budget for 2009 significant funds for introducing information technology in the Fund have been provided, the process has partially started and will be continued in the course of the year. In the currently maintained data base of the Fund only the data on employers comprised by the quota system are available, i.e. the ones who may be entitled to incentives for employment of disabled persons. With respect to the evaluation measures for legal regulations system, referring to employment of disabled persons the Fund has reviewed the Decision on Entitlement to Incentives for Employment of Disabled Persons (OG 141/05, 72/07), since the application of the Decision was causing significant difficulties in their activities due to the certain rather imprecisely and not elaborated provisions, what resulted in different interpretation and application. Correspondingly, the Decision has been thoroughly reviewed and the new Decision on Method of Entitlement to Incentives for Employment of Disabled Persons (OG 8/08) was adopted and entered into force on January 16, 2008. In line with the subject Decision the employers are entitled, provided they meet certain criteria, to the following incentives for employment of disabled persons: I) Regular incentives – having continuous character and II) Special incentives – which are of occasional nature. Apart of it the analysis and evaluation of the provisions of the Act on professional Rehabilitation and Employment of Disabled Persons (OG 143/02, 33/05) was continuously carried out; based on it the Fund will submit to the competent bodies its comments and proposals for initiation of the procedure of amendments to the Act.

- Implement and further develop the measures of Roma integration in labour market by means of their involvement in education and training and vocational training programmes, co-financed employment, public works, counselling on job search etc. By implementation of the Government’s Programme "Action Plan for Decade of Roma Inclusion 2005 – 2015" the wider employment possibilities have been provided to persons of Roma nationality. The issues referring to their employment comprise the low educational level, lack of professional competences and lack of motivation for active searching of job. Most of persons of Roma national minority are beneficiaries of various types of social benefits, which exceed in certain cases the amount of the offered wage; correspondingly they have unrealistically high expectations referring to the amount of wages. However, in implementation of the programme the positive shift in communication and relation of Roma national minority towards the seeking the job was recorded, as well as their readiness to change their way of living. Based on the measures pursuant to the National Programme for Roma/Action Plan for Decade of Roma Inclusion for 2008, referring to employment and training of unemployed persons of Roma nationality, the overall number of 73 applications have been received, for 66 applications positive decision has been rendered; correspondingly 64 contracts were concluded on co-financing of employment and training and training financing of unemployed persons of Roma national minority, as well as employment financing in the programmes of public works. The measures comprised 247 persons of Roma national minority from the unemployment records, whereof 223 persons were employed and 24 involved in the measure. Based on employment and training co-financing of unemployed persons of Roma national minority
the overall amount of HRK 4,259,721 was disbursed in 2008. In early 2008 the round table addressing the topic "Involvement of Roma in the World of Work" was held, organized by Zagreb regional CES office, addressing the possibilities of enhanced competitiveness and increased employability of unemployed persons of Roma national minority. The UNM organized the seminar for representatives of Roma association. Under the Programme 2005 in the period January 2008 – January 2009 the Project "Improvement of Access to Education and Employment for Members of Roma National Minority in the Republic of Croatia" was implemented. The Project addresses in particular the pre-school education and enhanced involvement of Roma children in primary schools. The Projects provides additional impetus to the Ministry of Science, Education and Sports (MSES) to further enhance the access to education and employment prospects in cooperation with other institutions and representatives of Roma national minority. The specific current and planned activities are the following: co-financing of parents’ share for the members of Roma national minority in pre-school education programmes, co-financing of the preschool programme for members of Roma national minority, assembling of data on the number of children of Roma national minority in the age of 4-6, completing of the data base, providing prerequisites for involvement of the pupils of Roma national minority in extended day programme, training of associates/assistants for work with the pupils of Roma national minority, increasing of the number of classes with integrated pupils of Roma national minority, establishing prerequisites for enhanced engagement of parents of Roma national minority in providing support to their children in learning and more regular attendance of classes, involvement of pupils of Roma national minority in artistic programmes in regular primary schools, providing for free of charge textbooks, transport, increase of the enrolment number of pupils of Roma national minority in secondary schools, providing scholarships for pupils of Roma national minority, involvement of adult members of Roma national minority of both genders in acquiring literacy and involvement of the adult members of Roma national minority of both genders in first occupation programmes.

- Provide for full implementation of regulations on employment of national minorities, comprised by the Constitutional National Minorities Rights Act. Pursuant to provision of Article 22 of the Constitutional Act the members of national minorities have the right to representation in state administration bodies and judiciary bodies, taking in account the participation of the members of national minorities in the overall population at the level at which the body is organized, as well as the acquired rights. In the context of employment of members of national minorities in state administration bodies the Central State Administration Office (CSAO) has implemented since 2006 a number of activities aimed at implementation of the Constitutional National Minorities Act. The said activities refer to review of the current status of employed members of national minorities, planning of employment of members of national minorities, education of civil servants in implementation of Constitutional Act on the Rights of National Minorities and informing of members of national minorities on the rights they are entitled to pursuant to the provisions of the Constitutional Act. Since July 2007 all government administration bodies are liable to submit monthly data on the number of employed persons to CSAO, whit separately indicated data on the members of national minorities and their structure upon gender, qualifications, type of employment and the status. Pursuant to the said data the status review is carried out and the improvement measures proposed. Until establishing of the Central List of Civil Servants and Employees, the CSAO has established the temporary records on the number and the structure of employed civil servants and employees, including the employed members of national minorities. The implementation of the project of centralized wages calculation and human resources management, with MF
as the implementing agency, will considerably contribute to data collection on the number of employed members of national minorities in state administration bodies, for implementation of which the necessary preparatory work has been accomplished in 2008. In the Plan of Admission in Civil Service for State Administration Bodies, Administrative and Professional Services and Offices of the Government of the Republic of Croatia for 2007 for the first time the number of employed members of national minorities was indicated, as well as the planned number of members of national minorities. Pursuant to the Plan of Admission for 2007 the overall number of 1,987 members of national minorities was employed, whereof 1,971 in state administration bodies and 16 in administrative and professional services and offices of the Government of the Republic of Croatia.

In the period of preparing the Plan of Admission for 2008, from September to December 2007, the data were analysed on execution of the Plan of Admission in Civil Service for 2007. According to outcomes of the said analysis the overall number of 107 members of national minorities was admitted in central state administrative bodies, out of the 336 planned.

The increase of the number of employed members of national minorities in 2007, evidenced by comparison of the status of employed members of national minorities in the process of drafting the plans of admission for 2007 and 2008 amounts to 44 (36 in state administration bodies and 8 in administrative and professional services and offices of the Government of the Republic of Croatia).

It was identified by the Plan for Admission in Civil Service for State Administration Bodies, Administrative and Professional Services and Offices of the Government of the Republic of Croatia for 2008 that in the bodies for which the Plan is drafted the overall number of 2,031 members of national minorities is employed (2,007 in state administration bodies and 24 in administrative and professional services and offices of the Government of the Republic of Croatia) and that employment of 226 members of national minorities(224 in state administration bodies and 2 in administrative and professional services and offices of the Government of the Republic of Croatia) is planned.

According to the data from CSAO temporary records on the number and structure of employed civil servants and employees 2,160 members of national minorities were employed, what indicates the increase of the number of employed members of national minorities for 129 if compared with the period of adoption of the Plan of Admission for 2008. For the purpose of comparison the number of employed members of national minorities in 2007 was actually increased for 49 persons with respect to the status in 2006. According to the data from February 2009 the members of national minorities in ministries accounted for 4.02%, in central state administration offices for 0.87%, in state administrative organizations for 4.26%, in state administration offices in counties for 5.84%, in administrative and professional services and offices of the Government of the Republic of Croatia for 4.95% and in other state bodies (excluding the administrative and professional services of the Constitutional Court, since the said data are not submitted to CSAO and the judiciary bodies for which the records are kept by the MoJ) for 2.34%. The members of national minorities employed in above mentioned state bodies accounted for 4.13%.

The data from the records on representation of members of national minorities in administrative bodies of LRSGUs on March 1, 2009, established by CSAO in early May 2009, indicate that out of the overall number of 576 LRSGUs 110 provide for representation, i.e. employ the members of national minorities in their administrative bodies. In the said 110 LRSGUs the overall number of 7,785 civil servants and employees is employed, whereof 590 or 7.58% of the members of national minorities.
In 72 LRSGUs (in 62 municipalities and cities and 10 counties) the representation has to be provided of the members of national minorities, who are entitled to the said rights pursuant to provisions of the Constitutional Act on National Minorities Rights and the Act on Local and Regional Self-Government, what has been realized in 53 LRSGUs. The data on the overall number of self government units in which the members of national minorities are represented in administrative bodies, as well as the data on overall number of employed members of national minorities in administrative bodies of the self government units for 2008 can not be compared with the data for 2007 due to the not standardized presentation of the data of self government units in the previous reporting period, as well as the fact that the data for 2008 have been collected for the first time pursuant to the new methodology.

Pursuant to the Act on Local and Regional Self-Government the representatives of national minorities who, in line with the Constitutional Act on National Minorities Rights, have the right to proportionate representation in representative bodies of LRSGUs, have also the right to representation in executive and administrative bodies of the said units. The councils of the local self-government units are liable to define by the plan of admission in civil service the occupancy rate in administrative bodies of LRSGUs and to plan the employment of the necessary number of members of national minorities for the purpose of providing for representation of national minorities in administrative bodies of the said units. When submitting the application for admission in civil service the members of national minorities have the right to invoke the right of preference in appointment to a position under the same conditions, to which they are entitled pursuant to provision of Article 22, paragraph 4 of the Constitutional Act on National Minorities Rights.

Pursuant to the Act on Civil Servants and Employees in Local and Regional Self-Government the local self-government units define by the plan of admission in civil service the appointment of members of national minorities to positions in administrative bodies, and plan the employment of the necessary number of members of national minorities for the purpose of providing for representation in line with the Constitutional Act on National Minorities Rights and the act regulating the system of local and regional self-government. In announcements for jobs the local units, which have not provided for representation of the members of national minorities in their administrative bodies in line with the Constitutional Act, are liable to indicate it in the text of announcement for job, together with the indication that the candidates are liable to invoke this right in their applications and that the candidates, members of national minorities have the preference over the other candidates, exclusively under the same conditions.

- The human rights ombudsman emphasizes in his Activities Report that the number of complaints filed by the members of national minorities was reduced if compared with the previous year. With a view to enhancing the status and improving information of the public, the Human Rights Centre has organized in cooperation with the Human Rights Office of the Government of the Republic of Croatia and the National Minorities Council on November 19, 2008 the round table with the topic "Employment of the Members of National Minorities in the Republic of Croatia – Application of Article 22 of the Constitutional National Minorities Rights Act".

- Gain insight in ALMP (Active Labour Market Policy) measures, comprising the social assistance beneficiaries. In Croatia the records of social assistance beneficiaries is not mandatory, either in workfare measures policy, or in laws or executive regulations or rules of procedures. Across Croatia some very successful programmes have been implemented,
however the said programmes were rather resulting from activities and coordination of local authorities, where the local communities are well acquainted with the social assistance beneficiaries. The participation in such programmes is often awarded with free of charge vouchers for training programmes and/or foreign language courses, what significantly raised the interest of beneficiaries in participating in the programmes.

*Financing sources and responsible institutions*
Most of the funds for ALMP are allocated from the Central Government Budget and the funds of local administration bodies. The bodies in charge are the Ministry of the Economy, Labour and Entrepreneurship (MELE), and CES, which are implementing various active labour market policy measures across Croatia; the other ministries have actively participated as well.

*Multidimensional approach and policy management*
Although the multidimensional approach and policy management have not fully become a reality, the assessment can be made that a significant progress in cooperation and coordination of various bodies and activity areas has been achieved in this area. This is in particularly evident with respect to the pilot project – Development Planning of Social Services at Local Level, where various representatives from local institutions, providers of services (homes, centres for social welfare, administration bodies, employment services, health institutions and other) and beneficiaries of services have participated in creation of social services local plans. The beneficiary of services is in the focus of this plans and the emphasis is placed on improvement of his employability and employment promotion. The emphasis is laid on the integrated local network of services providers and strengthening of partnership with non-governmental associations, as well as involvement of the family and wider community.

### 3.2.2. Access to social services and social benefits

#### 3.2.2.1. Pension system

*Overview of measures*
- **Achieving long-term social security for elderly without any income and their protection in transitional period.** One of the goals of the current Government is providing for long-term security of older citizens without pensions by means of introducing the social pension. The realization of this measure is anticipated in the Government’s mandate by 2011. In 2008 certain assessments have been made on the share of the older population without pensions. According to the said assessments some 12-13% of 64+ persons have no pension benefits. Apart of it the viewpoint has been adopted that the model of future social pensions has to be discussed as soon as possible, as well as the criteria for entitlement to such right. The model of social pensions should be discussed and proposed by the end of 2010, in line with the National Implementation Plan 2009 – 2010. In the meantime the elderly without sufficient resources for living are entitled to certain benefits within the social welfare system. Theelderly mostly use three rights within the social assistance system: permanent assistance, supplement for assistance and care at home and personal disability allowance. If compared with 2007 by the end of 2008 the number of elderly (65+), among the beneficiaries of permanent assistance – raised from 11.2% to 11.5%. However, the elderly mostly use the supplement for assistance and care at home. The number of persons, beneficiaries of this right is permanently increasing: 35,382 in 2004, 43,741 in 2007 and 44,425 in 2008. It could be said that the supplement for assistance and care at home is considered by a major part of elderly as a type of "pension". The number of elderly, recipients of personal disability allowance is considerably low (549 in 2007 and 471 in 2008.)
• **Review the role of the minimum pension and improve the status of the "new" pensioners.** It should be emphasized that the recipients of pension, who acquired such right by December 31, 1998 (the so called old pensioners) were entitled to the minimum pension and the additional supplement provided upon means-test. The recipients of the pensions who acquired such right since January 1, 1999 (the so called new pensioners) are entitled to the minimum pension irrespective of the means-test. To the minimum pension are entitled the recipients whose pension deriving from their wage is lower from the minimum pension, depending on the length of service for retirement. Due to legal amendments in 2007 and 2008\(^7\) the number of recipients of the minimum pension was decreased and the material status of pensioners who acquired the right to pension since January 1, 1999, was improved, but also the status of future pensioner. The share of the recipients of the minimum pension among the new pensioners accounted for 39% in 2007, 21.8% in 2008 and 18.1% in the first quarter of 2009. In line with the above, the share of the resources for the minimum pension in overall pension expenditures was reduced from 2.5% in 2007 to 2.35% in 2008 (in the first quarter of 2009 the share amounted to 2.52%). The consensus has been achieved that the minimum pension presents the key instrument of implementation of the solidarity and redistribution principle in the intergenerational solidarity system. With respect to the declining trend of the share of minimum pension recipients among the new pensioners, no indications have been recorded of the changes of the financing method or the methods of acquiring this right (see also Chapter 4.5).

• **Establish preconditions for involvement of pensioners in remunerated jobs.** The new Contributions Act from January 1, 2009 provides for exemption from payment of contributions for obligatory insurance by pension beneficiaries who earn additional income. The same possibility has already been provided by the Act on Amendments of the Crafts Act, provided the pension beneficiaries earn additional income by carrying out of cottage industry or auxilliary occupation. Since beginning of 2008 the disability pensions due to occupational work inability during the employment of beneficiary have been increased for the purpose of stimulating such pensioners to work.

• **Follow up the impact of transfer to individual capital savings to the pension gender inequalities, as well as the impact of pension adjustment mix (in line with wages and consumer prices increase) to the older pensioners.** In the obligatory second and voluntary third pension insurance pillar, based on individual capitalized savings the pensions are determined upon the principle of defined contributions, by application of actuary calculation. That means that the amount of the pension depends on the amount of the funds on the personal pension savings account, age of the insured person and the other parameters. The amount of the second pillar pension must not depend on the gender or health status of the insured person. However, since the women are on average entitled to pension in younger age, having the shorter length of service for retirement and their wages are in general lower than the wages of the men, the average pensions of women are lower from the men’s pensions. As for instance, if the woman is entitled to pension at the age 5

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\(^7\) The Act on Supplement to Pensions Acquired Pursuant to the Pension Insurance Act and Amendments to the Pension Insurance Act were adopted. By the said Acts the status of pensioners who were entitled to pension since 1999 exclusively in the public pension pillar was improved, by disbursement of supplement to pension amounting from 4% for persons retired in 1999 to 27% for persons who will be entitled to pension in 2010 and after that period. The supplement is adjusted twice a year, in the same manner as the pensions: in relation to the wages and consumer price index increase at 50:50 ratio. Apart of it by January 1, 2008 the amount of the minimum pension per year of length of service for retirement was twice lower for each year of service for retirement after 30 years than for each year of service for retirement up to 30 years. Upon January 1, 2008 the said amount was levelled for every year of service for retirement. In addition, the permanent pension reduction was abolished for persons entitled to the early old age retirement. Since January 1, 2008 the maximum permanent reduction due to early retirement amounts to 9%, compared with the previous reduction of 20.4%.
years younger than the age of the man, she is entitled to approximately 20% lower pension from the second pillar than the man. The fact that women are entitled to early old age retirement and old age retirement 5 years earlier than the men, increases the risk for the women entitled to pension at an earlier age from both obligatory pillars to acquire the pension lower than the men’s pension, as well as the pension lower from the pension to which they would be entitled only pursuant to the first pension insurance pillar. By now only the women who were near the age of 50 in 2002 were entitled to early old age retirement pursuant to both obligatory pillars, when they decided to join the second pillar insurance. This group of women was entitled, apart of the early old age retirement pursuant to the first pillar, to the pension pursuant to the second pillar in average amount of HRK 68.38, which is adjusted twice a year in line with the consumer price index. The women entitled to pension pursuant to both pillars have paid the contribution in the second pillar at the rate of 5% of their gross wages for a short period and as beneficiaries of pensions from both pillars are consequently not entitled to pension supplement. Apart of it, the actual unfavourable trends in capital market during 2008 had adverse impact to the yields of pension funds and the amount of pensions from this type of insurance. All above mentioned has contributed to the fact that the pensions pursuant to both obligatory pillars are lower than the pensions to which one would be entitled if insured only pursuant to the first pillar. For this reason the Government of the Republic of Croatia has adopted the conclusion to make the assessment of long-term social and fiscal impacts of various solutions, which would provide for the insured persons pursuant to the second pillar to be entitled to appropriate pension level. Referring to the impact of pension adjustment on the status of pensioners, the pensions are adjusted twice a year in line with the percentage of wage changes and the consumer prices index in 50:50 ratio. Such adjustment of pensions provides for real pension increase at the rate which is twice lower from the rate of real wages increase. In the period January 1, 1999 – January 1, 2009 the consumer prices increased by 43.7% and the pensions were adjusted for 70.2%, i.e. actually increased by 18.5%. In 2008 the average wage increased by 7.1% and the consumer prices increased by 6.0%. The pensions were adjusted by 6.7%, what means that they were actually increased by 0.7%. Although the statutory method of pension adjustment provides for pension growth in lower extent from the wages increase, the pension adjustment in the previous period provided for real pension increase and improvement of the standards of living of the pensioners.

- **Take in account the adjustment of pensions with the minimal standards.** The Republic of Croatia is signatory of the Convention No. 102 of the International Labour Organization on Minimum Social Insurance Standards and regularly submits reports (if necessary) to the said organization and to the European Council. In line with the Report on Application of Convention, referring to the beginning of 2008, the amount of pensions pursuant to obligatory pension insurance meets the statutory minimal standards. Although the report for status referring to the beginning of 2009 has not yet been prepared, it is indisputable that the pension levels meet the statutory standards in early 2009 as well, since the average wage in 2008 was increased by 7.1% and the pensions by 6.7%.

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**Financing sources and responsible institutions**

The responsible and implementing institutions for the above mentioned measures are the Ministry of the Economy, Labour and Entrepreneurship (MELE) and Croatian Pension Insurance Institute (CPII). The MoHSW is the competent ministry for implementation of measures aimed at protection of elderly without sufficient funds for living. The financing sources are the pension insurance contributions and the State Budget.
Multidimensional approach and policy management

The measures referring to pension system will have impact on the other social sectors as well: economic trends, gender equality, social services, overall social status of elderly. The more frequent involvement of pensioners in remunerated jobs will improve not only their financial status, but also have positive impact on economic growth. Introducing of social pensions should contribute to better gender equality in the old age, since the women account for over 95% of elderly without pensions. Apart of it, the social pension should reduce the high stigmatization level, usually linked to social assistance. The social pensions strengthen the citizenship of elderly without pensions.

3.2.2.2. Child and family benefits and child care

Overview of measures

- **Fairer distribution of funds for child allowances.** In early 2007 instead of the two, three income brackets have been introduced, providing for fairer distribution of funds among child allowance beneficiaries. In 2008 the monthly amount totalling to HRK 1,873,702,058 for approximately 228,177 beneficiaries and actually for 431,701 children was disbursed from the State Budget of the Republic of Croatia for child allowance and pro-birth supplement. The overall number of 36,740 beneficiaries was entitled to the supplement for three children and 12,190 beneficiaries were entitled to supplement for more than three children. The average amount of child allowance was increased from HRK 261 in 2006 to HRK 342 in 2007 and to HRK 348 in 2008.

- **Extend the income test to the children with severe disabilities.** This measure has not yet been implemented. However by the end of 2009 or beginning of 2010 the expert working group will be established in the Ministry of the Family, War Veterans and Intergenerational Solidarity (MoFWVIGS), which is going to prepare the amendments to the Child Allowance Act upon the performed analyses.

- **The registration with the employment services should not be requirement for the right to maternity allowances for unemployed mothers.** This measure was realised in early 2009 by entering into force of the Maternity and Family Allowances Act.

- **Exempt the child allowances from the income concept for entitlement to the right in the social welfare system.** This measure was implemented as early as in mid 2007 by amendments to the Social Welfare Act.

- **One of the priorities in family policy development is by all means the extension of capacities and programmes of institutional services for pre-school age children.** (see Chapter 3.2.2.6)

- **Develop, that is, implement statutory flexible employment forms, reconciled with carrying out the family obligations.** One of the measures pursuant to the National Population Policy is "Stimulating the Employers to Application of the Provisions of the Labour Act and Adoption of Special Regulations Referring to Special Business Arrangements and Work and Work Place Flexibilization (work with reduced working hours, work at home, teleworking, flexible working hours, leaves)". The implementing agencies for this measure are MELE, CEA, CES, Civil society organisations (CSOs) and public institutions. Correspondingly, the CES introduced in 2008 the form for application of vacancies comprising the option of work with reduced working hours and reminded thus the employer of the possibility of such choice. Additionally the form provides for indicating of other benefits with respect to working time. The application of the said form in the work mediation process contributes to promotion of flexible aspects of work.

- **Introduce more efficient enforcement measures for the purpose of collecting alimonies.** In 2008 the MoHSW disbursed the total amount of HRK 11.2 million for
alimonies, and almost the same amount was disbursed in the first six months of 2009 – HRK 10.2 million. The amendments to the Family Act from 2007 provided for different procedure of alimony collection from persons liable to child maintenance. However, since no adequate mechanism for follow up of the alimony collection system has been introduced, the level of its performance can not be assessed.

**Financing sources and responsible institutions**
The main institution responsible for measures implementation is the Ministry of the Family, War Veterans and Intergenerational Solidarity (MoFWVIGS). For implementation of the regulations on alimony the role of the Ministry of Justice (MoJ) and MoSES is significant. The responsible institutions for measures referring to development of services for pre-school children are the local and regional self-government units (LRSGU) and the MoSES. The increased funds for child allowances or permanent social assistance are financed from the State Budget.

**Multidimensional approach and policy management**
The development of institutional services for pre-school age children, as well as wider application of flexible forms of employment, has by all means direct impact on employment of parents with younger, dependent children. These measures are in particularly important for employment of (single) mothers, as well as reconciling of professional and family obligations. Since the unemployed mothers and the job seeking mothers are not liable to register with the employment service any more in order to be liable to maternity benefits, the number of persons registered with the employment services, primarily for the purpose of entitlement to particular social rights, and not for the purpose of seeking the job, is correspondingly reduced.

### 3.2.2.3. Social assistance

**Overview of measures**
- **Take efforts aimed at strengthening of social welfare information and management system (introducing information technology in the system).** In 2008 and 2009 two projects tasks have been implemented under the Social Welfare System Development Project, referring to introducing of information technology in the system: "Delivery of Computer Equipment and Programme Support for MoHSW" and "Project Design, Directing and Coordination of Information management System for Informatics Linking with the Other Institutions outside the Social Welfare System". The first project task implies designing of the social welfare software through 19 partial deliveries, which in its final phase have to function as one integral unit; they were delivered and are currently in the testing phase in three pilot counties. Apart of it, the necessary equipment was purchased for institutions in 3 pilot counties and the software was installed, providing for testing the deliveries by the employees of the institutions and giving their comments to its operation. Simultaneously with taking over the deliveries the employees of the social welfare institutions in 3 pilot counties are being educated and before the end of the contractual obligations the education of the employees of the MoHSW is planned as well. In line with the assumed obligations the final taking over of the system is planned for mid 2009. By the end of 2009 the input of actual data on CSWs beneficiaries in the three pilot counties is anticipated and upon testing in 2010 and implementation of programmatic solution, in other institutions of the Republic of Croatia. In addition, the project task "Preparing of the Project of Structural Cabling of Social Welfare Institutions and Testing of the Installed Network Infrastructure "is being prepared. The task is in the contracting phase with the selected company and the anticipated duration is 180 days. For the purpose of adjustment of statistical reports in the social welfare system with the requirements of
state statistics and EUROSTAT, as well as with the future informatics solutions, the project task "Adjustment of the Current and Draft of the new Statistical Reports of the MoHSW" is in the process and the completion of the project task is anticipated for end July 2009. In the process is the project task of purchasing the remaining equipment for the social welfare system, which should follow the first phase of the project task - structural cabling.

- **Develop the new organization model of centres for social welfare.** The concept of the social welfare system reform implies the establishing of the system having the beneficiaries in its focus, aimed at achieving the outcomes adapted to the users. In this contest the idea has been adopted to organize the CSWs upon the concept of "one-stop office". That means that the users of services would be able to meet all their needs at one place at a certain moment by providing their personal identification data only once. The MoHSW started in late 2008 with development of the model "one-stop office" for the purpose of reorganization and improvement of the working process in CSWs, including the development of necessary working manuals and education of the employees aimed at harmonizing with the new working methods. The idea is to deal with all considerably simple types of cash benefits in the front office by procuring the documents relevant for entitlement to a certain right to cash benefits by the administrative secretary, to whom the insight in various data bases is available or who is by information system connected with the appropriate institutions. In case the administration of cash benefits is complex and sophisticated they will be forwarded to the specialist in the back office. The social workers from specialized departments in the back office would cooperate with the administrative and professional worker from the front office. In late 2008 the foreign and national consultants were engaged and the project activities of the "one-stop office" were implemented in three pilot counties (CSW Split, CSW Zadar and CSW Vukovar). Upon evaluation of the restricted number of "one-stop offices" the model can be replicated in all CSWs. In February 2009 the MoHSW submitted the first report presenting the proposed CSW reorganization model. In March 2009 the draft of the manual "one-stop office" was prepared, to be used as assistance to pilot centres. Upon completion of the project activities the conference will be organized with a view to introducing the proposed model to the overall social welfare system.

- **Streamlining the social welfare system.** In addition to reducing the number of benefits implemented in 2007, the Social Welfare System Development Project and the drafting of the new Social Welfare Act should contribute to further streamlining of the system and administration, as well as provide for accelerated access to the rights. The earlier mentioned concept of "one-stop office" is actually aimed at providing for streamlined and more efficient system. As for instance, the checking of the request for disbursement of cash benefit should be made based on only one visit, or if possible, without beneficiary’s visit to the office. Apart of it the beneficiaries whose needs for social welfare are easy to meet, as in the case of providing information, providing of equipment or providing of as single service, could meet their requirements by only one visit, or in some cases by phone. The introducing of information technology and information exchange with the other systems (instead of the beneficiary the administrative employees would collect part of information required for exercising the right by themselves, what would provide for more expedient and cost efficient procedure) would contribute to streamlining of the system. The information on the rights and liabilities of the beneficiaries, the available services and methods of receiving the services has to be available on a number of public places. In line with the new CSW concept the competences of CSWs would be extended to providing information on other organizations as well, and would be capable of providing assistance to beneficiaries in resolving their issues (referring the beneficiaries to other organizations
and institutions). The establishing of the register of social welfare and other rights beneficiaries is anticipated, which are not based on insurance, as well as introducing of the uniform catalogue of rights with the conditions for exercising such rights.

- **Essential is more expedient and reliable information exchange between social welfare and other social security systems.** The data exchange on potential beneficiaries between the government administration bodies was not the standard practice, but the potential beneficiary was required to collect the data in one government administration body and submit them to the other government administration body. Correspondingly, with a view to streamlining the social rights administration, the introducing of information technology and linking of various parts of public systems is essential. In order to streamline the exchange of information significant from the aspect of exercising the rights within the social welfare system, which are available to the other systems (as for instance the personal information, data on financial and income status, degree of physical impairment etc.) in October 2008 the contract was concluded between the MoHSW and a private company on implementation of the project task "Project Design, Directing and Coordination of Information Management System for Informatics Linking with the Other Institutions Outside the Social Welfare System". The informatics linking would provide for enhanced financial and administrative control, reducing the possibility of multiple disbursements of social benefits, as well as other errors.

- **Periodically (on one-year or two-year basis) adjust the social benefits with costs of living increase.** Currently the basis for social benefits is increased exclusively by Government’s decisions. Correspondingly, on November 1, 2008 the basis for social benefits was increased for HRK 100 and the current amount of standard benefit in the social assistance system totals to HRK 500 instead of the previous HRK 400.

- **Implement measures aimed at accelerated integration of able-bodied beneficiaries in labour market and society.** By now the available data on various characteristics of able-bodied beneficiaries of permanent social assistance were sparse. In the meantime the MoHSW prepared the analysis of characteristics of this segment of beneficiary population. The number of men and women is identical among the unemployed beneficiaries. Out of the overall number of unemployed beneficiaries of permanent assistance persons with disabilities account for 4.6%, the current and former narcotics and alcohol addicts account for 3.9%, 12.8% are persons in the age 15-24 and 56% persons in the age 40-64, 38.5% has not completed the primary education, 78.5% are beneficiaries of permanent assistance for a period exceeding one year, 6.9% are single parents of one or more children and 37.3% lives in families with two or more children. Under the IPA Programme, Measure 2.1. – Support to Groups in Unfavourable Position in Access to Employment – the Social Welfare Directorate of the MoHSW will implement the Project "Establishing Support in Social Integration and Employment of Socially Disadvantaged and Marginalized Groups". The project concept was a response on measures listed both in Joint Inclusion Memorandum of the Republic of Croatia and the Joint Memorandum on Priorities of Employment Policy in the Republic of Croatia. The said Project consists of two parts, the project on purchasing the services and the grant, in overall value of EUR 3 million. The integral goal of the project is promotion of social inclusion of the long-term unemployed beneficiaries of permanent assistance by means of support in involvement in labour market. The contract on purchasing services will be implemented in two components. The first refers to strengthening of inter-sector and inter-institutional cooperation in the field of social inclusion and employment and the other to enhancing the quality of CSWs services. The grant will be aimed at preparing the long-term unemployed recipients of permanent assistance for integration in labour market. The preparing of the grant project documents is in the process and the CES Department for Financing and Contracting EU Projects (having
the role of implementing agency under the IPA structure) has submitted the tender documents for contracting of services to the Delegation of European Commission, which has issued the ex-ante approval of the documents on March 30, 2009.

**Financing sources and responsible institutions**
The responsible Ministry for implementation of social assistance measures is MoHSW. In addition to the Ministry the local self government units, employment services and CSOs have significant role in implementation of measures of involvement of social assistance beneficiaries in the labour market. The workfare projects are frequently financed from the State Budget. The Social Welfare System Development Project is financed from the State Budget, foreign loans and grant funds. In the period July 1, 2008 – June 10, 2009 the following funds were spent: HRK 29.2 million from the State Budget, HRK 101.7 million from the loan of International Bank for Reconstruction and Development (IBRD) and HRK 4.4. million from the grant of Swedish International Development Agency (SIDA).

**Multidimensional approach and policy management**
The workfare measures to social assistance beneficiaries and their involvement in active labour market policy measures are crucial with respect to employment of groups with lower employability prospects. The participation in such programmes increases both incomes of beneficiaries, and the employment prospects. However, the liabilities of able-bodied beneficiaries with respect to participation in workfare projects have not yet been clearly defined.

3.2.2.4. Social services

**Overview of measures**

- **Make detailed assessment of the needs in social services development and identify the evaluation mechanisms for implementation and impacts of institutional and alternative social services.** One of the goals of the Social Welfare System Development Project, implemented by the MoHSW, is improvement of the quality of social services and reducing the volume of institutional care. The MoHSW has from the beginning of implementation of the said Project established cooperation with United Nations Development Programme (UNDP) Croatia with a view to developing and enhancing the social services network. In this context the UNDP has in 2007/2008 accomplished the preliminary analysis of development of the social services network upon counties. This analysis indicated that the services network is available in all counties and that the supply of non-institutional services was extended. However, the analysis indicated that the preparing of indicators for follow up and evaluation of the non-institutional forms of services is required, as well as preparing of the plans for practical development of services upon counties and linking the data bases of various financing resources. Correspondingly, the MoHSW and UNDP agreed upon prolongation of cooperation. In late 2008 it was agreed that the UNDP will by the end of 2009 implement the Research on Development of Social Services and Deinstitutionalization Prospects, which would identify the obstacles and the prospects for further deinstitutionalization of the services system, based on the assessment of beneficiaries’ needs. In other words, the goal is to organize consultations with service providers and beneficiaries of social services and prepare the joint matrix for monitoring and evaluation of social services development. The assembled data are the prerequisite for planning of the social services network, which will be based on assessment of local needs, better coordination between the national, regional and local level, as well as

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8 L. Japec and N. Škrbić: "Mapping of Social Programmes Upon Counties".
joint action of the governmental and non-governmental sector. Based on the UNDP research the coherent matrix will be prepared for follow up and evaluation of services development, recommendations for planning of services at the county level, operative documents for social planning in the pilot counties, as well as the county manual for local services network.

- **Develop the good practice standards, introduce the code of professional ethics for providers of services, as well as the supervision implementation system.** The goal of the Social Welfare System Reform is to provide the same quality of services to the beneficiaries, irrespective of the fact whether they use the services of private or state services providers. By now more attention was paid to the technical standards regulating the premises and other technical aspects, as for instance the financial resources, human resources, construction of buildings, the interior, health protection and hygiene, garments and nourishment, target groups, hygiene and equipment safety. In 2008 certain shifts were made in the field of service quality standards development. In this context the major part of the project task – Quality Standards in Social Services – was accomplished, implemented jointly by the MoHSW, SIDA and the World Bank. In the first half of 2008 the mapping of the existing standards was prepared. In mid 2008 the working group prepared the working manual on quality standards, which was discussed and amended. In the second half of 2008 the program of permanent training and upgrading of employees in selected institutions of MoHSW was implemented, aimed at enhanced preparing and application of the new standards. The consultants under the project are expected to develop the system for assessment and follow-up of the standards, as well as to develop the group of indicators and criteria for outcomes measuring. The adoption of the final version of manual on standard of services and assessment of standards application is anticipated in mid 2009. In February 2008 the MoHSW published the Guidelines for Planning Social Welfare Services, which developing was based on experience of development of social welfare services planning at local level achieved in 2007 in the three pilot counties: Split-Dalmatia County, Vukovar-Srijem County and Zadar County. The Guidelines are aimed at providing assistance in development of social welfare services planning at the local level in the Republic of Croatia.

- **Decentralization of social services and extension of territorial coverage of social services network.** In 2008 the network was significantly extended, in particular the network of non-institutional services for elderly, but also for the other beneficiary groups (see Chapters 3.1.3 and 4.2)

- **De-institutionalization of social services.** The number of persons in social welfare homes stagnates or slightly increases. In 2006 the state owned social welfare homes accommodated 8,505 beneficiaries, in 2007 the overall number of 8,764, and in 2008 the overall number of 8,693 beneficiaries. Slightly more noticeable increase of beneficiaries was recorded in non-state owned homes in 2007 (16,779) if compared with 2006 (15,776). In 2008 a slight decrease of the number of beneficiaries in non-state owned social welfare homes was recorded (15,772), resulting primarily from the status changes of the two homes (transfer from the status of welfare home in the status of non-governmental organization). On the other hand, the number of beneficiaries of certain non-institutional forms of care has significantly increased, such as the right to the parent caregiver status or the right to organized housing. The number of parents who acquired the parent caregiver status increased almost six times, and the number of beneficiaries of organized housing increased by 54% in 2008 if compared with 2007 (see Chapters 3.1.3). Some of the social welfare homes, associations, religious communities and other legal and natural persons provide the day care services, promoting thus the model of day centres developing with the possibility of choice of the services, what provides for the possibility to the children to
continue living in their own homes. Within the homes for children without adequate parental care and homes for children and youth with behavioural disorders total of 41 small housing units were operated as individual units during 2008. The mentioned form of accommodation is designed for children who are preparing for individual life upon leaving the institution and is aimed at support, control of fulfilling the obligations and assistance in further full independent living. The number of children accommodated in children’s homes is gradually decreasing in line with the efforts to organize the children’s homes as small institutions in which the maximum individualized treatment will be implemented by sufficient number of qualified educational staff. As for instance, the homes for children without adequate parental care accommodated in 2005 the overall number of 1,479 children, in 2007 1,364 and in 2008 1,252 children. According to the annual statistical data on December 31, 2007 the overall number of 1,764 children without adequate parental care was placed in foster families. In cooperation with the local community small housing units are organized within the children’s homes without adequate parental care as separate organizational housing units, accommodating the beneficiaries of the said homes when they are being prepared for leaving the homes and independent living. Currently, the overall number of 35 small housing units is available with total capacity of 163 places. In addition, the MoHSW has in 2008 issued 2 approvals to physical persons for establishing of family homes for children. This form of children accommodation implies accommodation for four to ten children. Currently two family homes for children without adequate parental care are available in the Republic of Croatia, with total capacities of twenty places, with which the MoHSW has concluded agreement on financing of accommodation of beneficiaries. In 2008 preparations were made for construction of new facilities for accommodation of children without adequate parental care in Koprivnica, which will replace the current accommodation of these children in the facilities of "Svitanje" Children’s Home in Koprivnica. The replacement accommodation for children will be provided by construction of three facilities, whereof two for accommodation of 8 children and one for day care services, with capacities of 20 places, located in various town areas for the purpose of avoiding the accommodation of a higher number of children on the same location, providing thus for enhanced inclusion of children in local community and improved care.

- **Improve infrastructure in the current social welfare institutions, as well as the quality of professional services.** One of the components of Social Welfare System Development Project refers to improving the social welfare infrastructure, for which the funds amounting to EUR 33.36 million are anticipated, out of which the International Bank for Reconstruction and Development finances EUR 22.8 million. The goal of this component is to provide the infrastructure in CSWs, in line with the administrative reorganization of the said institutions, as well as to provide for meeting of the hygienic-sanitary standards in social welfare homes. In this respect the construction of 13 new CSWs is anticipated, as well as extension and renovation of the existing 13 centres for social welfare. In the period from the end of 2007 to the end of 2008 the construction of two CSWs was accomplished, amounting to HRK 16.3 million. In January 2009 the construction of further CSW was completed, amounting to HRK 6.5 million. On the other hand, the improvement of hygienic-sanitary conditions was anticipated (sanitary facilities, kitchens, dining rooms and laundry premises) in 57 social welfare homes, situated on 81 locations. During 2008 the construction works in 13 social welfare homes were completed amounting to HRK 21.7 million. The Directorate for Island and Coastal Development of the MoSTI has in 2008 co-financed the Project CEB IV from the State Budget, comprising the construction, renovation, reconstruction, adaptation and/or equipping of the homes for elderly and frail on islands, investing the overall amount of HRK 8,029,307.
• Develop preventive programmes and not only invest in development of new services and raising the quality of services. As mentioned earlier, one of the goals of the Social Welfare System Development Project is enhancing of the overall system of providing services in Croatia, beginning from increased quality of providing services to reintegration of the beneficiaries in the community. In this respect the role of the Innovation and Learning Programme is significant, which is aimed at promotion and supporting the development of innovative models of providing social services, to be implemented at the level of local community, which will be focused on socially vulnerable persons. Out of the 138 project applications submitted in invitation for tenders published in January 2007 the overall number of 13 projects has been financed. The contracts amounting to HRK 12.3 million have been concluded. The second round of invitation for tenders was announced in March and April 2008. In the second round the contracts have been concluded with 21 project holders amounting to HRK 14.6 million. The implementing agencies of the contracted and financed projects are both the non-governmental organizations and social welfare institutions, which were given for the first time the possibility to finance their innovative programmes from the grant funds, apart of the previous financing through the MoHSW (from the State Budget). By now a number of workshops and conferences have been held addressing the topic – Innovation and Education Programme in 2007 and 2008. The projects comprise various categories of beneficiaries, such as: elderly and infirm persons, persons with intellectual impairments, persons with mental impairments, persons with physical disablement, children without adequate parental care, children and youth with behavioural disorders, socially handicapped and excluded, national minorities etc.

• Establishing of Social Work Services Department within the reorganized centres for social welfare. The drafting of the new Social Welfare Act is pending, which should provide for the new organization of the centres for social welfare and thus the role of the Social Services Department. (see Chapter 3.2.2.3) The concept is to organize the CSWs as "one-stop office", what implies the existence of specialized departments (see Chapter 3.2.2.3). In early 2009 the Working Group was established for preparing of the Proposal for Improvement of the System of Contracting Social Services of Public Interest with the Civil Society Organizations. The goal of the Working Group is to prepare the proposal which should comprise the basic guidelines for harmonizing the possibilities of contracting social services of public interest with CSOs (association) in relation with the other providers of social services in line with the anticipated processes of welfare mix development in Croatia. Special attention was given to the services in sectors for long-term care, employment of groups with lower employability prospects and children’s care. Based on the tasks provided for by the National Strategy Operative Plan for establishing of favourable environment for civil society development and promotion of implementation of measures aimed at their efficient implementation, Office for Cooperation with NGOs (OCNGO) initiates the process of more intensive coordination and consultations with administrative bodies and other relevant stakeholders on promotion of the system for contracting social services of public interest with the CSOs.

• Integrate the providing of social services by advocating the rights of marginal groups and provide for the opportunity of beneficiaries to influence the shaping and providing of services. The key element of high quality social care services is active involvement of the beneficiaries of services in planning, implementation and evaluation of providing services. In practice that means strengthening of the beneficiaries of services for rendering decisions based on complete data on their needs for support and their long-term life goals. The current degree of participation of the beneficiaries of services in assessment of the needs and development of care plans differs from case to case. The new Social Welfare Act and preparing of social services quality standards should give more emphasis
to the perspective of beneficiaries. The manual on quality standards comprises a number of indicators which measure the degree of focusing the services to the beneficiary, as well as the level of protection of his/her rights. One of the said indicators is, as for instance, the availability of information, what means that all information on social services to which the beneficiaries are entitled should be available to them, what provides for proper choice of services which best meet their needs. In addition, in line with the quality standards, the beneficiaries of services should be given the opportunity to choose and decide on all aspects of their life. The right of each beneficiary to privacy, dignity and confidentiality in all aspects of his life is recognized and acknowledged. Apart of it, it is very important that the beneficiaries of services, or their supporters, have the right to appeal against the decisions issued by the competent bodies or by particular member of the staff, without fear of punishment and with full confidence that they shall be given responses to their complaints. It is planned the adoption and implementation of minimal quality standards of all state or private institutions in their work.

- **Systematic education and training of professionals engaged in addressing the needs and difficulties in functioning of various vulnerable groups.** For the purpose of systematic education of the employees of CSWs and social welfare homes the MoHSW provided in 2007 the overall amount totalling to HRK 475,000 for education of 28 employees in CSWs (mostly undergraduate studies, postgraduate and therapeutic education), and for 30 employees of social welfare homes (mostly for qualification courses and specialist education). In 2008 the total amount of HRK 348,000 was allocated for the said education for 9 employees of CSWs and 27 employees of social welfare homes. Although the funds from the MoHSW budget have been reduced, the education was performed by means of various seminars, courses, projects, professional gatherings, professional visits and written material in cooperation with the other ministries and international and national organizations and associations. In 2008 the systematic two-year education of professional employees of CSWs and children’s homes was accomplished, aimed at implementation of the supervision measure over the exercising of parental care (realized in cooperation between the MoHSW, UNICEF and the Faculty of Law – Department of Social Work). The purpose of the project was providing adequate professional support to professional staff of the CSWs, aimed at enhancing the quality of the supervision measure over the exercising of parental care as preventive measure, with a view to eliminating the negligence and oversight in children’s care, as well as providing for accommodation of the child in his own family. Four regional educational-promotion seminars for professional social welfare staff were organized in cooperation with the UNICEF, attended by professional staff from family centres, county courts, city and county offices for health and social welfare as well. The said seminars were organized with a view to presenting the outcomes of the research on attitudes and characteristics of foster parents with the goal of preparing the common guidelines for further enhancing of foster care for children. Under the Social Welfare System Development Project a number of educational courses have been organized, as a part of activities of the following project tasks: establishing of methodological centres, introducing of minimal social services quality standards and introducing of the new method of CSW work upon the principle of the "one-stop office", comprising some 170 professional CSW workers and workers from social welfare homes. The Society for Psychological Assistance performed the education of experts for psychological treatment of domestic violence perpetrators, comprising 19 social welfare experts. In addition to the above mentioned, the professionals from the children’s homes participated in various aspects of education carried out at the local level, organized by the homes themselves, non-government associations and other entities and in
some children’s homes the internal education was organized with the agreed topics referring to children’s needs.

**Financing sources and responsible institutions**
The central institution in charge of social services development is MoHSW. Apart of the Ministry, the MoFWVIGS, local authorities and CSOs play the significant role in implementation of measures. The main source of financing is the State Budget, as well as the funds from international loans (International Bank for Reconstruction and Development, World Bank) or grants.

**Multidimensional approach and policy management**
The social services have undoubtedly impact on the health status of the beneficiaries, as well as on their participation in social and cultural life, being the precondition for involvement in regular education. Apart of it, the sector of social services is suitable for promotion of employment policy, in particular of groups with lower employability prospects.

### 3.2.2.5. Health services

**Overview of measures**

- **Correlation between the various types of insurance and impact of co-payment on various population groups.** The system of obligatory insurance in Croatia comprises 97% of population and has the features of universal health insurance system, irrespective of the basic financing by the system of contributions assessed on personal incomes. By February 2009 the overall number of 4,345,806 insured persons was recorded. The new Obligatory Health Insurance Act and the Act on Amendments to the Voluntary Health Insurance Act, being in force since January 1, 2009 have extended the scope of health protection fully covered by the Croatian Institute for Health Insurance (CIHI), excluding at the same time particular costs covered pursuant to former provisions by the CIHI. The scope of the health protection was thus extended to: overall treatments of malignant diseases (the former regulations provided for covering of the costs only for chemotherapy, radiotherapy and hospital accommodation), haemodialysis and peritoneal dialysis, as well as the out-of-hospital emergency medical services. From the costs covered fully by the CIHI the following services were excluded: laboratory, radiological and other primary diagnostics; the hospital health care was regulated in a different way (which previously covered all costs except for the part of the costs of accommodation and nourishing); emergency medical services and the costs of accommodation and nourishment in the hospital during the intensive care; emergency dental services and ambulance transportation. The highest amount of participation in health care costs, to be covered by a person for provided health services can not exceed HRK 3,000. The said costs are paid by the insured person immediately in the process of using the health care services, or in line with the Voluntary Health Insurance Act (OG 85/06, 150/08) and the Ordinance on Conditions and Method of Defining the Right to Payment of Supplemental Health Insurance Premium from the State Budget (OG 156/08) through supplemental health insurance by covering the supplemental health insurance premium himself or by charging the premium costs to the State Budget funds. Te supplemental insurance is available only to persons with regulated insurance status with the CIHI. The above mentioned Act and Ordinance provide for exemption from participating in coverage of the part of the costs, which shall be charged to the State Budget in line with the income census or on other grounds. Entitled to payment of the supplemental insurance premium from the State Budget are for example: the unemployed persons; secondary school students and full-time students on universities without health insurance as family members of the insured persons; persons with residence in the
Republic of Croatia with recognized status of disabled war veterans or non-service-connected disabled veterans or peacetime war veterans, i.e. persons having the status of family disability allowance pursuant to the Act on Protection of War and Non-Service-Connected Disabled Veterans; Croatian Homeland War veterans; persons providing nursing services to disabled Homeland War veterans pursuant to the regulations on the rights of Croatian Homeland War veterans and their family members; persons with recognized status of asylum seekers in the Republic of Croatia; persons not capable for independent life and work and lacking the funds for supporting themselves; farmers carrying out the agricultural activity as the only or the main occupation over the age of 65; insured persons – full-time pupils or students over the age of 18; insured persons – Croatian Homeland War veterans with not less than 30% physical disability.

In 2007 the overall number of insured persons in the Republic of Croatia amounted to 502,000 persons by virtue of unemployment and in 2008 this number amounted to 498,831 persons. In 2007 the overall number of insured persons based on the decision of CSW amounted to 28,231, whereas this number increased in 2008 and amounted to 29,814 persons; the number of insured persons exempted from participation in health care costs pursuant to income census amounted to 789,676 persons in 2006 or 786,838 persons in 2007. By December 31, 2008 the number of insured persons exempted from participation payment by virtue of income census amounted to 444,111. By virtue of income census the persons are entitled to the payment of supplemental health insurance from the State Budget if they have the status of insured person with monthly income per family member in the previous calendar year not exceeding 45.59% of the budgetary basis (HRK 1,516.42) or the status of insured person - single pensioner with monthly incomer in the previous calendar year not exceeding 58.31% of the budgetary basis (HRK 1,939.39). By March 2009 the overall number of 1,315,019 supplemental insurance policies has been concluded and 213,145 insured persons were entitled to the right to supplemental insurance from the State Budget funds. It should be mentioned that the follow up of data on payment of insurance premiums for the vulnerable groups is connected with the amendments of regulations, which are implemented in health insurance system since January 1, 2009. In early 2009 the new method of follow up of the data and payment of supplemental insurance policies was implemented, correspondingly the data from 2008 are not comparable with the data from 2009. During the current transitional period, in which the old exemptions from participation are still valid, the comparison of the data is not possible until the overall number of insured persons regulates the supplemental insurance pursuant to the new regulations; due to the above reasons the follow up titles and indicators in the new period have been changed.

- **Accessibility of the health system.** The accessibility of the health system is primarily linked with the improvement of the emergency medical services system and the increase and different organization of the outpatient emergency medical services teams in the overall territory of the Republic of Croatia and particularly in isolated and less assessable areas. The Development of Emergency Medical Services and Investment Planning Project, signed in October 2008 with the World Bank is comprised out of four sub-components: 1) Establishing of Croatian Institute for Emergency Medical Services, 2) Reorganization of outpatient emergency medical services, 3) Integrating of emergency hospital admittance, 4) Integration of telemedicine in emergency medical services. Launching of this Project is anticipated for 2009 by adoption of the new Health Care Act and establishing of Croatian Institute for Emergency Medical Services by means of establishing regional institutes. At its session on February 19, 2009 the Government has adopted the Decision on Establishing

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9 The right to health insurance by virtue of unemployment is exercised without the obligation of registering at the Croatian Employment Service.
of Croatian Institute for Emergency Medical Services. The precondition for introducing of
new organization of emergency medical services is establishing of the ambulance
transportation as independent activity, which would provide for defining of high quality
standards and norms for the future new activity. The implementation of the ambulance
transportation pilot project is in the process in the part of the Trešnjevka Health Centre in
Zagreb. With respect to the specific features and low population density of the Lika-Senj
County, the Gospić Health Centre is entitled to special standard of contracting emergency
medical services. The Novalja Health Centre on the Island Pag has contracted since
January 1, 2008, apart of the contracted services, the activity of emergency medical
assistance as well. This provided for contracting of one doctor on duty team and two
ambulance transportation teams instead of one doctor on duty team and one ambulance
transportation team. Pursuant to the Act the Agency for Healthcare Quality and
Accreditation was established. In July 2008 the Decision was rendered on appointing the
president and members of Management Board of the Agency. In April 2009 the Director of
the Agency was appointed based on announcement for positions and by July 2009 five
employees were employed in the Agency. In the forthcoming period the activities are
planned for introducing of integral health care quality standards system and clinic quality
indicators, as well as the measures for procedure of accreditation of health care institutions.
The implementation of the said measures will provide for exercising the right to high
quality health protection for the overall population and the completion of the procedure of
the first accreditations is anticipated in the next years.

• **Review of the inadequate relation between the primary and secondary heath care.** In
addition, the basic network of general/family medicine activities was extended for one
team in Orebić (Dubrovnik-Neretva County), Jasenice and Kukljica on Island Ugljan
(Zadar County). In the health visitors activity the number of health visitors was increased
in Dubrovnik-Neretva County and Istra County. The process of introducing the
information technology in health care system was continued. In the previous period 2,055
family medicine outpatient clinics were connected to the CEZIH system, out of the overall
number of 2356 family medicine outpatient clinics. In early 2009 the tender was invited for
connecting the other primary health care activities to the CEZIH system (paediatrics,
gynaecology, teratology, laboratories and pharmacies). This primary health care
information system will provide for high quality data collection with a view to enhancing
the quality of health care services, providing for more expedient and high quality medical
services to insured persons.

• **Combating corruption in health care.** With a view to reducing the corruption in health
care system and in line with the National Corruption Combating Programme, adopted by
Croatian Parliament at its session held on June 19, 2008, the Action Plan for Combating
Corruption in Health Care was adopted, aimed at strengthening of capacities of the health
care system, what implies the renovation of the obsolete technical equipment, working
premises, as well as providing for permanent education and upgrading of doctors. The
national waiting list is an integral waiting list data base for all procedures and for all
hospitals in the Republic of Croatia. The implementation of "National Waiting List
Project" is developing as planned and the waiting lists have been reduced for 30-50%. The
lists were reduced due to both the transparency of all indicators and the possibility of
comparison of the work of hospitals and transfer of patients by the MoHSW from hospitals
with longer waiting lists to hospitals with shorter waiting list for a particular procedure.
The average waiting list for particular procedure was thus shortened if compared with the
waiting lists before the health care system reform (as for instance for computed
tomography – shortened from 75 days to 27 days; for magnetic resonance from 97 days to
66 days; for heart ultrasound from 286 days to 137 days; for hip endoprosthesis implant
from 386 days to 271 days). With a view to better informing of the citizens of the Republic of Croatia on changes in the health care system the MoHSW has published the information leaflet "National Waiting List" with instructions on the procedure of hospital appointment booking in the Central Hospital Unit for Appointment Booking, which was distributed in the said hospital units in overall medical health institutions and primary healthcare outpatient clinics. Taking in account the incapability of personal visit of particular patients to the Central Hospital Unit for Appointment Booking, i.e. the inability of sending the said documents by fax or e-mail, and in particular in case of persons with severe diseases or persons with impaired mobility, or elderly, as well as the longer distance from the hospital, the possibility is provided of appointment booking by phone from the selected primary health care practitioner (or nurse), what provides for avoiding of incomplete, inaccurate and multiple appointment booking of patients for the same medical services in several hospitals.

Within the new health care system reform in the Republic of Croatia the MoHSW implements the pilot project – "E-Appointment Booking", which connects the hospital information system with the current primary health care information system. Pursuant to the said pilot project the appointment booking for diagnostic or therapeutic procedure, i.e. medical service is made in the primary health protection outpatient clinics, what provides for streamlining and enhancing the booking procedure for medical services provided by hospital institutions (avoids the appointment booking by "printed" referral slips).

The introducing of free of charge, the so called "White Telephone" by the MoHSW offers the possibility of bringing up claims, comments, proposals and commendations with respect to exercising the rights in the field of health care and health insurance. All calls, irrespective of the fact whether there are anonymous or the claimant introduces himself, are recorded in for this purpose designed forms and depending on the type of the call the further procedures follow the positive law. The monthly number of calls varies from 70-110. With a view to identifying the possible corruption risk the review of hospital procurement system is required as well as the increase of the transparency of waiting lists for specialist’s checks and surgeries. Further efforts are required aimed at improving and defining in particular the legal regulations regulating the medical services within the private practice provided by doctors employed in state health institutions.

- **Financing and development of preventive medicine and public health campaigns.** In 2007 the overall number of registered preventive medical checkups amounted to 6,891, what is a slight increase if compared with 2006, when 6,733 preventive medical checkups were registered, but still significantly less if compared with 2005 (10,275 medical checkups), and in particular if compared with 2004, the initial year of such preventive checkups (18,856 preventive checkups). Among the overall number of preventive medical checkups in 2007 the highest number of medical checkups was registered in Primorje-Gorski Kotar County (923 checkups or 13.4% of the overall number of preventive checkups in Croatia); the lowest number was registered in Šibenik-Knin County (43 or 0.6%). In addition to the general/family medicine activity and health protection of women the programme of breast cancer prevention is implemented at national level, by means of inviting all women in the age 50-69 to mammography. Apart of the funds for breast cancer the CIHI has in 2008 provided additional funds for early detection of colon cancer as well, amounting to HRK 40 million, and the same amount is anticipated for 2009. The CIHI finances the procedure of collection, processing and results of Pap Smears with a view of preventing the uterus cancer, out of which amount 75% refer to hospital invoices and 25% to invoices of outpatient cytological laboratories. In spite of no available special suicide and self-injury prevention programme at national level, in 2008 the CIHI has concluded the contract with the Health Centre Zagreb West on implementation of special programme of
mental health protection at the level of primary health care in amount of HRK 308,775. In 2009 the implementation of addiction prevention and outpatient treatment of addicts at the level of primary health care in public health institutes is planned, to be implemented within the activity of mental health protection, prevention and outpatient addiction treatment. Funds amounting to HRK 15 million have been provided for addiction prevention. The financial funds for treatment of AIDS patients are included in the budget of the CIHI, in which the Institute participates through its regular activities (financed by funds of obligatory health insurance), i.e. by means of contractual relations with the implementing agencies for AIDS infection prevention, as well as by means of contractual relations with the institutions in which the patients are treated. The funds for vaccination for 2008, as well as 2009 have been provided in the State Budget, amounting to HRK 105 million for each respective year. With respect to follow up of the infancy vaccination rate of Roma population and in line with the Action Plan for Decade of Roma Inclusion the CIHI submitted in 2008 the letters to all counties and county public health institutes for the purpose of collection the epidemiological data on vaccination rate of Roma children. The vaccination rate among Roma Children in 2007 is available from the county reports. The received data on vaccination rate among the Roma children differ (see Chapter 3.2.4.3.) due to the fact that the routine medical statistical reports are prepared with respect to insured persons and/or health care beneficiaries, health care measures and procedures, identified diseases/conditions, mostly upon the age, some of the reports with respect to the gender and the other personal data required for classification are mostly not available in day-to-day work. More precise and accurate source of data required for this processing would be provided by surveys on vaccination rate with control of the vaccination card in Roma settlements, what would provide for information and data on the number of the children upon the age groups who need vaccination, the carried out vaccination for particular diseases and the age, what would provide for calculating of the vaccination scope based on the said data. The possibility of lack of informed parental consent is possible even in implementing of such procedure, resulting in not involving the overall number of children. The efforts of the Sisak-Moslavina County should be in particular emphasized, aimed at providing for additional data on Roma pre-school and school age children, at presenting the vaccination rate according to vaccination programme (depending on the type of disease prevented by vaccination), as well as providing by carrying out the vaccination for high vaccination rate (80%-100%). Their experiences in data collection and implementation of this important preventive measure should be applied in other counties as well. With a view to promoting the healthy life style the Croatian Parliament has in October 2008 adopted the Restriction on the Use of Tobacco Products Act, prohibiting smoking in all closed public areas, except for mental institutions. The adjustment period of six months was provided to the public institutions, coffee bars and tobacco industry and the Act entered into force in May 2009, while its application in educational and health institutions started as early as in October 2008. The CSOs play an important role in public health programmes, as well as in other aspects of health care. In view of strengthening the cooperation with the civil society and raising the public awareness the associations’ programmes and projects were financed, which, with respect to their content, contribute to prevention of chronic diseases, enhancement and protection of patients’ health, prevention of contagious diseases, prevention and enhancement of dental health care, promotion of patients’ rights, enhancement and protection of health of children and youth with malignant diseases, enhancement of mental health protection, as well as the cooperation programmes implementing the National Strategy for Prevention of Narcotics Abuse and AIDS Infection, for which purpose the overall amount of HRK 13,300,000 was spent in the period January 1, 2008 – March 31, 2009.
Financing sources and responsible institutions

The central institution responsible for implementing the health care related measures is the MoHSW. Apart of it, the CIPH plays a significant role (in particularly with respect to review of health care related indicators and implementation of preventive programmes), as well as the Croatian Institute for Health Insurance (CIHI). Most of the funds for financing of the above measures are allocated from the State Budget. As mentioned above, some measures (such as for instance the health care survey among Roma or research of inequalities in health care) have not been carried out due to the lack of funds.

3.2.2.6. Education

Overviews of measures

- **The analysis of regional differences and incentives for higher engagement of local government and self-government in the inclusion of children in pre-school education.**
  In the partnership with local and regional (district) self-government increased the coverage of children in five counties (Dubrovnik-Neretva, Zadar, Lika-Senj, Požega-Slavonia, Osijek-Baranja) for about 1 600 and mainly refers to children in pre-school programmes. Until 30 September 2008 altogether 21 new kindergartens were opened (of which 18 private) and 296 new programmes established (early learning of foreign languages, sport programme, drama, music, visual arts and alike as well as programme for children with special needs – children with developmental difficulties and gifted children). The above programmes represent contribution to the stimulation of differential approach to working with children of pre-school age for which purpose HRK 4 million was spent from State budget and the World Bank loan. The adjustment of working hours of kindergartens and other legal entities caring for children of pre-school age with the working hours of parents (kindergartens usually work from 6.00 to 20.00 hrs, providing they have strictly organized shift-work programme) has been implemented. MoSES has launched the initiative for not merging holidays so as to ensure the daily stay of a child in line with the parents' needs but not longer than ten hours. In order to improve the pre-school education some of the kindergartens have been selected as centres of excellence for professional training of educators and professional associates who will work with children of pre-school age according to the methods of Maria Montessori. A professional-development centre for professional training of all educators and teachers of kinesiology which will realize with children sport programmes. Programmes for sustainable development education, early learning of foreign languages (French, English, German and Italian), programme of research in pre-school education and programme of stimulating environment and the changed roles of educators have been developed and implemented. Programmes for children of pre-school age with health problems for the time of their hospital treatment have also been implemented. Systematic professional training for principals, educators and professional associates has also been implemented.

- **Stimulation of the continuation of education and increase of share of one-shift schools.** In line with the plans for the school year 2008/2009 the building, annexing and the reconstruction of the school capacities has continued by which measures the number of the school /pupils working in more than one shift will be reduced. The number of the school in which educational work is realized in three or two shifts will be reduced. Compared with the starting year from the Plan of the development of education system 2005-2010 the percentage of the school working in three-shifts (52, i.e. 6.1%) in the school year 2008/2009 has been reduced (to 33 schools, i.e. 3.8%) and the percentage of elementary schools working in one shift (213, i.e. 25.5%) increased to 270 schools, i.e.

60
31%. The number of pupils in I. classes is not greater than 28, and the number of pupils in the combined classroom of two classes is maximum 16 pupils, and of four classes no more than 12 pupils. In addition to this, the number of pupils in classrooms is lower if pupils with difficulties are included, whereas pupils with difficulties can not be included in combined classrooms composed of three or four classes.

- **Persons with special needs in educational system.** Education of pupils of elementary school age in the school year 2008/2009 has been conducted in 873 elementary schools. Of these, 19 are the schools for children with special needs (which are in the MoSES system of financing) and 9 are private schools. In line with the Plan of development of educational system 2005-2010 the planned activities have been realized. The state pedagogic standard of elementary educational system and Act on elementary and secondary school education has been adopted. After the adoption of the Act on elementary and secondary school education drafting of new implementing regulations of which for the successful implementation of social inclusion measures especially important are regulations relating to pupils with special needs in regular system (gifted pupils, pupils with difficulties, hospitalized and pupils with chronic diseases). Education of pupils with difficulties is being conducted in elementary school with total or partial integration according to the level and type of difficulties, and in accordance with the State Pedagogical Standard (SPS) and Act on education in elementary and secondary school. From the beginning of the school year 2008/2009 for pupils with difficulties in cooperation with local community assistants in teaching have been engaged, and also the number of professional associates in elementary schools is systematically increasing, thus in the school year 2008/2009 (until February 2009) the employment of 31 professional associates (pedagogue, psychologue and experts of educational- rehabilitation profile) and 14 teachers therapist has been approved. In the school year 2008/2009 MoSES has financed transport expenses for 2,387 pupils with difficulties and 350 accompanying personnel, and has also co-financed meals and special teaching assets and tools for pupils with difficulties in social institutions (132 pupils), special schools (827 pupils) and for pupils in special classrooms in elementary schools (762 pupils). In the State budget of the RC for 2009 the same amount as in 2008 of HRK 14,6 million has been earmarked for the said purposes. In view of integrating pupils with special needs, i.e. with motoric deficiencies, in 2008 MoSES reserved HRK 700,000 for architectural adaptation of 11 elementary and 4 secondary schools. At home teaching was organized in the school year 2007/2008 for 105 pupils of elementary school. Since the beginning of the school year 2008/2009 until February 2009 at home teaching has been approved for 98 pupils of elementary school and the number will be changed until the end of the school year according to the needs. In order to ensure the right to education, teaching will also be organized in hospitals, with the educational work conducted by teachers from the nearest elementary school. According to data of the Association of hospital pedagogues, during the year some 50,000 children are being hospitalized (some 25,000 children are hospitalized over three days). In the school year 2008/2009 free of charge textbooks has been ensured for all elementary school pupils.

- **Within the frame of vocational education reform** in 2008 the Act on vocational education whose adoption will enable the modernization of vocational education, i.e. better adaptation to labour market needs and to the capacities of an individual person was adopted. Its most important characteristics are modernization and organization of vocational part of educational system based on principles of openness, mobility, partnership based on competences, adaptation to labour market needs and to the capacities of an individual person, all in line with developmental objectives of the adopted Strategy. "Strategy of the development of vocational education system in the Republic of Croatia,"

- **Data on study duration and the higher education system reform.** In 2007 even 81% students who completed professional study and 42% of those who completed university study paid their last study year and the difference in study duration between them and those who have not paid for their study disappeared, except for extra-mural students at university study. In the period from 1996 to 2007 share of students at university studies who completed study without paying scholarship decreased from 81% to 58%. For professional studies changes are even more dramatic. While in 1996 66% students completed professional studies without the payment of scholarship, in 2007 only 19% students have not paid their final year of professional study. Between 1991 and 2007 share of generation which acquired higher education increased from 14.7% in 1991 to 36.1%. i.e. more than a third of generation acquired higher education, which is significantly more than in the past decades but is still quite below the standard of OECD countries where 46.4% generation of 2006 completed some study. Through the period monitored gender differences have also increased. In the past three years almost 60% of diplomas in Croatia were obtained by women, significantly more than in the 90-ties (53%-56%). However, some 40%-50% students who enrol in study never complete the study which is the fact that worries just as much as the duration of studies of those students who manage to complete the study. In 2008 Regualtions on changes and amendments of mediation for the employment of regular students. In July 2008 MoSES organized conference attended by representatives of economy, higher education institutes and students. The topic of conference was the employability of baccalaureate, i.e. adequate evaluation of their competences, skills and level of knowledge on labour market. In order for the labour market to be able to recognize their qualifications and higher education institutions information necessary for quality making, MoSES has published a brochure on Diploma Supplement which has been disseminated to all institutions in the higher education system.

- **Promotion of lifelong education.** Education of adults comprises the acquisition of knowledge and developing competences for contemporary life and professional needs of the adult persons in the context of life-long learning, giving equal value to all forms of learning – formal and informal. In view of the development of possibility for life-long learning, MoSES has started to build the system of education of adults and development of Croatian qualification framework which will ensure comprehensiveness, international harmonization and comparability of secondary and higher qualifications. On 10th November 2008 MoSES issued: Regulations on standards and normative and the manner and procedure of the establishment of the fulfilment of conditions in the institutions for education of adults; Regulations on the content, form and the way of keeping and preserving andragogical documentation; Regulations o evidence of education of adults; Regulations on public documents in education of adults. Thus, for the first time education of adults is regulated by special bylaws (before it has been dispersed through regulations on primary and secondary education), minimal standards have been established in terms of space, staffing and material, special public documents have been introduced (until now documents were from regular system) and the Registry of institutions, programme and participants has been created which will be kept by the Agency for Education of Adults (AEA). On 24 January 2008 a constitutional session was held in the AEA of the Council for the education of adults, a consultative body of Government of the RC. Within the framework of the new EU fund, IPA (Instrument for Pre-Accession assistance), AEA will implement two projects of total value of above 6.5 million Euro earmarked for the institutional development of AEA as central institution and direct support to the institutions system. The implementation of the project CARDS 2004 Education of adults continued in
2008 and 2009 and the project is financed from the European Union programme CARDS 2004 and lasts for 20 months (final activities were realized in April 2009). The implementation of the projects started on 3rd September 2007. Total value of the projects is 1.5 million Euro. Main beneficiary of the Project is AEA. AEA completed the first of the five-seminar cycle for heads and leaders of education in the institutions for education of adults on the subject the implementation of Regulations in practice. Altogether 533 participants from 360 institutions for education of adults attended five regional seminars which were held in Osijek, Rijeka, Split, Varaždin and Zagreb. AEA has carried out the cycle of professional training on key topics in the development of this system, such as learning outcome, acknowledging of formal and informal education, financing mechanisms, European practices and trends and alike, and piloting of electronic statistical recording which will ease monitoring and management of users and authorized institutions and bodies. The publication A comparative analysis of international and European standards in education of adults and life-long learning with Glossary, dedicated to andragogues and all professionals in the system has been published, in which for the first time all relevant international documents were put together. Proposal has been made for the model of professional training of teachers in the system of education of adults. According to plans, the project "Investment in occupations in short supply" will cover around 400 attendants in programmes of retraining for occupations in short supply in several pilot counties, and the project should be implemented in cooperation with local community and employers. The representatives of Croatian Employment Service and AEA met on 1st July 2008 in order to continue the cooperation related to the database on education of adults, and the investment in the education in occupations in short supply, celebrating the Week of life-long learning and organization of info-shops have also been discussed. With the implementation of the project Week of life-long learning (national educational campaign – September 2008) the planned goal has been fulfilled: to raise public awareness on the importance of life-long learning (public events dedicated to experts/professionals – teachers and managers – and potential participants to the programme). Campaign has been jointly carried out under the supervision of MoSES, and centres of the campaign were in Knin, Gospić, Zagreb and Vukovar. On the occasion of the International Day of Literacy, 8 September the AEA organized public forum with the theme: "The notion of literacy in the 21 Century" which was attended by more than 60 participants. The Project of introducing literacy MoSES implements for five years. According to data of Directorate of secondary education, total number of beneficiaries, with December 2008 included is 4,560 attendants, of which only 1,233 until now were women (27.0%). Female population is most represented in the Karlovac county (45.5%), Šibenik-Knin county (44.0%), Krapina-Zagorje county (40.0%), Split-Dalmatia county (39.8%), Vukovar-Srijem county (38.1%), Sisak-Moslavina county (35.0%) and Koprivnica-Križevci county (33.5%). The least representation of women is in the Zagreb County (9.8%). In 2008 26 institutions for education of adults conducted education according to the project, covering 1,325 persons and spending HRK 3,156,350.

• Prevention of social exclusion is linked with teaching contents on human rights, prevention of violence and discrimination, and promoting solidarity and tolerance. Draft proposal of National strategy for prevention of behavioural disorders in children and youth, 2008–2012 has been completed and tenders announced for projects for children and youth, youth clubs and for projects which contribute to combating drugs and all forms of addiction. The Act on education in elementary and secondary school (National Gazette 87/08) which takes on the provisions of the Council Directive 77/486/EEC has been passed. The said Act defines rights and possibilities of education of children of migrant citizens of the EU member states. According to the Act children citizens of the EU member
states are entitled to primary and secondary education as the Croatian citizens and are enrolled in the educational institution in RC under the same conditions as the Croatian citizens. The Act includes/comprises ensuring the programme of learning of Croatian language and mastering the programme for children of migrant families as well as learning mother tongue and culture of the state they are citizens. The said provisions will be implemented from the day of the RC joining the EU.

**Sources of financing and responsible institutions**

In the area of education MoSES is main responsible institution. In many here indicated areas MoSES cooperates with other responsible and implementation institutions, such as Agency for Vocational Education (AVE), AEA, Agency for science and higher education, etc. For the implementation of the array of listed activities significant funds in State budget have been ensured. For subsidizing interests for housing loans for teachers in the schools with unprofessionally represented teaching in 2008 HRK 2 million has been ensured. For free textbooks in secondary schools in 2008 HRK 140 million ensured, and additional funds of HRK 18 million for accommodation in pupils' homes and HRK 105 million for public and inter-city transport of pupils in secondary education. In addition to the State budget funds a major role in the area of education reform have funds ensured through various IPA projects: for Further development of the Croatian Qualification Framework Euro 1,550,000 has been foreseen (with the possibility of increase of the amount), for Inclusion of pupils with development difficulties in the education for employment 2.3 million Euro. These are the projects which MoSES realizes as the beneficiary. Within the frame of the IPA programme in the area of vocational education 4 projects will be conducted in the area of strengthening institutional framework for development of standards/qualifications on the implementation new curricula, development system insurance quality and strengthening of capacities of the Agency for vocational education. Total value projects je approximately 10,000,000 Euro. In the area of the system of education of adults Agency for education of adults will be the beneficiary institution on two projects: project in the area of establishment of regional network of local educational institution and project of strengthening operative capacities of the Agency. Total value of these projects is around 7,000,000 Euros.

**Multidimensional approach and the governance of policies and practices**

Multidimensional approach to education may be observed at the levels of legal and strategic document, through acting of professional agencies and through project activities in educational system. Multidimensionality in education is present through working of relevant bodies on bringing laws and strategic document in the area of education. Representatives unions, NGOs, student’s organizations, business sector actively take part in the work of many professional committees. In the area of vocational education it is important to mention the passing of the new Act o vocational education (Official Gazette 30/09) and its provision on the composition of the Committee of vocational education and Sectoral committees. Through the work of these committees and taking into account representation of members from the above listed areas, preconditions are created for creating offer for vocational programme which will be adapted to the needs of labour market, economic fluctuation and local and regional particularities.

**3.2.2.7. Housing**

**Overview of measures**

- **Bringing of national programme for the promotion of social housing.** According to the proposal of the Social Housing Strategy, whose bringing is pending, the situation of the particularly vulnerable groups will be solved as up to now, by care of LRSGU for the
social community in its own area while the Government will provide elementary
guidelines and instructions necessary for housing solutions. Building of social flats is
within the jurisdiction of the local authorities/government of the RC since each social
community knows best its specific needs and problems. Local authorities are included in
bringing decisions which are primarily referring to: aspects of physical planning and
spatial arrangements, insurance of land available for building, supply with infrastructure
and accompanying services, services, building and maintenance of housing fund,
distribution of flats from social renting sector, and allocation of housing support. LRSGUs
establish needs, create their own policies and programmes of social flats building and
establish criteria for the distribution of these flats (e.g. revenues, property, the number of
household members, number of children, etc.). Based on the established needs they
organize the building, management and maintenance of flats which will be performed
directly by non-for-profit or low-profit companies in the ownership of LRSGU or under
their control. Housing issue is closely linked with problems of communal infrastructure,
which is pursuant to constitutional and legal provisions of RC also in the jurisdiction of
LRSGU, also responsible for its realization. In creating politics, central government is
trying to stimulate local governments to independently lead local housing politics while
preserving the essential right to determine objectives and measures for the establishment
of a legal framework and financial measures for the implementation of concrete policies.
Social housing may comprise supplying with flats through building of "social flats",
subsidiising housing expenses, other indirect measures which would regulate housing
consumption. It has been foreseen that social housing will primarily be implemented
through the sector of house renting with the controlled rent which will be based on non-
profit or low-profit principle of earning of those who will finance such flats. Also, the
reduction of housing expenses will be enabled by applying of certain benefits or subsidies
to the end users. Social flats will be procured on the housing market by means of not-for-
profit and low-profit housing organizations or private investors.

- **Analysis of co-financing of housing expenses.** Pursuant to the Social Welfare Act from
2001 local self-government units are bound to ensure funds in their budget for the
realization of the right to aid for housing expenses and regional (district) self-government
units for fuel expenses allowances. According to the MoSES data collected from the City
of Zagreb Office for Health, Labour, Social Protection and Veterans and CSWs, in 2008 in
Croatia the number of beneficiaries and amount of allocated funds which LRSGU earmark
for covering housing and fuel expenses has increased. Thus, in 2008 LRSGU earmarked
HRK 60,047,688 for covering housing expenses for the needs of 36,575 beneficiaries and
HRK 44,137,238 for fuel expenses allowances for the needs of 46,899 beneficiaries. As a
comparison, in 2007 for covering housing expenses HRK 54,567 were reserved. 675 have
been earmarked for 24,440 beneficiaries and HRK 42,047,119 for fuel expenses
allowances for the needs of 46,660 beneficiaries.

- **Increase of number of shelters for homeless.** There is altogether 10 shelters for homeless
in Croatia of which 2 have been founded by the cities while 7 shelters for homeless have
been founded by NGOs: Caritas (3 institution), organisations of religious community (2
institution), Red Cross (1 institution), NGOs (1 institution), and one shelter for the
homeless has been founded by a private company. The said shelters for the homeless have
the capacity for 281 persons, and on 31 December 2008, 237 persons were accommodated.
According to the MoHSW Report on the homeless, based on data collected by CSWs as of
31 December 2008 there have been altogether 448 homeless in Croatia (of which 79
women). These are mostly single persons (414), of which 253 persons between 40 and 59
of age, while 4 are minors.
• **Situation with protected tenants in private flats.** The data of the State Bureau for Statistics indicate that today in the RC approximately 10 percent of permanently occupied housing fund is used through the institute of flat rent. Through the public renting sector in the RC LRSGU (cities) assign flats with preferential rent to scientists, cultural and public persons and position of tenants is regulated by the Act on Renting of Flats from 1996 which fully covers the position of all protected tenants in both privately owned and other categories of flats. In this case the amount of rent is determined by the cities and they are, as a rule, higher compared to the protected rents which are determined by the Government. The City of Zagreb has begun to carry out the program of public flats for renting for younger families with children which rent a flat or live in inadequate conditions. There are still no aggregate data at the level of Croatia as regard to building and using of social flats since the cities decide on this issue independently.

• **Intensifying the offer of flats through public-private partnership.** During 2007 APN has published in daily newspapers tenders for the selection of contractors for building flats according to the PPP model, however no acceptable offer has been received and APN has during the past years bought flats in line with the interest expressed. Government of the RC issued the Guidelines for the application of contracted forms of PPP (2006) and the Decree on issuance of previous consent for concluding contracts on PPP according to the model of private financial initiative (2007). Guidelines provide clear framework for evaluation of usability of the application of public-private partnership, as well as instructions for its use, starting from broader economic and social goals by which infrastructure development is guided. In October 2008 the Act on public-private partnership has been adopted which regulates the following issues: procedure preparation, proposal and approval of PPP, and rights and obligations of public and private partners and establishment and authority of the Agency for public-private partnership. One of the basic tasks of the Agency for PPP is the creation and keeping of the Registry of contracts on public-private partnership. From the Registry which needs to be created all data on the number of flats built through public-private partnership will be available. In addition to this, in January 2009 Government of the RC issued the Strategic framework for the development of public-private partnership in RC. Strategic framework contains clear instructions on scope of work, principles and objectives of the implementation of PPP model in RC as well as on issues relevant for its implementation. Line ministries have also significant role as well as other state administration bodies and LRSGUs when it comes to bringing development strategies within the frame of their authority, evaluation and selection of project proposals, in line with priorities defined in these development strategies. Strategy of communication and awareness raising about benefits and risks of PPP is proposed and implemented by the Directorate for public procurement system and the Agency for public-private partnership within the frame of its activities and target groups are all key stakeholders, officials in public bodies entrusted with public procurement tasks, employees in sectors in which a substantial implementation of PPP has been planned and general public. These documents set a firm legal and institutional framework for intensifying of building flats through PPP, but the effects of its bringing remains yet to be seen.

**Sources of financing and responsible institutions**
Responsible institutions in the area of housing are MoEPPPC (for strategy of social housing and the position of tenants in private flats) and MoSES or MoHSW (the issue of co-financing of housing expenses and increase in number of shelters for homeless). Main source of financing are LRSGU budgets.

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In this area a coordinative and political role of individual ministries comes in the first place. As studies on the implementation of co-financing of housing expenses and collection of data about shelters have shown NGOs or organizations of civil society may play a key role, particularly in the implementation of individual measures planned. Also, greater cooperation with LRSGU is important.

3.2.3. Preventing the risk of exclusion

3.2.3.1. Inclusion in information and knowledge society

Overview of measures

- **RC has to draw an Action Plan which would include the introduction of cheaper and faster work on Internet, investment in knowledge and skills necessary in information society and promoting the use of Internet.** Regarding the rate of penetration of broadband connections RC lagged behind the EU average at the beginning of 2005 for about nine percentage points. RC had to reach until end of 2008 the density level (penetration) of broadband connections of at least 12%. It means that the RC had to reach in that period the number of at least 500,000 of broadband connections. For this purpose Ministry of the Sea, Tourism, Transportation and Infrastructure (MoSTI) drafted the *Strategy for the development of Internet broadband connections in RC until 2008*. The Strategy defines policies for the realization of objectives and sets out action plan for the implementation of strategies and incentive policies for the development of e-commerce (*e-commerce*). Till 30 September 2008 Croatia has reached the number of 623,342 broadband connections, 488,210 of them through fixed networks and 135,132 through mobile networks and therefore reached the density level of broadband connections of 14.05%. This means that the key target set by the Strategy for the development of Internet broadband connections was achieved three months before the deadline. Broadband connections in Croatia developed faster than planned. On 31 March 2009 the total number of broadband connections in Croatia was 722,110 and the density level was 16.28%. If compared to the same period last year: a 57.6% growth has been achieved. Simple calculation shows that there were 432 new registered connections per day during the last three months. A new Strategy for the development of internet broadband connections is being drafted at the moment and it will define strategic goals for the future period.

- **Through various promotion activities continued effort need to be made to strengthen public awareness of advantages offered by the computer society and to motivate citizens to participate in its construction.** The ECDL (European Computer Driving Licence) represents an internationally acknowledged certificate in computer literacy and there are almost 40,000 persons in Croatia who have obtained this certificate. According to the data from the Croatian Information Technology Society more than 10,000 ECDL diplomas were issued in 2008 and first quarter of 2009. Therefore, more than 40,000 persons have obtained this diploma during last six years.

- **Enable to poorer citizens easier access to computer equipment and the Internet and make the citizens fit for using computer and communication technologies.** The Croatian Association for Promotion and Development presented in Zagreb textbooks for ECDL teaching adapted for blind and weak-sighted persons. These are first textbooks of that type in Croatia. They are printed in Braille code and saved in digital format. Textbooks make it possible to learn independently and successfully complete the informatics training. The adaptation of textbooks is part of the project: "Computer literacy for blind and weak-sighted persons". 30 participants have finished this training during six months, free of charge. As a result, computer literacy can be recorded into their employment record card. MoSES has given financial support to this project. The Croatian
Information Technology Society helps the Association to prepare and adapt the exam. The company Algebra gave all authorised textbooks and expert trainers and organized premises and all other necessary advisory and professional support for the realization of this project.

**Resources allocation and responsible institutions**
The major part of funds comes from the central State budget (through authorized MoSES and MSTI) with significant financial contributions from local authorities which try to improve educational and qualification structure of their population and enhance computer literacy.

### 3.2.3.2. Strengthening and preserving the family

**Overview of measures**

- **To ensure better coordination of family policy measures and consistent implementation of those measures.** Family policy includes a number measures in the areas of health, education, employment, housing, social care, etc. The role of Administration for family within MoFWVIGS is to create, coordinate and evaluate measures relating to family policies. When bringing legal acts other ministries and CSOs are being consulted. The cooperation and coordination between MoFWVIGS, MoSES and MoELE is particularly important, and it should be further enhanced. During 2008 in cooperation with Department of demography at the Faculty of Economy of the University Zagreb a survey "Connection fertility and employment of women in RC" has been carried out, in line with measure 2 from the area Demographic movements. In addition to this, Tender for financial support for projects of associations aimed at families and protection from family violence has been announced and CSOs received the total HRK 3,870,000 for programmes and projects in the area of family and population policies, strengthening parenting competences in multimember families and promoting protection from family violence (measures 17 and 19 in the area Affirmation of successful parenting). The Act on maternal and parental allowances was passed by which the gender equality is promoted and the possibility of broader participation of fathers in the care for children, allowances are paid for the employed parents during the use of additional maternity and parental leave, legal preconditions for flexible use of parental leave until 8 years of age of a child are being created. With the aim to improve the network of institutions for support of families MoFWVIGS established family centres, (measure 12 in the area of Services aimed at families). By establishing family centres institutional framework for development and the provision of the new forms of support of counselling and prevention has been organized for families, children, youth and other vulnerable groups. Altogether 17 county family centres have been established in Bjelovar, Dubrovnik, Karlovac, Koprivnica, Krapina, Senj, Sisak, Split, and Šibenik, Požega, Pula, Rijeka, Varaždin, Vinkovci, Virovitica, Zadar and the City of Zagreb. MoFWVIGS is undertaking necessary measures and actions aimed at establishing family centres in the counties of Osijek-Baranja, Međimurje, the City of Zagreb and Brod-Posavina.

- **To eradicate child poverty through coordinated action by the state, regional and local authorities.** A comprehensive study which would provide insight in different aspects of quality of a child’s life (food, clothing, housing conditions, consumables, social activities, developmental environment, access to information, etc.) is yet to be made. Data obtained could serve as a base for defining strategy for alleviating or eradicating child poverty.

- **Sensibilisation of the society for problems of parenting and single-parenting.** Family centres provide programmes and services to persons in need of support and assistance, who wish to get to know themselves better, parents wishing to improve their relationship with children, pregnant women, parents, couples planning to enter in marital community or
improve quality of already existing things with the aim to establishing a positive family atmosphere and precondition for psychic growth and development of a child, (measure 16 in the area of Affirmation of successful parenting). In connection with the implementation of National campaign to ban corporal punishment of children in the RC in 2009 family centres were trying to, through media presentations, press, professional and educational gatherings for children, parents and general and professional public, raise the level of personal and general responsibility for healthy growing of children and sensibilize the public for their active participation in the prevention of all forms of violence over children. Except the MoFWVIGS activities in the area of promoting parenting various associations of parents, single parents and other CSOs play an important role. Thus in 2008 professional assistance has been provided for parents for the development of a more responsible and quality parenting under the CSO projects which act programmatically in the said area. Within the scope of the projects numerous workshops, school for parents, public forums, individual and group counselling for parents and their children have been organized, posters and leaflets printed and other activities all with the aim to promote education without violence. In 2008 MoFWVIGS financially assisted over 40 projects organized by CSO. The majority of those project activities have been, among other, aimed at raising public awareness about the importance of responsible parenting which faces problems and challenges and modern way of life.

- **To improve work with risk families in order to better direct benefits towards a child needs.** In 2008 the working group for drafting Draft Bill on Family Counselling/Family Centres was constituted by which counselling activities for the family, institutions authorized for the implementation of counselling activities, counselling experts, supervision of these institutions and experts and participation of LRSGUs and CSOs will be defined.

- **To improve and promote foster care to a greater extent.** Pursuant to the Foster Care Act, adopted for the purpose of improving quality care in foster families, the number of accommodated beneficiaries has been reduced from 5 to 3 or 4 beneficiaries, which also resulted in the reduction of the number of beneficiaries accommodated in foster families. In the same time, the possibility for founding family homes with the capacity to accommodate 5 to 20 beneficiaries has been opened. Family home is not founded as the institution of social care, rather it provides care as in the foster family. Unlike social welfare homes, family home ensures care for a lesser number of beneficiaries, and care is provided by physical persons, as a professional activity. During 2006 total of 5,877 beneficiaries were accommodated in foster families, whereof 2,153 children and youth and 3,724 adults and elderly persons. In 2007 as in 2008 a certain decrease in the number of beneficiaries in foster families, along with the increase in number of beneficiaries in family homes has been recorded. A certain number of foster families founded family homes. Thus in 2007 total of 5,519 beneficiaries were accommodated in foster families, whereof 2,080 children and youth and 3,439 adults and elderly persons, and in 2008 total of 5,153 beneficiaries, whereof 1,940 children and youth and 3,213 adults and elderly persons. In the same time in 2007 total of 216 beneficiaries were accommodated in family homes, whereof 20 children and youth and 196 adults and elderly persons, and in 2008 total of 549 beneficiaries whereof 66 children and youth and 483 adults and elderly persons (See Chapter 3.1.3).

- **Further developing programmes (strategy) for the prevention of behaviour disorders in children and youth in educational institutions.** Following successful realization of the measure "Raising awareness and learning about the risk in behaviour and behavioural disorders through experience workshops, education of peers-trainers and other forms of work of teachers and other experts, parents, youth and members of NGOs" of National
programme of activities for youth, experience workshops with children at risk and their parents have continued to be held in elementary schools. Moreover, the implementation of particularly designed and structured school for parents has been realized, with the emphasis in 2009 on training parents who do not take part voluntarily in the treatment (the so-called non-voluntary clients). Social welfare institutions, focused to work with children and youth with behaviour disorders in all major cities carry out, within the frame of their activity, extended professional procedure which represents a special form of preventive work with children of primary school age, normally from 8 to 14 years of age showing certain difficulties in functioning and with their primary environment, parents and the school. The advantages of the programme are that it is being conducted in the premises of central school of pupils-beneficiaries, thus, beneficiaries are not separated from their families. The objective of such forms of work is early intervention in each individual case, provision of direct and continuous assistance to pupils in order to eradicate problems and the prevention of their intensification. MoSES has determined necessary staff and efforts have been directed to ensure systematic education of CSW experts with the aim to carry out more efficient work with children in families undergoing treatment in CSW. The need to increase the number of professional workers in CSW has been established in the area of work with children and youth with behaviour disorders. In compliance with the Regulations on the conditions relating to premises, equipment and necessary professional and other staff in CSW and its branches it is necessary to employ 11 social pedagogues, 6 psychologists and 3 social workers. Also, due to the plan of the organization of reception centres for children and youth with behaviour disorders in Čakovac, Šibenik, Vinkovci, Dubrovnik and Bjelovar, in line with the Network of homes and social care activity for the provision of services of care out of own families, in the following two years in these organizational units of CSW additional 11 professional workers need to be employed.

- **Strengthen the role of local communities and encourage the cooperation of all relevant stakeholders in the prevention of behaviour disorders.** Significant role in the implementation of programme of prevention of behaviour disorders have associations to which financial funds are granted for realization of programme directed, by its content, to the goals and measures defined in national strategies. This is particularly important form of the implementation of prevention in small environments where there are no state institutions. Projects of associations regularly engage all interested actors and activate potentials of local community. Already drafted and pending adoption National strategy of the RC for the prevention of behaviour disorders will surely contribute to a greater animation of local community and to the networking of intersectoral acting. In the first trimester of 2009 funds have been approved for 11 projects in the area of prevention of behaviour disorders, and 10 in the area of family violence for which MoSES allocated HRK 3.2 million. Currently MoSES concluded contracts with 8 legal persons performing activities of care for children and adults - victims of violence. These legal persons located in the area of Bjelovar, Osijek, Rijeka, the City of Zagreb, Zadar, Split, Varaždin and Vukovar with total capacity of 129 places, reserved for women only and their children whose life and safety are seriously endangered, provide shelter of temporary character and do not represent housing solution. As a rule, the duration of accommodation is 6 months, exceptionally up to one year. Home is bound to cooperate with authorized CSWs in ensuring preconditions for independent life of families. Within the frame of activities performed by this type of home counselling services may also be carried out. Counselling for victims of family violence is carried out in all the above mentioned legal persons, and in some of them Counselling Centre is established which works in a separate premises and is open to all interested, not only to the beneficiaries accommodated in the mentioned institutions.
• To further develop counselling services for individuals and groups at higher risk of social and pathological behaviours. Counselling work with families, children and youth at a higher risk of social and pathological behaviour is conducted in CSWs and in social welfare institutions as well as in family centres and counselling centres organized in associations and other institutions. Special attention is directed towards children exposed to family violence, victims of family violence and perpetrators of family violence who are provided, through those services, for specific psychosocial treatment. Measures drafted in National strategy of the RC for the protection from family violence for period from 2008 to 2010 are realized through specific programme and projects of CSO in cooperation with MoSES.

• To organize peer group aid and support for children and young people with behaviour disorders. Programme of the prevention of violent behaviour of children and adoption of socialization skills through group work with children and parents in 7 counties ((Međimurje, Osijek-Baranja, Vukovar-Srijem, Primorsko-goranska, Bjelovar-Bilogora, Koprivnica-Križevci and the City of Zagreb) continues to be carried out and due to the extremely positive results it will be expanding to other counties. "Small creative socialization groups" and programme of behaviour modification is being carried out in cooperation with CSWs, the school and local community in the way that all children are covered with group work once in a week, as well as their parents. Programme of peer group aid has been initiated by the MoSES who also organized education for programme leaders. Program is currently being implemented in 7 counties. Program is conducted by CSWs in cooperation with elementary schools, and it has been devised in the form of workshops in which children from at-risk families and children with risk behaviour are included. Government of the RC has brought a Protocol on the procedure in cases of violence among children and youth which is relevant for all educational institutions. MoSES regularly monitors and analyzes the occurrence of peer groups’ violence in institutions of social welfare for children and youth with behaviour disorders as well as in other institutions in the system of social welfare for children and youth, and is undertaking necessary measures in accordance with the Protocol. Evaluation of undertaken measures is performed upon the insight into the procedures of authorized bodies in accordance with Protocol for individual case. Professional workers employed in social welfare institutions and CSWs submit the reports on procedure to MoSES, and to Ombudsman for children. These reports are then analyzed and the procedure is evaluated. Professional evaluation is performed, as needed.

Sources of financing and responsible institutions
MoHSW and MoFWVIGS are both coordinators and implementers of the said measures. In implementation of measures tailored for the needs of youth with behaviour disorders or at-risk-families equally important role is played by CSO. Source of funding are ensured from State budget and budgets of local authorities.

3.2.3.3. Preventing over-indebtedness

Overview of measures

• To warn against the consequences of over-indebtedness and prevent the practice of informal (often illegal) loans Compared to other countries candidates for EU accession and majority of new EU member RC has relatively low annual rate of growth of indebtedness towards the banks. With strong growth in offer of favourable loans by business banks average indebtedness per employed person in RC in the last few years has continuously increased, from about HRK 23 thousand at the end of 2001 to about HRK 49
thousand at the end of 2004 and to over HRK 100 thousand at the end of 2008. Citizens incur debt mostly for consumption and in the debt structure consumption and non-purpose loans are prevailing including minuses on current accounts. However, these types of loans do not grow the fastest; the fastest growth as shown by the structure of new indebtedness is in housing loans, even 37% per year even though these loans have the biggest monthly instalments. The analysis shows that the largest part of debt payment is from the sixth to the eight quintile of which covers younger and more educated population in non-independent employment sector with higher demand for loans and a relatively low-level of savings. For example, population of up to fifth quintile according to available income saves almost as much as the population within the sixth and seventh quintile but in the same time has several times less debts. The richest segment of population, within ninth and tenth quintile, less burdened with debt payment is saving the most which is in line with expectations.

- **Provide counselling services relating to loans and indebtedness (CSOs, financial institutions, Croatian National Bank)**. Croatian Banking Association and its nine bank members in cooperation with UNDP, after successfully implemented pilot phase and within the frame of the project "Management of personal finances", in the eight Croatian cities organized free interactive workshops for citizens about adjusting their expenses with income. In addition to this, Personal Finance Counselling Association "Life in a plus" a not-for-profit public benefit organization has launched the foundation of consultation centres for citizens in order to help them master their finances by adjusting spending and income and to help those who are in minus to pay the debt and close the minus. The Association is very active and organizes from time to time round tables with the representatives of financial services providers, experts and economic associations of financial industry, consumers association, unions and financial market regulators. MoSES completed the analysis on the Indebtedness of the citizens of RC: situation, problems and measures; final report on the study from 2007 and 2008 with a small guide with advices for avoiding over indebtedness.

**Sources of financing and responsible institutions**

Banks, NGOs, as well as UNDP are strongly involved in programme of preventing and alleviating indebtedness. Croatian Banking Association has also an important role through its coordination of Register of credit commitments, whose members include 24 banks and 5 savings houses.

### 3.2.4. Assistance for the most vulnerable groups

#### 3.2.4.1. People with disabilities

**Overview of measures**

- **Deinstitutionalization and promotion of alternative forms of care in the community.** In the area of care of people with disabilities social welfare institutions offer the following non-institutional programmes: fostering, professional assistance in the inclusion of children and youth with disabilities within regular programme of pre-school and educational institutions, professional support providing services of psychosocial rehabilitation in the family, rehabilitation programmes within the framework of daily stay, small housing units (housing of one or more persons together, as a rule, up to five persons, during 24 hours daily with the organized permanent or occasional assistance of professional or other persons in ensuring primary needs, and social, working, cultural, recreational and other needs) and alike. In 2008 total of 903 persons with physical or mental disability have been accommodated in foster family (of which 293 children). In 2007, 350 children and total of
957 persons with physical or mental disability have been accommodated in foster families. Persons with physical or mental disability account for more than 17% of all persons accommodated in foster family. In 2008 the number of persons with physical or mental disability which have been accommodated or have stayed in family homes increased from 3 persons in 2007 to 18 persons in 2008. The number of beneficiaries of the rights on status of parent caregiver (non-institutionalized form of care legally introduced in 2007 and tailored for parents of children with most severe degree of disabilities) raised from 172 in 2007 to 1,398 parents in 2008. Within the frame of social welfare system, professional assistance is ensured for children with disability in their families which includes stimulation of development capacities of a child in compliance with psychophysical characteristics and age, adoption of forms of behaviours which enable successful socialization and providing aid to the families to better understand the nature of disability of their child with clear instructions on exact methodically developed procedures for working with a child. Such form of assistance to the families has in the same time for goal the staying of a child in his own family and prevention of institutionalization. Some of the social welfare institutions, associations, religious community and other legal and physical persons provide daily stay services in which way the model of development of daily centres with the possibility of selection of services is stimulated, which enables children to continue to live in his own home. Activities contributing to deinstitutionalization of services for children are the integration of children with visual impairments in regular educational system, owing to the mobile service of social welfare institutions which care for children with and provide professional support to teachers in regular educational institutions. Service has been founded with the aim of creation and realization of the programme whose aim is to realize conditions necessary for optimal development of a child with visual impairments in his own home, and for his successful education in regular kindergarten and regular school.

- **Better physical access to infrastructure and other objects and public transport.** According to the Regulation on ensuring accessibility of buildings to people with disabilities and persons of reduced mobility passed in 2005 public buildings of business purpose must meet the prescribed criteria of conditions of accessibility within two years from the day of its coming into effect. In addition to the Act on Spatial Planning and construction which stipulates fines for project designers, project validates, constructors, persons issuing building and location permits and construction inspectors, the Act on combating discrimination which entered in force on 1 February 2009 provides for to persons with disability possibility of filing suit against those who do not abide by the said regulations and which they are bound to observe, in which way a persons with disability is provided with the possibility of more active and efficient acting.

- **Putting in place the personnel, spatial and financial conditions for the inclusion of children with difficulties within the regular educational system.** (see Chapter 3.2.2.6)

- **Introduction of and personal assistant service for people with the most severe and highest degree of disabilities.** In 2008 the number of persons with most severe and highest degree of disability to which personal assistant services has been ensured increased (from 176 in 2007 to 338 in 2008). In 2009 personal assistant services have been ensured for 338 persons with most severe and highest degree of disability and by the end of 2009 bringing of Act on personal assistant services has been planned. Project of personal assistant has been conducted in cooperation with 64 associations of persons with disability in 19 counties. In 2008 for implementation of the project of introduction of the institute of personal assistant HRK 14,999,984 has been spent and for the same project in 2009 HRK 17,564,787 in the State budget has been earmarked.
• **Design and development of the plan for professional rehabilitation, employment and work of people with disabilities.** Measures relating to professional rehabilitation of pupils with development difficulties and rehabilitation of persons with disability have partially been implemented in line with legal possibilities. Professional rehabilitation centres have not yet been founded and detailed legal regulations have not been brought, therefore professional rehabilitation can not be conducted. Also, it has been foreseen to adjust regulations on professional rehabilitation, draft and bring regulations on the model of financing professional rehabilitation. Implementation of these measures is of utmost importance for launching the system of professional rehabilitation, and are closely linked with the measure "Promoting development of human capital and life-long learning: professional rehabilitation of pupils with difficulties in development and rehabilitation of persons with disability” within the National implementation plan for social inclusion 2007 – 2008. Working group has been formed within MoELLE and bringing of proposal on the way of implementation of professional rehabilitation is underway. In 2008 FPREDP earmarked in its budget HRK 1 million for professional rehabilitation, but as necessary legal regulative has not been completed nor centres for professional rehabilitation were organized in line with the Act, it was not possible to carry out professional rehabilitation. For this reason available funds have been directed to the payment of subsidy for employment of persons with disability. Since it is expected that in 2009 exact criteria and solution linked with the implementation of professional rehabilitation will be brought, for that purpose in its budget for 2009 year, FPREDP reserved funds in the amount of 1,042,339 HRK.

• **Detailed evaluation of measures of depriving of work capacity of people with intellectual problems and psychiatric illnesses in order to prevent discrimination and violation of human rights.** So far, there has been no systematic evaluation of measures of depriving persons with intellectual difficulties and psychiatric illnesses of their work capacity.

• **More efforts are to be done concerning the implementation of adopted legal regulations relating to people with disabilities.** On the proposal of the Government of the RC Ombudsman for Persons with Disabilities has been appointed in May 2008. The Office started working in July 2008. Along with the Ombudsman deputies and professional officials and general administration staff are employed in the Office. The scope of, and the way of the work of the Office is based on the Act on Ombudsman for Persons with Disabilities (National Gazette No. 107/07). Main task of the Office is the protection, monitoring and promotion of the rights and interests of persons with disability based on the Constitution of the RC, international contracts and laws. Priority tasks of the Office of the Ombudsman for persons with disability are the harmonization of the existing regulations and introduction of the new ones, in accordance with Convention on Rights of Persons with Disabilities effective from 3 May 2008, monitoring of the implementation of that document as well as measures from National strategy on equal opportunities for people with disability 2007-2015 and Action Plan of the Council of Europe for promoting rights and full participation in society of persons with disability (improvement of quality of life of persons with disability in Europe 2006-2015).

• **Special attention is to be given to preventive measures: increasing the number of preventive health checks of insured persons and other groups.** (see Chapters 3.1.4 and 3.2.2.5)

• **Continue to implement programmes which contribute to a higher sensibilization of the society for the needs of, rights, capabilities and abilities of persons with disabilities (mitigating discrimination).** In 2008 MoFWVIGS in cooperation with the Department of social work of Faculty of Law, University in Zagreb started three studies
with the aim to evaluate the status of needs of persons with disability and implementation of measures of National strategy on equal opportunities for people with disability from 2007 to 2015. Objectives of the implementation of those studies are to establish the status and the needs of persons with disability and their families relating to as much independent as possible life planning, to establish level of their inclusion in community life and status and needs of persons with disability relating to their strengthening for fight against all forms of violence. At the beginning of 2009 data have been collected and their processing is underway and results are expected by the end of 2009. In 2009 MoFWVIGS in cooperation with Faculty of political sciences of University in Zagreb started the survey about views of members of representative bodies about political dimensions of disability and inclusion of persons with different types of disability in political life. End of survey has been planned for 2009. Introduction of the institute of Ombudsman for persons with disability, the issue of discrimination has been built in the text of the Act on Ombudsman for persons with disability which stipulates that the Ombudsman for persons with disability cares for the protection of human rights and fundamental freedom of persons with disability and for fighting all forms of discrimination due to disability. Furthermore, in performing his duties when the Ombudsman for persons with disability finds out that a persons with disability has been subjected to discrimination, violence, sexual harassment, maltreating, misuse, neglect or negligent acts, he is bound to file complaint to the authorized state attorney office and warn the authorized body of state administration and to propose measures for the protection of rights and interest of persons with disability. Ombudsman for persons with disability is bound to keep records on cases of discrimination within her authority, the same express by gender and submit it to the Public Ombudsman until 1 February for the previous calendar year. In September 2008 on the initiative of UNDP and business sector a second tender for the award "Employer for persons with disability" has been announced in the RC. The purpose of award is to identify the employer with positive practices and experiences in the employment of persons with disability, and promoting practices of respecting differences in the work place which will contributes to sensibilization of the society for the needs, rights, capabilities and possibilities of persons with disability.

Sources of financing and responsible institutions
For the implementation of measures for persons with disabilities MoHSW and MoFWVIGS have been tasked in the first place. Other institutions participating in the implementation of measures include MoSES, MoELE, MoEPPPC, associations of people with disabilities and CSO. Implementation of measures is financed primarily from the State budget and from the EU funds.

3.2.4.2. Refugees, displaced persons and returnees

Overview of measures

- Primary objective has been to ensure conditions for the return of refugees and complete the return process. Return of Croats is mainly completed, except for the area of Vukovar where the reconstruction of houses is ongoing. So far through the implementation of the Government programme for return of refugees and IDPs the return of 221,000 IDPs and 126,000 refugees from Serbia, Montenegro and Bosnia and Herzegovina has been provided for (total of 347,000 returnees registered in RC since the beginning of the process of return in 1995), 146,000 houses and flats were renovated and locally over 45,000 refugees from Bosnia and Herzegovina and Serbia have been integrated, 19,000 houses has been returned to their owners. In addition to this, by assisting the return of refugees in Bosnia and Herzegovina 5,000 houses have been renovated for the returnees in Bosnia and
Herzegovina and the programme continues for new 400 families for which the allocation of construction material is ongoing, and additional new 600 families. Main efforts in the last period have been directed towards the return of the Serb refugees and to ensuring conditions for their return and in the first place to housing provision for FTRH returning to Croatia. Since the beginning of the return process in 1995 until mid-2009, 347,003 returnees have been registered, of which the majority (64%) of the Croatian nationality and 36% minority returnees of Serbian ethnicity, who mostly returned from Serbia and Montenegro. In Croatia 2,704 persons remained in the status of internally displaced persons, returnees and refugees: 746 internally displaced persons, 1,256 refugees and 684 returnees; of these 943 persons are in organized accommodation (majority in 6 settlements and two objects for elderly and people with disabilities). Since the beginning of 2008 497 persons have been moved and 4 objects were closed. According to plans in 2009 3 settlements – Pisanovina, Dunače and Strmica will be closed and another three settlements will be closed in the next year. For the remaining internally displaced persons, returnees and refugees permanent housing solution has been ensured or their houses and flats are being renovated, through their return to their homes in RC and Bosnia and Herzegovina or through local integration. It is expected that this will be realized partially in 2009 and the majority by the end of 2010

- To complete the reconstruction of the housing stock damaged or destroyed until the end of 2007, except specific cases, and continue and increase funds for building and reconstruction of communal and social infrastructure and social economic regeneration in the areas of return or ASSC. In 2008 approximately 3,000 houses damaged or destroyed during war have been renovated and in 2009 renovation of approximately 2,400 houses has been planned according to the remaining positively resolved applications referring mostly to the applications which have previously been in the complaint procedure. Remaining renovation relates mostly to the renovation of houses and is linked with housing solution programme for the former tenancy-right holders in the areas of special state concern. Special attention has been paid to the continuation of the housing programme in ASSC for all returnees, including greater number of young families as well as for the remaining refugees from Bosnia and Herzegovina who have settled in these areas. Programme has been carried out since 2001 when applications have started to be submitted and until today total of 56,500 requests has been received. In 2008 5,499 new requests for housing solution have been received of which until now 34,887 requests were solved and families were granted approval as follows: 7,899 families are accommodated in APN Agency houses, 12,209 were given state flats on rent and the approval for construction material was approved to 14,375 families. As regards construction material 9,908 is related to the renovation of demolished or building of new houses on the land in the ownership of the beneficiary, 1,267 families were given construction material and state land for building of new houses, and 7,889 families construction material for the renovation of damaged APN houses. Of these, supplying/allocation of construction material have been completed for around 8,000 beneficiaries, and for the rest are in the process or pending. In programmes of renovation and building of communal and social infrastructure and socio-economic recovery of the area of return and area of special state concern in 2008 total of HRK 843,459,795 from State budget was spent and in 2009 around HRK 454 million has been reserved.

- To continue and finalize the implementation of housing solution programme of the former tenancy-right holders inside and outside of the areas of special state concern (ASSC). In order to accelerate housing solutions of FTRH the Government of the RC passed in June 2008 Action plan for accelerated implementation of housing solutions inside and outside of the ASSC of refugees – former tenancy right holders (FTRH) wishing
to return in the RC, as part of the Croatian obligations for joining the EU. End of 2009 is
deadline for the completion of activities set out in the Action plan as a benchmark for the
fulfilment of obligations set out in Chapter 23 of the Croatian negotiations with the EU.
Action plan is the project of the coalition Government of which the Independent
Democratic Serbian Party (SDSS) is the member. The implementation of this programme
is positively evaluated in the last reports of international organizations. The
implementation of programme so far has shown that the programme is sustainable and can
be carried out within the set timetable. Action plan has foreseen the solving of total of
approximately 5,000 FTRH for which conditions have been or will be ensured for housing
accommodation in Croatia (3,500 in ASSC and 1,500 outside ASSC) in 2007, 2008 and
2009:
- in 2007 1,400 FTRH (1,000 in and 408 outside ASSC), which has been fulfilled in total;
- in 2008 1,454 FTRH (1,000 in and 454 outside ASSC – 27 flats more than in the previous
plan), whose implementation is ongoing and of which flats and houses are available on the
"key in hands" basis for 1,215 beneficiaries or 85% (761 in and 454 outside ASSC), and
239 houses and flats in the renovation process (171 houses in organized renovation and 68
flats in housing objects).
- in 2009 2,172 FTRH (1,647 in and 525 outside ASSC).
Including the former tenancy-right holders accommodated until 2007 Croatia will ensure
flats and houses for total of 8,370 families FTRH until the end of 2009 (6,980 in ASSC and
1,290 outside ASSC). Since the beginning of 2008, some 1,800 flats in ASSC are in the
renovation process for these beneficiaries. Major part of these flats is already finished –
around 450 and additional 400 will be finished by the end of 2009, while the remaining
will be completed in the next year (majority of works have already been contracted or are
in tender). In 2008 for the renovation of flats in ASSC approx. HRK 82 million from State
budget has been spent and in the budget for 2009 approximately HRK 200 million has
been earmarked. In 2008 454 flats on 33 locations outside ASSC has been bought for
which HRK 250,300,832 were spent. Since the end of 2007 when the implementation of
housing solutions for the former tenancy-right holders outside ASSC started, on real estate
market 862 flats at 63 locations (big urban centres) has been bought. It needs to be
mentioned that for flats purchase within the frame of Programme of housing solutions for
returnees - the former tenancy-right holders outside ASSC during 2009 in the State budget
HRK 107,960,541 have been reserved.

• Since a number of persons will be left without financial assistance with the loss of
their status as refugees and returnees, some refugees and returnees are likely to end
up in the social assistance system, so the growth in the resources required for social
assistance will need to be predicted. MoSES has begun to keep statistical data on
refugees, internally displaced persons and returnees which are beneficiaries of rights from
system of social welfare only from the beginning of 2008. According to the data for 2008,
approximately 2% of all unemployed and able-bodied beneficiaries of permanent social
assistance are refugees, internally displaced persons and returnees.

Sources of financing and responsible institutions
MoRDFWM is responsible for the implementation of measures relating to refugees, internally
displaced persons and returnees. The main source of financing projects of return,
reconstruction and housing solution is the State budget. Parts of measures are financed with
loans received from international financial institution and funds from EU programs

3.2.4.3. The Roma population

Overview of measures
• All Roma children should be prepared for school through a pre-school programme and be enrolled in compulsory primary education. In compliance with the Action Plan for the Decade of Roma Inclusion 2005-2015 in cooperation with local community schools organized discussions with parents of Roma children about the need of inclusion of children in pre-school educational programmes. In 2006/2007 discussions with 518 parents and in 2007/2008 with 810 parents were held. In 2007/2008 not a single new programme in the Roma settlements or in their vicinity has been organized since children of Roma national minority are included in regular programmes in kindergartens. In the school year 2007/2008 810 of Roma children were covered with programmes of pre-school education and pre-school programme, of which 409 boys and 401 girls (in the school year 2006/2007 518 of Roma children were covered with pre-school programme and pre-school education). In the beginning of the school year 2008/2009 661 children were covered with the programme pre-school education and pre-school programme, of which 346 boys and 315 girls. In 2008 HRK 448,613 was spent for pre-school education and pre-school programme (only from State budget), and in 2007 HRK 1,8 million (633,000 from budget and around HRK 1,17 million from the Roma Education Fund). The number of Roma children of both sexes who enrol in elementary school has increased: in 2006/2007 3,010 children enrolled in elementary school, in 2007/2008 3,786 (of which 1,610 girls), and in 2008/2009 3,940 children (of which 1,717 girls). Preconditions have been created for the reduction of classrooms which are attended only by Roma children. In the school year 2008/2009 there was 68 classrooms with exclusively Roma children (62 classrooms in Međimurje county, 2 in Koprivnica-Križevci, 3 in Varaždin and 1 in Sisak-Moslavina county). Classrooms with exclusively Roma children are present in the schools in the vicinity of the Roma settlements because the Roma settlements are spatially separated from settlements of majority population. Also, the number of Roma who complete primary education is slightly on the rise: in 2006/2007 113 pupils, in 2007/2008 125 (of which 72 girls). In 2008/2009 135 children (of which 80 girls) enrolled in the 8th grade of elementary school.

• Introduce daily stay programmes for Roma children at elementary schools, with additional and complementary activities and the participation of educated Roma classroom assistants to act as mediators between pupils, parents and school staff and management. In 2007/2008 decreased the number of Roma children covered by daily stay programme (183 in comparison to 349 in 2006/2007). The reason for this decrease lays in the fact that in 2007/2008 Roma Education Fund has not co-financed daily stay programme. The Roma classroom assistants were trained to act as mediators between school and Roma community. According to the records of MoSES at the end of 2008, altogether 23 Roma assistants (of which 11 women) were employed compared to only 15 in 2006. Within the programme of the support to Roma realized in 2008, three seminars have been held for training classroom assistants (after first and second seminars classroom assistants had a two-month practical work in school with the assistance of mentor/coach assigned from among the teachers).

• Increase the number of Roma children of both sexes that enrol and complete secondary and post-secondary education. The number of Roma pupils enrolled in the first classes of three- and four years secondary school has increased, from 82 in the school year 2006/2007 and 2007/2008 to 98 in the school year 2008/2009 (of which 39 girls). Of 113 pupils who completed elementary school in 2006/2007 82 pupils enrolled in secondary school in 2007/2008. Of 125 pupils who completed elementary school in 2007/2008 98 of them continued their education in the school year 2008/2009. Also, the number of pupils to whom student grants was granted has increased from 101 in 2006/2007 (44 girls) to 162 in 2007/2008 (65 girls) and to 265 in 2008/2009 (115 girls). In the school year 2006/2007, 47 pupils were accommodated in pupil's homes, 46 in 2008/2009 (14 girls) and 71 in
2008/2009 (19 girls). Owing to the scholarship for all pupils of Roma national minorities in secondary school, gradual introduction of free textbooks and free transport, accommodation in pupils' homes, insurance of tuition fees in case they leave education and enrol in the education for adults as well as funds reserved for retraining, the conditions have been met for keeping as large number of pupils as possible in the educational system. The number of Roma pupils enrolling in higher classes of secondary school (in 2008/2009 the number of enrolled in third and fourth class was 39 (of which 13 girls), compared to 26 in 2007/2008, of which 5 girls. Small progress has been made with regard to the increase of number of Roma children who continue their education after secondary school (22 in 2007/2008 and 32 in 2008/2009). In 2007 11 students enrolled in institutions of post-secondary education, of which 7 female students, and in 2008 12 students (of which 8 female students). In 2008 all 12 students received fellowship and accommodation in student's hostels has been ensured for all of them if they have asked for it. At the beginning of 2009 one of the female student of Roma nationality completed higher education.

- **Create overall school environment in accordance with the principles of intercultural/multicultural education.** Office for national minorities of the Government of the RC in cooperation with Roma associations organized the celebration of the World Day of Roma, on 8 April 2008 in the Croatian National Theatre in Zagreb. Except for funds necessary for the realization of cultural autonomy of Roma national minority, financial funds are also invested for the preservation of traditional Roma culture, for which purpose in 2008 funds in the amount of HRK 218,000 were reserved. Each year the representatives of Roma cultural-artistic Roma associations take part in the manifestation "Cultural creativity of national minorities in RC" which was held in November 2008 in Zagreb. This manifestation is significant since it promotes multiculturalism and tolerance in the Croatian society. Representatives of Roma national minority participated at 7th World Congress of Roma held on 24 October 2008 in Zagreb. For maintenance of Congress the Government of the RC earmarked funds in the amount of HRK 200,000.

- **Building of cultural centres for the Roma in Čakovac and Zagreb.** The obligation of building two cultural centres of Roma has not yet been realized although the Office for national minorities allocated certain funds to the City of Zagreb and Čakovac. Until today, the City of Zagreb has managed to, in cooperation with the Roma representatives, select the location for building cultural centre in Zagreb, the Council of Roma national minority proposed the content and purpose of the centre and at the beginning of 2007 the City of Zagreb announced public tender for drafting urban-architectural design of multi-purpose cultural centre.

- **Create the preconditions for the inclusion of Roma representatives in the bodies of local and regional self-government.** With the aim to promoting the implementation of National programme for Roma and Action Plan for the Decade of Roma Inclusion 2005-2015, brought by the Government of the RC, systematic measures are being carried out for accelerating integration of Roma in the Croatian society. Members of Roma national minority participate in decision-making process from the Croatian Parliament to local community. In Croatian Parliament a representative of Roma national minority was elected and three Roma were elected in representative bodies at the municipalities' level in Međimurje county. Also, more than 300 Roma were elected in councils and as representatives of Roma national minority at all levels in RC.

- **Improve access to and quality of health care for the Roma population.** County reports about vaccination of Roma children in 2007 could be classified in three groups: (1) counties for which the data about vaccination coverage of Roma children have been obtained, in full or in part, through singling out of documentation i.e. additional work of healthcare workers (6 counties: Zagreb (for school children), Sisak-Moslavina (very
detailed survey, according to Program of vaccination for pre-school and school children, Karlovac, Lika-Senj, Koprivnica-Križevci, the City of Zagreb); (2) counties in which it is not possible to single out data on vaccinated children according to nationality but where, according to available data, the vaccination of all children is, on average satisfactory, mostly above the required 90% coverage (7 counties: Varaždin, Bjelovar-Bilogora, Požega-Slavonia, Brod-Posavina, Osijek-Baranja, Vukovar-Srijem and Međimurska and 2 counties - Virovitica-Podravina and Primorsko-goranska - in which it is assumed that vaccination coverage of Roma children of pre-school age could be around 80%, for school children in Virovitica-Podravina county also 80%, while in Primorsko-goranska county all school children are covered with vaccination in 95-100% cases, depending on the type of vaccines); (3) counties in which there are no Roma settlements (5 counties: Krapina-Zagorje, Zadar, Šibenik-Knin, Split-Dalmatia and Dubrovnik-Neretva counties). In counties which have conducted survey in the field, in Roma settlements, or in which vaccinators are keeping a separate records on health protection of the Roma children, it has been found that the vaccination coverage of Roma children is lower than that of average population: 24-65% in pre-school age and higher in Roma children enrolled in the school, 60-100%. As comparison, total vaccination in a child age has reached a minimum prescribed by law for all types of vaccines (95% for morible and 90% for other vaccination). Continuous effort is being invested in the improvement of hygienic-sanitary conditions in settlements (deratization) and conduction health education activities, particularly in kindergarten and pre-school institutions.

- **Include Roma women in decision-making processes to a greater extent.** In view of the implementation of measures from National programme for Roma in 2008 two seminars were organized for the education of leaders and representatives of Roma associations and organizations, which were held from 27 to 29 March 2008 and from 10 to 12 April 2008. Lectures were given by the representatives of line ministries and governmental offices, professors of Faculty of political sciences of the University in Zagreb and lecturers of International centre for education of journalists. Those attending seminars have been informed about the realization of the rights of national minorities in the RC, about the implementation of National programme for Roma and Action Plan for the Decade of Roma Inclusion 2005-2015 concerning education, health, employment and social care, housing and spatial planning but also National politics for equal opportunity of genders. Also, seminars have been organized for the representatives of Roma in order to acquire necessary knowledge about management, founding and governing associations, systematic linking with associations of Roma and representatives of the area populated by Roma, and to enable women and youth for the improvement of the position of women, acquiring information about the rights of women according to the Convention on prevention of all forms of discrimination of women. Association of Roma women "Better future" from Zagreb conducted survey "The life of Roma women in Croatia" with the emphasis on the access to education. The survey has been conducted in five counties and the City of Zagreb. The objective of the survey has been to determine social position and education of Roma women in Croatia. This project has been supported by the funds from the Roma Education Fund (REF) and funds of the Office for national minorities in the amount of HRK 20,000.

- **Encourage greater employment of the Roma through public work and training for particular professions.** (see Chapter 3.2.1.2)

- **Improve housing conditions of the Roma population (legalization of Roma settlements and development of their infrastructure).** In the area of housing, 12 counties developed spatial plans for areas inhabited by Roma and in two remaining counties drafting of programme is nearly completed. With the support of EU grant from
2005 the entire infrastructure has been built in the largest Roma settlement Parag in Medimurje County, and the completion of the legalization of individual objects and connections to water and electricity supply is underway. This part of the project has been financed with 500,000 Euro from EU funds and 167,000 Euro from State budget of RC. In 2006 three more settlements in Medimurje county (Piškorovec, Lončarevo and Pribislavec) have started to be renovated in the scope of the programme for which funds in amount of 3,571,429 Euro have been ensured, of which 2.5 million Euro EU funds and 1,071,429 Euro are co-financed from State budget of RC

- **Prevent violence and discrimination against Roma.** In order to prevent violence against Roma measures for strengthening cooperation of the police with Roma community at local level are being continuously implemented. From 1 January, 2004, in line with obligations ensuing from measures established in National programme for the Roma, continuous follow-up of criminal acts and offences to the detriment of the Roma and criminal acts within the Roma communities is carried out at the level of police administration. Once in a year the police submit reports to the Office for national minorities on types and extent of violence over Roma. Based on the reports of MoI in 2008 70 criminal acts have been committed to the detriment of the Roma (in 50% cases thefts or body injures), which is more than in 2005 (23 criminal acts) or in 2006 (37 criminal acts). In 2008 within the Roma community total of 136 criminal acts were committed, compared to only 35 in 2005 or 109 in 2006. One quarter of criminal acts committed within Roma community in 2008 related to the neglect or abuse of children/minors or extra marital life with minor individual. In more than 50% cases victims of criminal acts within Roma community are minors. The number of criminal acts committed by the Roma has also increased (721 in 2008, 560 in 2006, and 447 in 2005). Also, the number of offences to the detriment of Roma has been recorded (74 in 2008; 26 in 2005), within Roma community (371 in 2008; 162 in 2005), as well as offences committed by the Roma (832 in 2008; 609 in 2005).

- **Empower the Roma to participate more in the projects devised for them and follow up the efficiency of various projects for the Roma.** Representatives Roma and Roma associations have participated in drafting of all strategies and programmes for Roma. Also, Roma representatives are included in committees for follow-up and evaluation of impact of individual programme, strategies and action plans. Thus, 9 representatives of Roma have been appointed in the Committee for monitoring the implementation of National programme for Roma while four Roma representatives participate in the Working group for monitoring Action Plan for the Decade of Roma Inclusion 2005-2015. A number of workshops and seminars are frequently organized or informative and promotional materials printed for systematic and efficient inclusion of the Roma in the implementation of projects devised for them.

**Sources of financing and responsible institutions**

Measures intended for the Roma population cover different areas of activities and therefore larger number of ministries and other institutions are responsible for their implementation: MoSES, MoFWVIGS, MoEPPPC, MoI, ONM, CES, LRSGU, Roma associations, CSO. Measures are financed mostly with funds from State budget, but significant part is also ensured by local authorities and EU funds. For projects for Roma in 2005 HRK 2.7 million, in 2008 HRK 17.5 million HRK, and in 2009 HRK 38.5 million were reserved.

**3.2.4.4. Other vulnerable groups**

**Overview of measures**
• Additional surveys are needed to determine the actual need for shelters for homeless and invest more efforts to prevent homelessness and to integrate homeless people within society. One of the project which is being implemented within the frame of cooperation with civil society organizations in 2008 is "Project of subsidizing rents and housing expenses in RC" with the aim to analyze and discuss the existing practices in major Croatian cities, and on the basis of the established situation measures will be proposed for development of more efficient and effective system of subsidies for rents and housing expenses and accommodation of homeless in cities with over 20,000 of inhabitants. (see Chapter 3.2.2.7.)

• Where drug addicts are concerned, the main focus should be on prevention programmes. The Office for Combating Narcotic Drugs Abuse of the Republic of Croatia (OCNDA) devises and coordinates the National media campaign for combating drugs addiction. Thus, within the frame of Action plan for 2008 the following activities were implemented: OCNDA has printed and disseminated educational and promotional material for parents, children and youth in order to inform the public on danger from narcotic drug abuse and social and health consequences of addiction; in cooperation with line ministries, CSOs, media and other organizations The Office for Combating Narcotic Drugs Abuse of the RC marked 26 June 2008 as the International Day of Fight against Drugs Abuse and Illegal Trafficking with Drugs; during the whole year and particularly during the Month of Fight against Addiction (15 November to 15 December 2008) shows have been broadcasted about various types of addiction problem and narcotic drug abuse; at the end of November 2008 the President of the Committee for combating narcotic drugs abuse held meetings with presidents of the counties’ committees for substance abuse prevention. Throughout 2009 the implementation of Program of activities of media campaign has continued and promotional materials were printed and disseminated to parents, children and youth. Radio jingles and TV spots about addiction were created and will be broadcasted during 2009. For all subjects involved in the system of prevention of drugs abuse the Office organized, independently or in cooperation with other bodies, conferences, educations, seminars and workshops about prevention, care, treatment, resocialisation of addicts. Since the beginning of 2008 until March 2009 about ten educations were carried out. A number of educations were being held within the frame of the CARDS projects with aim to strengthening national and local capacities for combating narcotic drugs abuse, especially in connection with the implementation of preventive activities and better cooperation and coordination between implementation agencies at national and local level. During 2008 the Agency for Education has organized professional reunions relating to the role of educational institution in the prevention of drug abuse. The Agency has also printed and published manual "School programmes of prevention of addiction" and has organized the distribution of the European manual for prevention of smoking, alcohol and drugs.

• Develop the cooperation between state and non-governmental organizations in the implementation of the programme to reduce drug demand and supply, to provide regular financing for non-governmental organizations and to enable non-governmental representatives to participate in coordination bodies at national and local level. The cooperation of the Office for Combating Narcotic Drugs Abuse of the RC (OCNDA) with associations has significantly improved which has been confirmed by the increase in number of programmes and projects in the area of prevention of addiction and combating narcotic drugs abuse, all organized by CSOs and in the number of service CSOs have provided to both addicts and consumers of drugs and their parents. After the tender for projects was invited at the end of 2007 OCNDA granted funds in the value of HRK 1.1 million for 18 projects of associations which have provided different forms of assistance in
resocialisation for overall 1,074 drug addicts. Financial and programmatic evaluation of all financed projects has been carried out and the results of evaluation communicated to CSOs together with guidelines on how to resolve identified deficiencies in the implementation or in financial management. In mid-2008 Office for Combating Narcotic Drugs Abuse of the RC organized two conferences for CSOs in which the issues of financial management and strategic planning were addressed. Within the frame of CARDS projects, and in cooperation with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) linking of all relevant institution involved in the establishment of National information units for drugs and in drafting of the first national reports for EMCDDA has been carried out. Also in June 2008 in Split, education was held for representatives of civil society and institutions providing service and assistance to addicts, with the presentation of information programme "Registration of addiction" (used by Croatian Institute for Health Insurance for keeping the Register of individuals being treated for substance abuse), ways of its use and rights and obligations of programme beneficiaries. Based on the tender invited in March 2009 the Office for Combating Narcotic Drugs Abuse allocated financial funds to 27 associations providing assistance in resocialisation to treated drugs addicts or conducting programmes for the prevention of addiction. Total amount allocated in 2008 was around HRK 1 million, of which HRK 580,000 was allocated to associations which conduct programme of resocialisation of addicts, and HRK 420,000 to associations which conduct programmes of the prevention of addiction.

- **To continue media and other campaigns against family violence and ensure assistance and support for family violence victims.** After National Strategy of Protection against Domestic Violence 2005 – 2007, in 2008 the Government of the RC adopted the National Strategy of Protection against Domestic Violence for the period from 2008 do 2010. During the first half of 2008 National campaign for protection against domestic violence over women (2006-2008) was completed. Further, the reprint of Protocol has been issued on procedure in case of domestic violence which needs to ensure conditions for an efficient and comprehensive work of authorized bodies for improving protection of, and assistance to, victims of domestic violence as well as assistance to the perpetrators for changing their behaviour i.e. changing distorted value system in order to be able to solve conflicts in a peaceful manner while respecting gender equality. Also, amended Address book of institution, organizations and other institution which provide assistance, support and protection to victims of domestic violence has been printed. One of the measures foreseen by National Strategy of Protection against Domestic Violence is the creation of conditions for systematic and permanent solution of accommodation needs and legal and institutional protection of victims of domestic violence. With a view of achieving these objective in 2008 Ministry of the Family, War Veterans and Intergenerational Solidarity (MoFWVIGS) signed Contracts on co-financing of the work of shelters and counselling centres for victims of domestic violence with the following institutions: Autonomous House for Women in Zagreb, "KORAK" the Autonomous House for Women in Karlovac, Safe House in Istria, Women help now, SOS telephone for women and children victims of violence and with the association Brod – a group for women's human rights. The work of mentioned counselling centres and shelters is co-financed by bodies of LRSGU while the Government of the RC for that purpose allocated the amount of HRK 1,634,886. In addition to this, in 2008 MoFWVIGS financially supported a number of projects of CSOs which are programmatically active in the area of protection of victims of domestic violence and in 2008, the amount of HRK 2,006,800 was spent for that purpose. During 2008 for accommodation of children and adult victims of domestic violence in homes for children and adults as well as in other legal persons - providers of social welfare services for children and adult victims of domestic violence, Ministry of Health and Social Welfare
allocated HRK 3,055,582 and additional HRK 11,572 for the promotion and information in the area of family violence. During 2008 MoHSW concluded contracts on financing two new legal persons providing accommodation for children and adults, victims of domestic violence – Caritas, the institution of archbishop diocese of the City of Zagreb, for 19 beneficiaries and Association for assistance to a woman and child "Duga" from Zadar, for 3 beneficiaries. These places, however, do not represent new capacity for accommodation of victims of domestic violence; they are only consequence of the closing of "Rovinjsko sunce", the centre for abused children and adults, victims of domestic violence, closed due to the established irregularities in its work and which has the capacity of 22 places. During 2008 MoHSW granted 4 approvals for the provision of social care service for children and adults, victims of domestic violence, in accordance with the established need in the network of social welfare institutions and social welfare activities. Unfortunately, due to the limits in the State budget, during 2008 no new contracts on financing between MoHSW and providers of service of accommodation of victims of domestic violence have been signed, however the price for accommodation per beneficiary increased from HRK 2,600 to HRK 3,200 per month. Also, from revenue from games of chance for 2008 MoHSW has approved the financing of project of the Association "Psihoaktiva" from Split, under the name "Psychosocial treatment of perpetrators of domestic violence in the area of Split-Dalmatia county" in the amount of HRK 69,194. Under this project the organization of public forums, round tables and radio and TV shows aimed at informing wider public about the implementation of psychosocial treatment of perpetrators of domestic violence, participation in future educations and work under the coaching and supervision have been foreseen.

Sources of financing and responsible institutions

Key institution responsible for coordination of the implementation of measures for the prevention of drug addiction is Office for Combating Narcotic Drugs Abuse (OCNDA). Except OCNDA other state bodies (MoSES, MoHSW, MoFWVIGS), CSOs, LRSGUs and other stakeholder have significant role in the implementation of the said measures. Activities aimed at combating drugs abuse are predominately financed from the State budget, but also from other sources (CARDS programmes). MoHSW and LRSGU are responsible for the implementation of measures relating to homeless (together with very important role played by religious organizations and other CSOs). MoFWVIGS and MoHSW are responsible for prevention of domestic violence and for assistance to victims of domestic violence (in cooperation with MoI, CSOs, LRSGUs). Funds necessary for financing campaign against family violence and assistance for victims are predominately ensured in State budget.

Multidimensional approach and the management of policies

Coordination of activities aimed at reducing substance abuse is the responsibility of the Office for Combating Narcotic Drugs Abuse and counties’ committees for substance abuse prevention, but other experts from the area of educational system, social welfare, health, CSO, county offices of state administration and other relevant institutions acting in the area of substance abuse prevention are also included. Counties’ committees for substance abuse prevention have primary role to coordinate, plan and follow up the implementation of programmes in the area of prevention, therapeutic programmes and substance abuse prevention at the level of local communities and are also tasked with creating action plans for substance abuse prevention at the level of a county. The Office for Combating Narcotic Drugs Abuse permanently cooperates with counties’ committees for substance abuse prevention and provides professional assistance to stakeholders at local level through education and other forms of cooperation and also issues professional opinions about their programmes.
3.2.5. Deprived areas and regional differences

Overview of measures

- The sustainable development of the Republic of Croatia as a whole presupposes the reduction of regional inequalities with respect to economy, infrastructure, education, health, culture and demographic and social issues. Activities during 2008, and 2009 especially, were oriented to the recovery from war consequences in Areas of Special State Concern (communal and social infrastructure and promotion of developmental projects). In 2008 for programmes of renovation and building of communal and social infrastructure and social-economic rehabilitation of the area of return or ASSC the total of HRK 843,459,795 was spent from the State budget, while in 2009 around HRK 454 million has been reserved for this purpose. Ministry of Regional Development, Forestry and Water Management, established in December 2007, prepared basic documents for strategic planning of regional development for the purpose of conducting consistent policy in reducing regional differences. Adoption of these documents has been planned for summer 2009. (see Chapter 3.1.6)

- Continue with the implementation of existing regional policy measures with more consistent implementation of regulations adopted so far by the Croatian authorities. The key measures of the existing regional policy have been directed primarily to Areas of Special State Concern (ASSC), highland areas and insular areas. The measures in those areas (envisaged by the Act on Areas of Special State Concern, Act on Highland Areas and Islands Act) include: allocation of houses, apartments, land and construction material; use of certain state resources without paying recompensation (land, forests); promotion of economic activities through tax exemption, customs duty exemption on occasion of import of agricultural machinery, live stock etc. Part of the measures which has proved to be efficient will continue to be implemented and will also be expanded onto other areas lagging in development behind the Croatian average, as planned in the Draft Strategy of regional development currently in the procedure.

- Mine cleaning of formerly occupied areas. On 1 January 2008 total suspected mine area of the Republic of Croatia amounted to 997 km$^2$, and covered the territory of 112 cities and municipalities within 12 counties. The entire mine suspected area has been marked with 14,521 signs of mine danger. From 1998 - 2008 for the purposes of mine clearing overall amount of HRK 2.78 billion was spent. During 2008 mine suspected area was reduced for 42.5 km$^2$, thus, on 31 December 2008 total mine suspected area of the RC was 954.5 km$^2$ and has been marked with 14,986 signs of mine danger in the area of 111 cities and municipalities. In 2008 for the works of humanitarian demining total of HRK 320,137,524 was spent of which about 55% funds from the State budget, about 36% funds were ensured by legal persons, state administration bodies or through grants and about 9% of funds were from the loan of International Bank for Reconstruction and Development (IBRD). Pursuant to the new National Mine Action Program for the period 2009-2019 activities of demining and reduction which will be performed by companies for demining and the Croatian Mine Clearance Centre (HCR) will clear of mines the overall area of 756.5 km$^2$.

- On the occasion of allocation of funds earmarked for the implementation of ALMP programmes, the priority should be given to (multifold) deprived areas, which are marked by above-average unemployment rate. Several various projects have been carried out for promoting employment and enhancing employability in the war affected and deprived areas. Of these, one can be singled out: the project Be active – take action!
for which the implementing agency is Institute for peace studies and education in Vukovar. The objectives of this project have been the promotion and increase of level of professional integration of vulnerable groups in labour market of Vukovar-Srijem County in order to make a positive impact on economic and social cohesion of this region. Particular objectives have been enhancement and increasing the prospects for employment and self-employment (through entrepreneurship) of the risk groups, upgrading their knowledge, skills and competences and ensure information and assistance with job search. Target groups have been long-term unemployed persons, women over 40 and men over 50 and youth with no work experience. Centre for civil initiatives has conducted the project Challenges of the employment in deprived rural areas of Croatia with the aim to increase employability of groups threatened by social exclusion through the creation of special trainings for ensuring better access to labour market. The emphasis has been put on strengthening cooperation between business sector, educational institution and community members in order to create new opportunities for employment in agriculture at local level. Target groups have been young unemployed persons from 15-24 years of age, unemployed women over 40 and unemployed men over 50 years of age. Centre for development policy of small and medium enterprises (SME) and entrepreneurship is the implementing agency of the projects From dependence on state funds to self-employment whose general aim has been to reduce long-term unemployment in Western Slavonia and increase self-employment in agriculture by means of assistance and education on self-employment. Specific aim has been to train long-term unemployed persons and enable to agricultural households to become independent from the state aid. Target groups have been long-term unemployed persons with preconditions to become successful and competitive farmers.

- **Design specific support projects for rural areas (especially for the transformation of inefficient agriculture).** The new Act on Agricultural Land entered into force in January 2009. The objective of this Act is merging of agricultural holdings, the increase of cultivated agricultural land and putting into function the unused agricultural land. In view of merging and enhancing the management of agricultural land the Act has envisaged the establishment of the Agency for agricultural land. It has been foreseen that all land bought by the Agency and funds earned through either purchase or management of agricultural land constitute a Land fund. In June 2009 the county of Zadar together with United Nations Development Programme (UNDP) launched the education for the vocation of milk and cheese producer for the producers of milk and cheese on family farms in the area of Lika, part of Zadar county, islands and Ravni kotar and Bukovica. 25 milk-men from the area of Zadar county completed the education.

- **Proposing and implementing measures to enhance the self-employment of women in rural areas.** Operational plan of Promoting Small and Medium Entrepreneurship for 2009 (OPPMSP) includes projects, beneficiaries, incentive measures and funds for 2009 with the aim of implementing Programme of promoting SME sector 2008-2012 which the Government of the RC adopted in April 2008. According to the OPPMSP, in 2009 for the project "Entrepreneurship of women" HRK 4,5 million will be spent for the following measures: purchase of equipment and tools, inventory and protection means, launching of business (i.e. drafting business plan, counselling services, entrepreneurial education, covering part of expenses for registering business) co-financing to entrepreneurs beginners expenses for child care (i.e. 75% of kindergarten expenses, 75% expenses for educators and 75% of price for daily stay in school, for period of one year, maximum up to HRK 10,000). In the area of enhancing employment particularly developed are projects for enhancing the employment of women. Women's group KORAK from Karlovac has been the implementing agency of the project: *Club of women- adjusted individualized support for long-term unemployed women*. General aims of the projects have been to contribute to
increase of employability of groups facing social exclusion by using positive experiences in the integration in labour market through decentralization of services of job search. Special goals have been to increase individually adjusted support and assistance in job search to long-term unemployed women in the Karlovac County in order to increase their employability. Target group was a group of 60 long-term unemployed women. Development agency Sjever d.o.o. was the implementing agency of the project Give women chance. General aim of the project has been to contribute to social cohesion through the improvement of economic and overall status of women over 40 years of age and special goals strengthening, education and development of new business skills.

- **Stimulating development of and cooperation in bordering areas.** Structural and pre-accession EU funds help develop cross-border cooperation in its territory and between candidate countries. The purpose of cross-border cooperation is to diminish negative impact of borders on an even economic and social development of bordering areas. Beneficiaries of cross-border cooperation projects are local and regional stakeholders in bordering areas. RC has participated and still participates in several cross-border cooperation projects, especially through EU programmes of pre-accession assistance, CARDS and IPA. Through 2005 and 2006 programmes of cross-border cooperation Croatia participates in Programme for neighbourhood Slovenia–Hungary-Croatia, in Programme of Adriatic cross-border cooperation, and in programmes with Bosnia and Herzegovina and Serbia. In addition to this RC participates in regional CARDS 2004 project of administrative support for new neighbourhood cross-border cooperation. The implementation of projects for which financial funds were allocated through grants and CARDS programmes of cross-border cooperation is ongoing. As beneficiary of IPA pre-accession fund for period from 2007 to 2013 Ministry of Regional Development, Forestry and Water Management (MoAFRD), i.e. Directorate for integrated regional development (Department of cross-border cooperation) in the period from 20 June to 20 October 2008 invited tender for submission of project proposals for IPA cross-border programme Croatia–Slovenia. Of total submitted 112 projects in around 40% Croatia has been a leading partner. In second quarter of 2009 similar tenders has been planned for programme Hungary – Croatia, and in the third quarter submission of project proposals for bilateral IPA cross-border cooperation programmes Croatia – Serbia, Croatia – Bosnia and Herzegovina and Croatia – Montenegro. Financial value of the assistance paid for development of cross-border cooperation in bordering areas in period from June 2007 to March 2008 exceeded 8.6 million Euros.

- **Stimulating cooperation between government bodies and CSO in regional development policy, plan local development through local partnership and follow up the impact of public investment in regional development (taking into account priorities, objectives and measures contained in counties strategies and regional operational programmes).** Proposal of the Strategy of regional development is based on the assumption that developmental programmes of counties and wider regions are preconditions for overall social and economical development at subnational level. By this a comprehensive system of development and planning is to be established in which state and county authorities have consented in their views with regard developmental priorities. Strategy anticipates establishment of county partnerships which will be composed of representatives of public, private and civil sector. In these partnerships state authority representatives but also local self government will take part. Real needs of counties would be defined in the county developmental strategies which will be focused to developmental needs of the area with developments difficulties but also to developmental needs of wider regions and cross border cooperation.
• Central government still has to take charge of the transport connections between the islands and mainland, because transport is a major requirement for the island population to ensure equal access to services available on the mainland (education, health, employment etc.). With the aim to establish traffic connection between islands and land and between islands the Administration for island and coastal development of Ministry of the Sea, Transport and Infrastructure (MoSTI) in 2008 spent HRK 58,421,850 for projects of building, annexing, rehabilitation or reconstruction of 25 ports. In addition to this, Administration for island and coastal development invested HRK 26,881,557 in projects of building, rehabilitation and equipping of central schools in the coastal area and in reconstruction of regional schools on the islands with the aim to implement distance learning project.

Sources of financing and responsible institutions
MoRDFWM is the institution responsible for implementation of regional policies measures as well as other ministries in which scope of activities contains the implementation of precise measures is included: MoAFRD, MoSTI, CES and other ministries. Majority of funds necessary for financing measures is ensured in the State budget. Through cross-border cooperation projects and incentives for development of rural areas and ASSC important source funds are EU funds (PHARE and CARDS) and funds from UNDP. Largest part of funds for mine clearance is ensured from State budget and significant grants and funds from other sources.

3.2.6. Mobilizing all relevant stakeholders and resources

Overview of measures

• Encourage and promote social partnership and dialogue. The main institution in the sphere of social partnership is the Economic-Social Council at the national level and economic-social councils at the county levels. As regards social partnership in Croatia in last periods only small progress has been made. Although, in principle, social partners (executive power, unions and employers) are fully dedicated to social partnership and they claim that they all have common interests, i.e. the same goal – well-being of all Croatian citizens, social partnership in most part still consists of formal procedures of social agreement, and not in real identification of common long-term goals and their realization. In the Programme of the work of the Government of the RC for the period from 2008 to 2011 it is envisaged "a strong support to social partnership, in order to guarantee social inclusion and justice in the joint aim of development of country with the promoting contribution of all social groups in bringing important decisions". In this mandate the Government of the RC intends to realize a higher level of social partnership which could lead to the new developmental cycle. By developing the Croatian model of social partnership, taking into account all justified and well-argmented proposal of unions and associations of the employees the Government wishes to reach consent about the most important issues. Social partnership in Croatia in most part lays on communication, it is oriented towards reaching agreements on concrete issues and not on mechanisms of strategic reflexion and planning. There are several key problems in connection to social partnership. First of all procedures are being carried out at the highest level while they are not accompanied with efficient social dialogue at the lowest levels – sectoral, branch or activity. Moreover, topics which should be the subject of social dialogue and social partnership are not clearly defined, thus proposals coming from almost all areas are passing through this mechanism. Parties to social partnership have not yet reached satisfactory level in terms of technical preparedness and constructive discussions. Croatia union scene
is fully fragmented and disintegrated. For some time now agreement on the Act on Union representation has not been reached. From the employer side a consistent and uniform representation of various sectors, branches or activities is non-existent and also the issue of under-representation of SME sector is to be resolved. Difficulties have arisen by the end of 2008 and particularly in the beginning of 2009 when Government, due to economic crisis and budget deficit proposed freezing of salaries in public and state services, but a part of central union accepted it differently: majority announced that they are rejecting the proposal, claiming that the Government is trying to shift the burden of crisis to their members, and another line basically agreed to salary freezing for a defined period. Therefore, it is expected that there will be different and even opposite views in relation to changes of the Labour Act which will soon be on the negotiation table. Employers opt for greater flexibility of labour market while the majority of unions require that together with the introduction of flexibility mechanisms for the protection of employees and the enhancement of their safety are included. Also, agreement should be reached with regard to proposal of the Guidelines for adjusting policies of salaries and prices, in order to adjust salaries at the local level in public services and economy. Due to the economic and financial crisis the establishment of the Economic council has been initiated, with the most prominent representatives of the economic profession, and active participation of the representatives of social partners. Consultative role of the Council compared to the Government and its Economic-Social Council achieved positive results since by adjusting of individual activities the first shocks of the crisis have been avoided, a package of anti-recession measures have been brought and consultation about a number of long-term important issues for the Croatian society have been opened. In the time to come the Economic-social Council should improve its work, deliberating on strategic issues and closely cooperating with the Economic council and the National Council for Competitiveness. In its relation with employers and unions the Government has had a proactive role and has initiated drafting of and adopting of various strategic documents in order to adjust joint goals for the long-term period, manners and dynamics of their implementation (such as the "Agreement on social partnership in the new circumstances" and the "Guidelines for conducting adjusted politics of salaries and prices").

**Strengthen cooperation and partnership between civil society organizations and the Government and among CSO.** After the transfer from the centralized to the decentralized model of allocation of financial support for programmes and projects of NGOs, the role of Croatian Government’s Office for Cooperation with NGOs has been significantly changed and since 2005 it has been oriented towards the improvement of the legal and financial framework for acting of the CSOs, and to programming and the follow-up of the implementation of projects of the EU in the area of civil society development. For this purpose basic documents have been drafted and passed along with the Associations Act: the National Strategy for Creating Supportive Environment for the Development of Civil Society 2006-2011, July, 2006) with the accompanying Operational plan (February 2007) and the Code of Good Practice, Standards and Measures for the Realisation of Financial Support to NGO Programmes and Projects (February 2007). Taking into consideration the setting of new standards in consultation of the state and civil society, the creation of the Code of good practice of consultation with the public interested in the procedures of adopting laws, bylaws and other regulations and acts is one of the priority measures of the Operational plan on the Implementation of the National Strategy for Creating Supportive Environment for the Development of Civil Society, what will introduce minimal standards in consultation with an emphasis on the duration of consultation, criteria of the inclusion of organizations, coverage of the consultation process and availability of drafts of laws. The development of an efficient dialogue between the Government and the civil society is one
of prerequisites of further democratisation and Europeanisation of the process of the adoption of public politics in RC, in compliance with the political criteria for the EU membership. After a wide public discussion, the draft Code has been directed into procedure. At the beginning of July 2008 the text of the Code has been harmonised with professional working groups and all coordinations of the Government of the RC, but the Government has not yet adopted the Code. With the aim to strengthening the dialogue between the CSOs and the institutions (Government), during 2008 and 2009 OCNGOs has, in cooperation with the Council for the Development of Civil Society and the National Foundation for Civil Society Development organised numerous events (conferences, round tables) with the participation of representatives of state and public institutions and representatives of NGOs. Of particular importance are the NGO Days, organised in 2008 which have enabled discussions and exchange of experiences about the most recent events in the area of civil society development in Croatia. Taking into consideration the need of the cooperation with CSOs in the processes of accession of Croatia to the EU, Council for the Development of Civil Society has also been included in the process of setting priorities for financing projects in the frame of EU pre-accession programme for the civil society sector (IPA 2008 and IPA 2009). In 2008 and 2009 the Office for Cooperation with NGOs of the Government of the Republic of Croatia has begun a more intensified coordination and consultation with the administration bodies and other relevant stakeholders with regard to promoting contracting of social services of general interest with CSOs. One of the important components of the process of cooperation and consultations refers to the forming of a working group for drafting a Proposal of promoting a system of contracting of social services of general interest with CSOs. Apart from the representatives of line ministries in the work of the working group, representatives of international organisations (the World Bank and UNDP) which are active promoters of changes in the social policy area and strong advocates of the development of services in the community with the diversification of services providers will also take part. In the process of drafting the Proposal wide consultations with CSOs, particularly those that have provided services to the community over a long period of time will be held.

**Promotion of gender equality in the fight against poverty and social exclusion.** The Gender Equality Act extended the area of prohibiting discrimination in the area of work and employment and introduced penalties for offences made by the employers. The Act proscribes that LRSGU, legal persons with a public authority and other legal persons and craftsmen who employ more than 20 employers are obliged to introduce in their general acts anti-discrimination legal provisions and measures for the establishment of gender equality and that social partners are bound to, when holding collective bargaining and in collective contracts at all levels, respect the provisions of this Act and measures for the establishment of gender equality. Furthermore, the Act proscribes that all statistical data and information about persons, collected and recorded and processed by bodies of state government, bodies of LRSGU, legal and physical persons performing activities in compliance with the provisions, must be stated by gender. In relation to the improvement of the position of women with disability in 2008 the Office for Gender Equality opened a separate item in its budget for financing projects for strengthening women with disability and from the State budget on the position of the Office for gender equality, based on a public Tender in 2008 six projects for NGOs with the topic "Incentives for the inclusion of women with disability in the process of political decision-making at local level", in the amount of HRK 165,000 HRK have been financed.

**Larger involvement of local authorities into activities for preventing and alleviating poverty and social exclusion.** As mentioned in the Chapter 2.2., the local authorities were included in the process of drawing up JIM as well as the process of drawing up the
National Implementation Plan. Representatives of LRSGU were able, not only to give their comments about the offered measures, but have also actively participated in proposing new or changing the existing measures.

- **Monitoring and evaluating of measures should be transferred from state structures to independent (academic) institutions.** The drawing up of JIM intensified and deepened the cooperation of state structures and independent (academic) institutions as well as with CSOs involved in research work. Representatives of the academic community have actively participated in all phases of drafting and implementing JIM and the accompanying documents. Members of the academic community and individual academic institutions participated in the implementation of research projects (on youth, over indebtedness, housing) and evaluation of certain measures (e.g. evaluation of efficiency of programme of assistance for housing and co-financing of housing expenses). The implementation of the project of evaluation of housing needs at level of Croatia is in the process.

### 4. REPORT ON IMPLEMENTATION OF AGREED COMMITMENTS FROM CHAPTER 8 OF JIM

#### 4.1. Launch a study on disadvantaged youth (early school leavers having difficulties in the transition from school to work)

In the first part of 2008 by means of the Labour Force Survey (LFS) general dynamics of the integration of youth in labour market through the past decade, as well as differences in the quality of outcome of individual educational groups (report drafted in May 2008) has been established. Also, factors of dropping out form secondary education and non enrolments in tertiary education (primarily material status, socio-cultural status of families and previous educational decisions).

In the second part of 2008 on the basis of an agreement between MoHSW and UNDP Croatia, and in cooperation with CES, a retrospect research has been prepared on educational and working careers of the young in Croatia – on the sample of 2,693 persons; in the process a special attention has been paid to "problematic" careers of persons with lower employability prospects, persons with disabilities, those without secondary education and young Roma. Experts in different social sciences have taken part in the preparation of research and implementation of analyses - sociologists, economists and psychologists from several domestic and foreign institutions (Law Faculty - Zagreb, Centre for Policy of Development of Small and Medium Size Companies and Entrepreneurship, Faculty of Economy - Zagreb, Institute for Social Research - Zagreb, Mannheimer Zentrum für Europäische Sozialforschung - Mannheim, CES, Faculty of Philosophy - Zagreb). Survey has been performed by the agency Puls between September and December 2008 which published preliminary descriptive report at the end of the year.

During 2009 data collected by the survey with consultation with stakeholders will be used for making a study and presentations relating to the problems of education, employment of youth and social inclusion of vulnerable groups referred to in the JIM.

The material collected by this research will be applied in the areas of fight against social exclusion, educational policies and in the employment system:
MoHSW: Identification of long-term risk factors related to early school leaving, inability to find employment and unsatisfactory outcomes in the labour market (lack of activity, badly paid or short-lasting jobs).
MoSES: Identification of educational areas and level that are related to difficulties in the labour market, and in which there is frequent discrepancy between the current occupation and previous education; overview of typical and risky "educational careers".
CES: Identification of factors and strategies contributing to the faster finding of job and an employment of higher quality (long-term employment); models of unemployment and employment of persons with lower employability prospects; assessment of the size of population who does not start their careers with registering with CES – their employment strategies and labour market outcomes.
UNDP: Popularization of findings and sensibilization of public for education as key mechanism for the prevention of social exclusion.

For this purpose consultations will be carried out with the stakeholders and findings presented which will contribute to the formulation of proposals of public policies and measures in the employment and education area.

4.2. Prepare a strategy of decentralization of social services with focus on the areas of special state concern

As mentioned in the Report from 2008, National Strategy for Functional and Fiscal Decentralization and Development of Human Resources was drawn up. An integral part of the National Strategy is also the decentralization of social welfare services.

Timeframe has been offered for the implementation of decentralization of service. It has been foreseen that during 2008 and 2009 new legal regulations necessary for the process fiscal and administrative decentralization, development of human resources and development standard for the implementation of service are adopted. After that during 2010 and 2011 transfer of the founding rights of CSWs, social welfare homes and family centres will be transferred to counties and cities. Institutions responsible for implementation of decentralization strategy are MoSES and MoFWVIGS and LRSGU. Currently, new act on social welfare is being prepared and will be completed by the end of 2009 or beginning of 2010, which means time for decentralization, will be postponed. Needles to say, difficulties in implementation of decentralization of social service are also caused by the existing fiscal crisis and delay of fiscal decentralization.

However, during 2008 programmes of social service which act in decentralized environment have been developed. Programs for elderly persons in local communities "In-home assistance for elderly persons" and "Daily stay and in-home assistance for elderly persons" represent an example of decentralization of social service and prevention of institutionalization as these services to elderly are provided in their natural environment, homes and so-called daily centres with various socialization contents. Of 75 programs for elderly persons, direct providers of social service are 40 cities and municipalities while other services are subcontracted by other providers at local level such as CSO (23), non-profit institution of social welfare (11) and entrepreneurial centre (1). MoFWVIGS has ensured funds from the State budget for the implementation of services for elderly persons in local communities, created a methodology and a set of standards for providing services in the field and provide professional assistance and supervision to local self-governments and providers. However, the said programmes have still not been legally regulated.
4.3. Launch a study on the problems of over-indebtedness (credit card debts, loan sharking and informal loan arrangements)

MoSES has requested the study of the Indebtedness of citizens of Croatia: status, problem and measures. In the Report on the implementation of survey the meaning of over indebtedness has been explained and psychology and the occurrence of over indebtedness: measuring over indebtedness from the perspective of economic policies may be done at three different levels: macro level – macroeconomic risk linked with the drop in consuming demand; level of financial sector - risk of financial instability linked with households inability to pay debts due to over indebtedness; and individual level – risk of over indebtedness households. From the perspective of social exclusion it is important to pay attention to special to risks of over indebtedness households.

Attention has been paid to the consequences of over-indebtedness for health of affected persons and expenses for the society. According to several researches over-indebtedness has serious consequences for health of since it ruins their psychological stability and creates a feeling of crisis, worry, fear, frustration and tension. When observing the situation and trends in indebtedness, many countries seek in various ways to prevent entering into excessive indebtedness, i.e. find modalities of assistance to persons which have found themselves in the position of inability to pay their financial obligations. In order to avoiding situation where everybody is at loss (creditors their funds, and debtor often their adequate place in society when they eventually become excluded from the society), Western societies developed counselling services for solving the problems of over-indebtedness and systems of return of debt in which way over-indebted persons are given the chance for the new beginning in society and in economic participation.

In part of the Report dedicated to Croatia sector of population has continued intensive indebtedness and during first semester of 2007 which lead to further increase of indicators of indebtedness. Total established indebtedness of population increased by 40.3 % of GDP which is the same as at the end of 2006, to 43.2% GDP at the end of June 2007. Data gathered from the Survey on households consumption have been carefully analyzed and total number of indebted households has been calculated, average indebtedness, average debt servicing and numerous other indicators. One third of households are in debt (approx 470 thousand) and that part has not changed between 2003 and 2006. However, the share of households with housing loans (with 9% to 14%) has increased and the share of households with other loans has decreased (with 27% to 23%). Approximately 3% households have housing and other loans. Average number of loans per household amounts to 1.4 and has not changed in the period monitored. Approx 3% households have 3 and more loans. Also activities of social partners, legal changes, introduction of Loan Register in Croatia and planned or implemented programmes of financial counselling, training and informing have been described. Short guidebook with advices for citizens who to avoid and/or mitigate over-indebtedness are proposed activities for the key political decision-makers.

4.4. Prepare a de-institutionalization action plan

In the Report on implementation of JIM from 2008 a long-term de-institutionalization plan which will unfold through several phases has been announced that covers the following beneficiary groups: children without adequate parental care, the youth with behaviour disorders, children and adults with disabilities and adults with mental disorders (the system of development of a network of non-institutional services for elderly ad infirm persons, which is the primary responsibility of MoFWVIGS has been separated). De-institutionalization action
plan is still not officially adopted by MoSES. One of the reasons is that information is being collected about the possibilities of de-institutionalization, in order to set exact goals with regard to beneficiaries who would leave institutions. Therefore in the first phase of deinstitutionalization (2008-2009) activities were primarily oriented to the evaluation of individual needs of beneficiaries in institutions and their preparation for leaving institution and to the prevention of institutionalization. For that matter during 2008/2009 a memo has been addressed to all institutions of social welfare to submit their plans of transformation of institution (share of beneficiaries which are soon to leave the institution, necessary financial funds, and forms of non-institutional arrangements and alike.). Following the assessment of the needs of beneficiaries and transformation of institution plans the objectives will be more clearly defined regarding the number of persons who would leave institutions. As regards prevention of institutionalization, during 2008 implementation of legal regulations promoting non-institutional forms of living has continued (regulation of fostering, increase of number of beneficiaries who acquired status of parent caregiver, promoting of more frequent use of the rights on occasional and temporary daily stay, inclusion of children physically and mentally impaired into the regular programs of schools and pre-school institutions).

Central institution responsible for the implementation of action plan is MoSES. In addition to the Ministry, units of local self-government, associations and other NGOs as well as social welfare institutions have important role in the action plan implementation.

4.5. Review and scrutinize the future role of the minimum pension and the mode of its financing

There is no indication for now that the mode of financing of the minimum pension will change although during 2008 discussions have been held about this issue. Potential changes have been related to the mode of financing or the way of acquiring the minimum pension. Considering important redistribution role of minimum pension the proposal has been to distribute the burden of financing of the minimum pension to all taxpayers and not only to the insurees, i.e. contribution payers. On the other hand, the possibility of linking rights to the guaranteed amount of pension with income and means test has also been discussed (this was the case until new law on pension insurance entered into force in 1999).

There are several reasons why the way of financing minimum pensions will not be changed in the near future. Above all, due to legal changes during 2007 and 2008 trend of the growth of new beneficiaries of minimum pensions has been put to a halt and even expenses for their financing were reduced or stopped. Improvement of the status of retired has resulted in decrease of the number of new minimum pension’s beneficiaries with low pensions due to the implementation of regulations on pension supplement and other changes (see Chapter 3.2.2.1.). Also, changes in the way of financing minimum pensions in the conditions of financial and fiscal crisis would only burden the State budget.

4.6. Monitoring the implementation of specific measures targeting the vulnerable groups (low-income persons, chronically ill); examine the financial difficulties that co-payments and health insurance premiums may present for vulnerable groups.

Realization of these measures is explained in 3.2.2.5.
5. APPENDICES

5.1. Statistical appendix

Table 1. Basic demographic indicators in 2006, 2007 and 2008

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population in mid-year (in 000)</td>
<td>4,440.0</td>
<td>4,436.0</td>
<td>4,434.5</td>
</tr>
<tr>
<td>Age groups (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 0-14</td>
<td>15.71</td>
<td>15.54</td>
<td>15.41</td>
</tr>
<tr>
<td>- 15-64</td>
<td>67.26</td>
<td>67.27</td>
<td>67.31</td>
</tr>
<tr>
<td>- 65+</td>
<td>17.03</td>
<td>17.19</td>
<td>17.28</td>
</tr>
<tr>
<td>Dependency ratio (65+/0-14), in %</td>
<td>108.34</td>
<td>110.63</td>
<td>112.12</td>
</tr>
<tr>
<td>Age dependency ratio (65+/15-64), in %</td>
<td>25.31</td>
<td>25.56</td>
<td>25.67</td>
</tr>
<tr>
<td>Total fertility rate</td>
<td>1.38</td>
<td>1.40</td>
<td>1.47</td>
</tr>
<tr>
<td>Average age of women at first childbirth</td>
<td>26.7</td>
<td>26.8</td>
<td>27.1</td>
</tr>
<tr>
<td>Newborns, per 1000 inhabitants</td>
<td>9.3</td>
<td>9.4</td>
<td>9.9</td>
</tr>
<tr>
<td>Newborns out of wedlock (%)</td>
<td>11.0</td>
<td>11.5</td>
<td>12.0</td>
</tr>
<tr>
<td>Natural population growth (per 1000)</td>
<td>-2.0</td>
<td>-2.4</td>
<td>-1.9</td>
</tr>
<tr>
<td>Life expectancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- men</td>
<td>72.5</td>
<td>72.3</td>
<td>72.4</td>
</tr>
<tr>
<td>- women</td>
<td>79.3</td>
<td>79.2</td>
<td>79.6</td>
</tr>
<tr>
<td>- difference</td>
<td>6.8</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>Marriages, per 1000 inhabitants</td>
<td>5.0</td>
<td>5.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Divorces, per 1000 marriages</td>
<td>210.5</td>
<td>206.8</td>
<td>215.0</td>
</tr>
<tr>
<td>Divorces per 1000 persons</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Death rate</td>
<td>11.3</td>
<td>11.8</td>
<td>11.8</td>
</tr>
<tr>
<td>Death rate, per 1000 pop., 65+</td>
<td>52.5</td>
<td>54.4</td>
<td>53.6</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>5.2</td>
<td>5.6</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: CBS

Table 2. International migration, 2007 and 2008

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigration</td>
<td>14 622</td>
<td>14 541</td>
</tr>
<tr>
<td>Emigration</td>
<td>9 002</td>
<td>7 448</td>
</tr>
<tr>
<td>Migration balance</td>
<td>5 620</td>
<td>7 053</td>
</tr>
</tbody>
</table>

Source: CBS

Table 3. Basic health indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality rate</td>
<td>11.3</td>
<td>11.8</td>
<td>11.8</td>
<td>11.2</td>
<td>9.4</td>
</tr>
<tr>
<td>Mortality rate, per 1000 inhabitants, 65+</td>
<td>52.5</td>
<td>54.4</td>
<td>53.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>5.2</td>
<td>5.6</td>
<td>4.5</td>
<td>5.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Perinatal mortality rate</td>
<td>5.3*</td>
<td>4.9*</td>
<td>...</td>
<td>6.0</td>
<td>6.1</td>
</tr>
</tbody>
</table>


* CIPH, according to international reporting criteria, for total born above 1000 g birth weight

Table 4. Ten leading causes of death in 2006 and 2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ischemic heart disease</td>
<td>19.50</td>
<td>Ischemic heart disease</td>
<td>18.48</td>
</tr>
<tr>
<td>Cerebrovascular diseases</td>
<td>16.03</td>
<td>Cerebrovascular diseases</td>
<td>15.89</td>
</tr>
<tr>
<td>Condition</td>
<td>Incidence Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heart failure</td>
<td>5.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malignant neoplasms of trachea and lung</td>
<td>5.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malignant neoplasms of the colon</td>
<td>3.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic liver diseases and cirrhosis</td>
<td>2.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td>2.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bronchitis, emphysema and asthma</td>
<td>2.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diabetes mellitus</td>
<td>2.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atherosclerosis</td>
<td>1.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CIPH

Table 5. GDP per capita in PPS (EU27=100)

<table>
<thead>
<tr>
<th>Year</th>
<th>EU25</th>
<th>EU15</th>
<th>RC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>104.8</td>
<td>114.9</td>
<td>50.3*</td>
</tr>
<tr>
<td>2002</td>
<td>104.6</td>
<td>114.3</td>
<td>52.3*</td>
</tr>
<tr>
<td>2003</td>
<td>104.4</td>
<td>113.7</td>
<td>54.3*</td>
</tr>
<tr>
<td>2004</td>
<td>104.2</td>
<td>113.2</td>
<td>55.8</td>
</tr>
<tr>
<td>2005</td>
<td>104.1</td>
<td>112.8</td>
<td>56.6</td>
</tr>
<tr>
<td>2006</td>
<td>103.9</td>
<td>112.2</td>
<td>58.4</td>
</tr>
<tr>
<td>2007</td>
<td>103.7</td>
<td>111.7</td>
<td>61.1</td>
</tr>
<tr>
<td>2008</td>
<td>103.5</td>
<td>110.8</td>
<td>63.0</td>
</tr>
</tbody>
</table>

Source: Eurostat  * Estimate

Table 6. Basic economic indicators in 2007, 2008 and first quarter of 2009 – growth rates (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product</td>
<td>5.6</td>
<td>2.4</td>
<td>-6.7</td>
</tr>
<tr>
<td>Physical volume of industrial production</td>
<td>5.6</td>
<td>1.6</td>
<td>-10.9</td>
</tr>
<tr>
<td>Physical volume of construction works</td>
<td>2.4</td>
<td>11.8</td>
<td>-0.3</td>
</tr>
<tr>
<td>Real retail trade</td>
<td>5.3</td>
<td>-0.5</td>
<td>-16.9</td>
</tr>
<tr>
<td>Consumer prices†</td>
<td>2.9</td>
<td>6.1</td>
<td>5.5</td>
</tr>
<tr>
<td>Tourist overnight stays</td>
<td>5.7</td>
<td>3.0</td>
<td>-31.0†</td>
</tr>
<tr>
<td>Exports – total (HRK)</td>
<td>4.3</td>
<td>1.7</td>
<td>-14.2</td>
</tr>
<tr>
<td>Import – total (HRK)</td>
<td>6.5</td>
<td>3.6</td>
<td>-20.9</td>
</tr>
<tr>
<td>Real net wages</td>
<td>2.2</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Total employment</td>
<td>3.3</td>
<td>4.1</td>
<td>0.1†</td>
</tr>
<tr>
<td>Total unemployment</td>
<td>-9.3</td>
<td>-10.5</td>
<td>4.6†</td>
</tr>
<tr>
<td>Registered unemployment rate</td>
<td>14.8*</td>
<td>13.2*</td>
<td>15.0*</td>
</tr>
<tr>
<td>LFS unemployment rate</td>
<td>9.6*</td>
<td>8.4*</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: CBS

1 Twelve-month average index indicating the change in prices in the last 12 months in comparison with the previous 12 months.
2 Employed in legal entities.
3 At the end of March 2009 in comparison with March 2008
4 At the end of 2007
5 Status in March 2008
6 Average quarterly rate.

Table 7. Average number of unemployed persons per gender in 2007 and 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>264,448</td>
<td>102,482</td>
<td>161,966</td>
</tr>
<tr>
<td>%</td>
<td>100.0</td>
<td>38.8</td>
<td>61.2</td>
</tr>
<tr>
<td>2008</td>
<td>236,741</td>
<td>89,540</td>
<td>147,201</td>
</tr>
<tr>
<td>%</td>
<td>100.0</td>
<td>37.8</td>
<td>62.2</td>
</tr>
<tr>
<td>Index 2008/2007</td>
<td>89.5</td>
<td>87.4</td>
<td>90.9</td>
</tr>
</tbody>
</table>
Table 8. Unemployed persons per length of unemployment (31 December 2007 and 2008)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>50,052</td>
<td>19.7</td>
<td>54,207</td>
<td>22.5</td>
<td>108.3</td>
</tr>
<tr>
<td>From 3 to 6 months</td>
<td>29,584</td>
<td>11.6</td>
<td>28,348</td>
<td>11.8</td>
<td>95.8</td>
</tr>
<tr>
<td>From 6 to 9 months</td>
<td>12,875</td>
<td>5.1</td>
<td>12,865</td>
<td>5.4</td>
<td>99.9</td>
</tr>
<tr>
<td>From 9 to 12 months</td>
<td>12,882</td>
<td>5.1</td>
<td>12,211</td>
<td>5.1</td>
<td>94.8</td>
</tr>
<tr>
<td>From 1 to 2 years</td>
<td>35,200</td>
<td>13.8</td>
<td>29,122</td>
<td>12.1</td>
<td>82.7</td>
</tr>
<tr>
<td>From 2 to 3 years</td>
<td>21,261</td>
<td>8.4</td>
<td>18,635</td>
<td>7.7</td>
<td>87.6</td>
</tr>
<tr>
<td>More than 3 years</td>
<td>92,630</td>
<td>36.4</td>
<td>85,067</td>
<td>35.4</td>
<td>91.8</td>
</tr>
<tr>
<td>TOTAL</td>
<td>254,484</td>
<td>100.0</td>
<td>240,455</td>
<td>100.0</td>
<td>94.5</td>
</tr>
</tbody>
</table>

Table 9. Unemployed persons according to length of unemployment and gender (31 December 2008)

<table>
<thead>
<tr>
<th>Length of Unemployment</th>
<th>Total</th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>54,207</td>
<td>22.761</td>
<td>31,446</td>
</tr>
<tr>
<td>From 3 to 6 months</td>
<td>28,348</td>
<td>11.029</td>
<td>17,319</td>
</tr>
<tr>
<td>From 6 to 9 months</td>
<td>12,865</td>
<td>4.688</td>
<td>8,177</td>
</tr>
<tr>
<td>From 9 to 12 months</td>
<td>12,211</td>
<td>4.528</td>
<td>7,683</td>
</tr>
<tr>
<td>From 1 to 2 years</td>
<td>29,122</td>
<td>10.248</td>
<td>18,874</td>
</tr>
<tr>
<td>From 2 to 3 years</td>
<td>18,635</td>
<td>6.407</td>
<td>12,228</td>
</tr>
<tr>
<td>More than 3 years</td>
<td>85,067</td>
<td>30.808</td>
<td>30,808</td>
</tr>
<tr>
<td>TOTAL</td>
<td>240,455</td>
<td>90.469</td>
<td>149,989</td>
</tr>
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</table>

Table 10. Structure of unemployed persons according to length of unemployment and education level (31 December 2008)

<table>
<thead>
<tr>
<th>Length of Unemployment</th>
<th>Total</th>
<th>No schooling and primary school leavers</th>
<th>Primary school</th>
<th>Sec. voc. educ. of up to 3 years and qualified and highly qualif. workers</th>
<th>Sec. vocat. 4-year education and general secondary education (gymn.)</th>
<th>Postsecondary education, first academic degree, associate degree</th>
<th>Schools of higher education, universities, academies of art, master’s and doctoral studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>22.5</td>
<td>11.7</td>
<td>19.0</td>
<td>23.3</td>
<td>25.4</td>
<td>30.2</td>
<td>32.3</td>
</tr>
<tr>
<td>From 3 to 6 months</td>
<td>11.8</td>
<td>6.2</td>
<td>8.8</td>
<td>12.5</td>
<td>14.8</td>
<td>12.9</td>
<td>13.9</td>
</tr>
<tr>
<td>From 6 to 9 months</td>
<td>5.4</td>
<td>3.6</td>
<td>4.6</td>
<td>5.4</td>
<td>5.9</td>
<td>7.5</td>
<td>7.3</td>
</tr>
<tr>
<td>From 9 to 12 months</td>
<td>5.1</td>
<td>4.2</td>
<td>4.7</td>
<td>4.9</td>
<td>5.5</td>
<td>6.5</td>
<td>6.1</td>
</tr>
<tr>
<td>From 1 to 2 years</td>
<td>12.1</td>
<td>11.3</td>
<td>11.7</td>
<td>11.5</td>
<td>13.4</td>
<td>12.5</td>
<td>12.1</td>
</tr>
<tr>
<td>From 2 to 3 years</td>
<td>7.7</td>
<td>8.4</td>
<td>8.2</td>
<td>7.3</td>
<td>8.0</td>
<td>6.7</td>
<td>7.2</td>
</tr>
<tr>
<td>More than 3 years</td>
<td>35.4</td>
<td>54.6</td>
<td>43.0</td>
<td>35.0</td>
<td>27.0</td>
<td>23.6</td>
<td>21.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: CES
Table 11. Costs of social protection (% of GDP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs</td>
<td>22.6</td>
<td>23.0</td>
<td>23.0</td>
<td>21.7</td>
<td>20.7</td>
<td>20.3</td>
<td>19.3</td>
<td>18.8</td>
<td>19.0</td>
<td>19.1</td>
<td>26.9</td>
<td>27.5</td>
</tr>
</tbody>
</table>

Source: for RH: MF (Classification according to GFS Manual 1986); for EU: Eurostat

Note: Data until 2004 include expenditure by consolidated central government and costs of non-consolidated local and territorial (regional) self-government. Data for 2005 and 2006 represent non-consolidated sum of costs of the state budget and local and territorial (regional) self-government without the administrative costs of social insurance funds (CIPI, CIHI, CES) which equals approximately 1% of GDP. Figures for 2007 and 2008 include all expenditures of CIPI, CIHI and CES. Since 2002, data pertaining to local and regional self-government cover only the 53 largest units, which account for 70-80% of the total transactions of local and regional self-government.

Table 12. Structure of Total Social Expenditures in RC (% of GDP)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditures</td>
<td>19.3349</td>
<td>18.7863</td>
<td>19.0199</td>
<td>19.1023</td>
</tr>
<tr>
<td>Health</td>
<td>5.1029</td>
<td>5.1533</td>
<td>5.3879</td>
<td>5.6007</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sickness and disability</td>
<td>2.0947</td>
<td>2.1093</td>
<td>2.3394</td>
<td>2.3680</td>
</tr>
<tr>
<td>Old age and survivors</td>
<td>9.1660</td>
<td>8.8048</td>
<td>8.3406</td>
<td>8.3492</td>
</tr>
<tr>
<td>Family and children</td>
<td>1.8024</td>
<td>1.6886</td>
<td>1.7375</td>
<td>1.7005</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.4662</td>
<td>0.3836</td>
<td>0.3326</td>
<td>0.3129</td>
</tr>
<tr>
<td>Housing</td>
<td>0.0130</td>
<td>0.0137</td>
<td>0.0116</td>
<td>0.0084</td>
</tr>
<tr>
<td>Social exclusion n.e.c.</td>
<td>0.2915</td>
<td>0.2338</td>
<td>0.2309</td>
<td>0.2211</td>
</tr>
<tr>
<td>R&amp;D Social protection</td>
<td>0.0073</td>
<td>0.0067</td>
<td>0.0065</td>
<td>0.0174</td>
</tr>
<tr>
<td>Social protection n.e.c.</td>
<td>0.3810</td>
<td>0.3925</td>
<td>0.4330</td>
<td>0.5240</td>
</tr>
</tbody>
</table>

Source: MoF (classification per GFS Manual 2001, IMF)

Table 13. GDP per Capita per Regions and Counties

<table>
<thead>
<tr>
<th>Region and Counties</th>
<th>GDP per capita (EUR)</th>
<th>GDP per capita (RC=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Croatia</td>
<td>5 752</td>
<td>6 759</td>
</tr>
<tr>
<td>Northwest Croatia</td>
<td>7 111</td>
<td>8 405</td>
</tr>
<tr>
<td>City of Zagreb</td>
<td>9 674</td>
<td>11 527</td>
</tr>
<tr>
<td>Zagreb</td>
<td>4 166</td>
<td>5 249</td>
</tr>
<tr>
<td>Krapina-Zagorje</td>
<td>4 639</td>
<td>5 001</td>
</tr>
<tr>
<td>Varaždin</td>
<td>5 422</td>
<td>6 338</td>
</tr>
<tr>
<td>Koprivnica-Križevci</td>
<td>5 894</td>
<td>6 441</td>
</tr>
<tr>
<td>Medimurje</td>
<td>4 855</td>
<td>5 535</td>
</tr>
<tr>
<td>Central and Eastern Croatia</td>
<td>4 388</td>
<td>4 910</td>
</tr>
<tr>
<td>Bjelovar-Bilogora</td>
<td>4 550</td>
<td>5 135</td>
</tr>
<tr>
<td>Virovitica-Podravina</td>
<td>4 654</td>
<td>5 176</td>
</tr>
<tr>
<td>Požega-Slomonja</td>
<td>4 320</td>
<td>5 020</td>
</tr>
<tr>
<td>Brod-Posavina</td>
<td>3 633</td>
<td>4 065</td>
</tr>
<tr>
<td>Osijek-Baranja</td>
<td>4 537</td>
<td>5 199</td>
</tr>
<tr>
<td>Vukovar-Srijem</td>
<td>3 528</td>
<td>4 127</td>
</tr>
<tr>
<td>Karlovac</td>
<td>5 054</td>
<td>5 408</td>
</tr>
<tr>
<td>Sisak-Moslavina</td>
<td>5 067</td>
<td>5 349</td>
</tr>
<tr>
<td>Adriatic Croatia</td>
<td>5 464</td>
<td>6 578</td>
</tr>
<tr>
<td>Primorje-Gorski Kotar</td>
<td>6 765</td>
<td>7 997</td>
</tr>
<tr>
<td>Lika-Senj</td>
<td>4 822</td>
<td>7 247</td>
</tr>
<tr>
<td>Zadar</td>
<td>4 497</td>
<td>5 806</td>
</tr>
<tr>
<td>Sibenik-Knin</td>
<td>3 953</td>
<td>5 019</td>
</tr>
<tr>
<td>Split-Dalmatia</td>
<td>4 468</td>
<td>5 192</td>
</tr>
<tr>
<td>Istra</td>
<td>7 728</td>
<td>9 275</td>
</tr>
<tr>
<td>Dubrovnik-Neretva</td>
<td>5 146</td>
<td>5 990</td>
</tr>
</tbody>
</table>

Source: CBS
Table 14. Poverty and inequality indicators (according to the Laeken methodology)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At-risk-of-poverty rate (%)</td>
<td>17.2</td>
<td>18.2</td>
<td>16.9</td>
<td>16.7</td>
<td>17.5</td>
<td>16.3</td>
<td>17.4</td>
<td>16</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>At-risk-of-poverty threshold for single household (illustrative values)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in HRK</td>
<td>17,966</td>
<td>19,254</td>
<td>18,896</td>
<td>20,714</td>
<td>21,238</td>
<td>22,196</td>
<td>23,969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in EUR</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>7,576*</td>
<td>9,299*</td>
<td>1,846*</td>
<td></td>
</tr>
<tr>
<td>- in PPS</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>7,603*</td>
<td>8,923*</td>
<td>3,211*</td>
<td></td>
</tr>
<tr>
<td>At-risk-of-poverty threshold for household consisting of two adults and two children (illustrative values)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in HRK</td>
<td>37,728</td>
<td>40,433</td>
<td>39,681</td>
<td>43,499</td>
<td>44,599</td>
<td>46,611</td>
<td>50,335</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in EUR</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>15,911*</td>
<td>19,527*</td>
<td>3,877*</td>
<td></td>
</tr>
<tr>
<td>- in PPS</td>
<td>...</td>
<td>...</td>
<td>8,675#</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>15,966*</td>
<td>18,738*</td>
<td>6,742*</td>
<td></td>
</tr>
<tr>
<td>At-risk-of-poverty rate before social transfers (pensions included in income) (%)</td>
<td>34.7</td>
<td>33.7</td>
<td>33.3</td>
<td>24.0</td>
<td>25.8</td>
<td>24.1</td>
<td>24.3</td>
<td>26</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>At-risk-of-poverty rate before social transfers (pensions excluded from income) (%)</td>
<td>42.9</td>
<td>40.0</td>
<td>42.3</td>
<td>41.4</td>
<td>43.2</td>
<td>41.8</td>
<td>41.6</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Relative at-risk-of-poverty gap (%)</td>
<td>22.7</td>
<td>23.2</td>
<td>21.1</td>
<td>22.4</td>
<td>22.9</td>
<td>22.5</td>
<td>21.9</td>
<td>22</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Dispersion around the at-risk-of-poverty threshold</td>
<td>40%</td>
<td>5.8</td>
<td>6.3</td>
<td>5.2</td>
<td>5.2</td>
<td>5.4</td>
<td>5.1</td>
<td>5.2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>10.5</td>
<td>11.7</td>
<td>10.2</td>
<td>10.5</td>
<td>10.7</td>
<td>10.4</td>
<td>10.5</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td>24.1</td>
<td>26.0</td>
<td>24.6</td>
<td>24.3</td>
<td>25.5</td>
<td>24.2</td>
<td>24.0</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Quintile ratio (S80/S20)</td>
<td>4.3</td>
<td>4.5</td>
<td>4.4</td>
<td>4.5</td>
<td>4.5</td>
<td>4.2</td>
<td>4.3</td>
<td>4.8</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>0.28</td>
<td>0.29</td>
<td>0.29</td>
<td>0.29</td>
<td>0.29</td>
<td>0.28</td>
<td>0.28</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Source: for Croatia: CBS. Household Budget Survey
For EU25, EU15 and EU10: Eurostat.
# Source: Eurostat
* Data refer to 2003.
Note: In the EU15 countries income includes income in cash only, while in other countries (including Croatia) total income comprises both income in cash and income in kind. Income in kind is partly included in total income as it is considered to be an important component of total disposable income in these countries. Income in kind includes e.g. privately produced goods intended for personal consumption (food produced by the household itself) or free services as part of a professional activity.

Table 15. At-risk-of-poverty rates in the Republic of Croatia with breakdown by different features (Laeken methodology)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-risk-of-poverty rate</td>
<td>17.2</td>
<td>18.2</td>
<td>16.9</td>
<td>16.7</td>
<td>17.5</td>
<td>16.3</td>
<td>17.4</td>
</tr>
<tr>
<td>At-risk-of-poverty rate by age and gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>15.4</td>
<td>17.7</td>
<td>15.8</td>
<td>15.1</td>
<td>15.9</td>
<td>15.1</td>
<td>15.9</td>
</tr>
<tr>
<td>F</td>
<td>18.7</td>
<td>18.6</td>
<td>17.9</td>
<td>18.1</td>
<td>18.9</td>
<td>17.4</td>
<td>18.7</td>
</tr>
<tr>
<td>0-15 yrs.</td>
<td>15.9</td>
<td>16.7</td>
<td>15.2</td>
<td>14.8</td>
<td>19.7</td>
<td>13.8</td>
<td>15.4</td>
</tr>
<tr>
<td>M</td>
<td>13.9</td>
<td>17.9</td>
<td>15.6</td>
<td>13.7</td>
<td>18.2</td>
<td>14.1</td>
<td>14.9</td>
</tr>
<tr>
<td>F</td>
<td>18.0</td>
<td>15.4</td>
<td>14.7</td>
<td>15.9</td>
<td>21.3</td>
<td>13.5</td>
<td>16.0</td>
</tr>
<tr>
<td>16-24 yrs.</td>
<td>15.2</td>
<td>16.4</td>
<td>15.4</td>
<td>13.1</td>
<td>15.3</td>
<td>11.9</td>
<td>15.0</td>
</tr>
<tr>
<td>M</td>
<td>16.9</td>
<td>19.0</td>
<td>16.2</td>
<td>13.5</td>
<td>15.9</td>
<td>12.6</td>
<td>14.2</td>
</tr>
<tr>
<td>F</td>
<td>13.6</td>
<td>13.5</td>
<td>14.6</td>
<td>12.7</td>
<td>14.7</td>
<td>11.1</td>
<td>15.9</td>
</tr>
<tr>
<td>25-49 yrs.</td>
<td>13.3</td>
<td>13.9</td>
<td>12.5</td>
<td>12.3</td>
<td>13.1</td>
<td>11.2</td>
<td>11.7</td>
</tr>
<tr>
<td>M</td>
<td>12.6</td>
<td>14.0</td>
<td>12.4</td>
<td>12.3</td>
<td>12.9</td>
<td>11.2</td>
<td>11.5</td>
</tr>
<tr>
<td>F</td>
<td>14.0</td>
<td>13.7</td>
<td>12.7</td>
<td>12.4</td>
<td>13.2</td>
<td>11.3</td>
<td>11.9</td>
</tr>
</tbody>
</table>
### At-risk-of-poverty rate by most frequent activity status and gender

<table>
<thead>
<tr>
<th>Activity Status</th>
<th>M</th>
<th>50-64 yrs.</th>
<th>65 and more</th>
<th>F</th>
<th>50-64 yrs.</th>
<th>65 and more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>5.2</td>
<td>5.8</td>
<td>5.2</td>
<td>9.9</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Self-employed</td>
<td>20.1</td>
<td>19.0</td>
<td>18.4</td>
<td>22.6</td>
<td>19.7</td>
<td>18.5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>20.0</td>
<td>17.3</td>
<td>16.8</td>
<td>21.7</td>
<td>20.3</td>
<td>18.6</td>
</tr>
<tr>
<td>Pensioners</td>
<td>21.3</td>
<td>23.2</td>
<td>20.7</td>
<td>20.5</td>
<td>19.3</td>
<td>22.7</td>
</tr>
<tr>
<td>Other economically inactive</td>
<td>22.7</td>
<td>22.7</td>
<td>22.7</td>
<td>23.0</td>
<td>26.8</td>
<td>27.3</td>
</tr>
</tbody>
</table>

### At-risk-of-poverty rate by household type and age

<table>
<thead>
<tr>
<th>Household Type</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single household</td>
<td>33.3</td>
<td>35.1</td>
<td>34.7</td>
<td>35.9</td>
<td>33.1</td>
</tr>
<tr>
<td>Person between 30 and 64</td>
<td>26.1</td>
<td>26.2</td>
<td>24.7</td>
<td>28.1</td>
<td>25.7</td>
</tr>
<tr>
<td>Person aged 65 and more</td>
<td>40.4</td>
<td>41.2</td>
<td>41.8</td>
<td>41.9</td>
<td>35.2</td>
</tr>
</tbody>
</table>

### At-risk-of-poverty rate by tenure status

| Tenant or subtenant         | 20.7 | 18.9 | 20.2 | (10.5) | 21.6 | 19.3 |
| Owner or free housing       | 17.0 | 18.1 | 16.8 | 17.0   | 17.3 | 16.2 |

Source: CBS. Household Budget Survey

Note: Poverty indicators for the Republic of Croatia were calculated from the data on the total net income collected by statistical research Household Budget Survey (HBS). The survey was carried out on a sample of randomly selected private households, so that the sample for each year was defined separately, i.e. there is no panel sample (households are not repeated in the following year). Net household income, in addition to cash, also includes income in kind. Poverty indicators, until the introduction of the SILC research (Statistics of Income and Living Conditions) into Croatian statistical system, will be calculated from the data collected by HBS. Since the data for the EU countries are calculated from the data of SILC which is methodologically different from HBS, this should be taken into account in comparing the data for RC and EU countries.

( ) Insufficiently reliable data

Table 16. Beneficiaries of permanent social assistance (%)
<table>
<thead>
<tr>
<th>Age group</th>
<th>10.0</th>
<th>11.1</th>
<th>11.8</th>
<th>12.5</th>
<th>12.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-15</td>
<td>15.8</td>
<td>16.2</td>
<td>16.2</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td>15-18</td>
<td>6.0</td>
<td>5.9</td>
<td>6.1</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>18-30</td>
<td>10.8</td>
<td>10.6</td>
<td>9.4</td>
<td>9.4</td>
<td>9.4</td>
</tr>
<tr>
<td>30-40</td>
<td>13.5</td>
<td>13.0</td>
<td>12.6</td>
<td>12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>40-50</td>
<td>15.2</td>
<td>14.9</td>
<td>14.4</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>50-60</td>
<td>10.0</td>
<td>11.1</td>
<td>11.7</td>
<td>12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>60-75</td>
<td>11.8</td>
<td>11.8</td>
<td>12.5</td>
<td>12.4</td>
<td>12.4</td>
</tr>
<tr>
<td>75 and more</td>
<td>4.1</td>
<td>4.1</td>
<td>4.7</td>
<td>5.0</td>
<td>5.0</td>
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</table>

By employment status

<table>
<thead>
<tr>
<th>Employment status</th>
<th>0.7</th>
<th>0.6</th>
<th>0.6</th>
<th>0.5</th>
<th>0.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>1.2</td>
<td>1.0</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Self-employed</td>
<td>2.0</td>
<td>1.6</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Unemployed</td>
<td>45.3</td>
<td>46.1</td>
<td>45.6</td>
<td>44.5</td>
<td>43.3</td>
</tr>
<tr>
<td>Pensioner</td>
<td>30.3</td>
<td>31.2</td>
<td>31.7</td>
<td>31.0</td>
<td>30.1</td>
</tr>
<tr>
<td>Others</td>
<td>5.8</td>
<td>4.6</td>
<td>4.1</td>
<td>4.3</td>
<td>5.7</td>
</tr>
</tbody>
</table>

By duration of receiving social assistance

<table>
<thead>
<tr>
<th>Duration</th>
<th>8.8</th>
<th>8.4</th>
<th>8.4</th>
<th>8.4</th>
<th>8.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 6 m.</td>
<td>13.4</td>
<td>12.4</td>
<td>11.1</td>
<td>11.2</td>
<td>10.6</td>
</tr>
<tr>
<td>6 m. – 1 y.</td>
<td>19.5</td>
<td>18.9</td>
<td>18.2</td>
<td>18.0</td>
<td>16.5</td>
</tr>
<tr>
<td>1-2 y.</td>
<td>24.3</td>
<td>29.7</td>
<td>29.4</td>
<td>27.8</td>
<td>25.7</td>
</tr>
<tr>
<td>2-5 y.</td>
<td>29.6</td>
<td>23.0</td>
<td>24.6</td>
<td>24.3</td>
<td>25.9</td>
</tr>
<tr>
<td>5-10 y.</td>
<td>4.4</td>
<td>7.6</td>
<td>8.4</td>
<td>10.2</td>
<td>12.6</td>
</tr>
</tbody>
</table>

By education of applicant *

<table>
<thead>
<tr>
<th>Education</th>
<th>43.2</th>
<th>39.9</th>
<th>40.1</th>
<th>39.7</th>
<th>40.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>No education or incomplete primary school education</td>
<td>30.2</td>
<td>32.0</td>
<td>32.2</td>
<td>31.2</td>
<td>31.4</td>
</tr>
<tr>
<td>Completed primary school</td>
<td>24.8</td>
<td>26.4</td>
<td>26.0</td>
<td>27.3</td>
<td>26.3</td>
</tr>
<tr>
<td>Secondary school</td>
<td>1.8</td>
<td>1.7</td>
<td>1.6</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Post-secondary school</td>
<td>48.2</td>
<td>48.3</td>
<td>49.1</td>
<td>50.4</td>
<td>51.4</td>
</tr>
</tbody>
</table>

By household type

<table>
<thead>
<tr>
<th>Household type</th>
<th>6.8</th>
<th>6.7</th>
<th>6.4</th>
<th>5.9</th>
<th>5.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single parent</td>
<td>30.5</td>
<td>31.9</td>
<td>31.1</td>
<td>30.8</td>
<td>30.5</td>
</tr>
<tr>
<td>Families without children</td>
<td>14.5</td>
<td>13.1</td>
<td>13.4</td>
<td>12.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Singles and families with no income sources</td>
<td>94.0</td>
<td>93.7</td>
<td>91.9</td>
<td>93.4</td>
<td>...</td>
</tr>
</tbody>
</table>

* "Benefit applicant" is the person who applied for the benefit on behalf of him/herself and the family while the term "beneficiaries" refers to the applicant and all the members of the family making use of the benefit received.

5.2. Good practice examples

5.2.1. Appendix 1. Child protection and support to high risk families in the local community

<table>
<thead>
<tr>
<th>Name of measure</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Child Protection and Support to High Risk Families in the Local Community&quot;</td>
<td>Croatia</td>
</tr>
</tbody>
</table>

End purpose of the measure

Contribution to the development of non-institutional services for the protection of children from high risk families in the local community for the purpose of prevention of institutionalization of children and reducing the number of institutionalised children, as well as prevention of social exclusion of children and risk families.

Main results and summary

Provided the available service of counselling for children from high risk families and their parents/foster parents in the local community.
Introduced a coordinated and complementary approach of providing social services of psychosocial treatment between the CSWs and NGOs active in the field of protection of children and families in the local community.

<table>
<thead>
<tr>
<th>Targeted beneficiaries</th>
<th>Policy focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Population</td>
<td>Social exclusion X</td>
</tr>
<tr>
<td>Children</td>
<td>Health care</td>
</tr>
<tr>
<td>Single-parent Families</td>
<td>Long-term care</td>
</tr>
<tr>
<td>Unemployed</td>
<td>Management</td>
</tr>
<tr>
<td>Older People</td>
<td></td>
</tr>
<tr>
<td>Youth</td>
<td></td>
</tr>
<tr>
<td>People with Disabilities</td>
<td></td>
</tr>
<tr>
<td>Immigrants/ Refugees</td>
<td></td>
</tr>
<tr>
<td>Ethnic minorities</td>
<td></td>
</tr>
<tr>
<td>Homeless</td>
<td></td>
</tr>
<tr>
<td>Specific Illness/disease</td>
<td></td>
</tr>
<tr>
<td>Other [Please specify:]</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographical Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
</tr>
<tr>
<td>Regional X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association &quot;Children First&quot;, CSW Zagreb – Offices Dubrava and Sesvete</td>
</tr>
</tbody>
</table>

**Context/Background to the initiative**

The association "Children First" is a non profit organisation established in 1994. The mission of the association is to contribute to the development of civil society by means of improvement of the conditions of children’s upbringing, protection of family and advocating children’s rights. In 2004 the Central State Administrative Office for Property allocates to the NGO, on a recommendation of the MoFWVIGS, the premises for the Children and Family Centre in Dubrava – a Zagreb local community, with a population amounting to 97,332, whereof 10% were involved in some aspect of the treatment of the CSW Zagreb – Dubrava Office. In most cases the administrative measures are applied to the beneficiaries. In the recent years the CSW Zagreb records a continuous increase of interventions aimed at protection of children’s welfare. In 2007, in 1,392 cases, the warning measure was applied to the parents in cases of negligence and failure in children’s upbringing (Article 109 of the Family Act) and in 641 cases, the supervision over parental care measure was applied to the parents (Article 101 of the Family Act). In the same year the recorded number of children with behaviour disorders amounted to 1,110, what indicates that the incidence of behaviour disorders among children coincides with the high risk family relations.

For the purpose of the development of the Children and Family Centre the NGO established cooperation with CSW Dubrava. In the initial phase the cooperation was carried out primarily through assessment of the needs of the local community and the assessment of the need for education of employees of CSW Dubrava. In 2005 the NGO started with providing counselling services to children coming from high risk families and to their parents/foster parents, beneficiaries of the CSW Dubrava. Since 2008 the association established cooperation with CSW Sesvete as well. From July 2008 to July 2009 the counselling services comprised 269 beneficiaries (55% parents, 45% children). In 2008 the external evaluation of preventive and intervention projects, aimed at protection of children and families, was carried
out in partnership between the NGO and the CSW Dubrava during a three years period. Upon the evaluation the organisations jointly prepared the document defining the mechanisms for network access to providing of diversified social services - Protocol on Methods and Procedures of CSW Zagreb – office Dubrava and the Association Children First in the Field of Cooperation in Protection of Children and Families, Prevention of Behaviour Disorders of Children and Youth and Care of the Socially Vulnerable Individuals. The Document defines the obligations of particular implementing agencies, methods and procedures of implementing social services, as well as the methods and contents of cooperation between the organizations. The Protocol establishes the foundation for an integral approach in working with beneficiaries and incorporates partially the social services quality standards system as well. The integral approach to the provision of social services provides for availability of the services in the local community, contributes to prevention of children’s institutionalization and reducing of the number of children placed in institutions and correspondingly has an impact on prevention of social exclusion of the families.

Through networking of the existing resources in providing social services in the local community, as well as partnerships between the state institutions and civil society organisations the social services are decentralised and diversified, contribution is made towards local community development and a development of a welfare mix. The programme of providing social services of protection of children and families in a local community is thus harmonised with the Joint Inclusion Memorandum document, and in particular with Chapter 4.2. Access to Social Services and Social Protection Benefits, Measure 4.2.2 Social Services and Chapter 4.3. Prevention of the Exclusion Risk, Measure 4.3.2. Strengthening and Preserving the Family.

### Details of the initiative

1. **What is/was the timescale for implementing the initiative?**
   
The Programme is implemented from the end of 2004 and is still in process.

2. **Specific objectives**
   - Upgrade the quality of psychosocial and/or emotional adjustment of children by reducing the impacts of inadequate parents’ procedures in upbringing the children.
   - Improve the competences of parents with high risk behaviour and/or living in high risk conditions for responsible partnership.
   - Provide for available non-institutional counselling services for children coming from high risk families and for their parents/foster parents in the local community.
   - Initiate and influence the development of a network approach to providing social services in the protection of children and families in the local community.

3. **How did the initiative address these objectives?**
   
The Programme is based on networking of the existing resources in the local community aimed at providing for non-institutional services which are not available in the local community and are based on the local need. The non-institutional counselling services supplement the existing CSW services of treatment for high risk families by means of providing of continuous, coordinated and individualised approach in alleviating or addressing the family issues. In the provision of counselling services in case of applying measures of family-legal protection (Warning the parents on failures and omissions in children’s upbringing and care, pursuant to Article 109 of Family Act; decision of the centre on
supervision of parental care pursuant to Article 110 of Family Act; decision of the court on suspension of parental right to live with his child) the original assumption is the paradigm of human rights and individualised approach in line with the expectations and measurable outcomes, the services efficiency criteria are modified and introduced the non-institutional education system for the CSW employees, as well as the supervision system.

The identification of beneficiaries (parents/foster parents subject to some of the measures of family-legal protection due to negligence in care and upbringing and children manifesting significant problems in psycho-social or emotional functioning) is performed by CSW and the beneficiaries are advised to use the counselling services provided by the association. In implementing the counselling services the association applies the family approach, what presents an additional value, since the intervention is available to all family members. The family approach provides also for harmonising of the interventions between the parents, children and other family members, what contributes to viability of preventive family factors. The counselling services and individualised approach provide for strengthening of the parents’ personal and parental resources and protective interpersonal mechanisms in the family, as well as for reducing or eliminating the children’s emotional issues and issues of psycho-social adaptation.

The CSW employees and the NGO exchange information regularly during their joint supervisions and follow up the implementation of individual plans of beneficiaries, using the mechanisms provided for by the Protocol on Methods and Procedures of CSW Zagreb – Office Dubrava and the Association Children First in the Field of Cooperation in Protection of Children and Families, Prevention of Behavioural Disorders of Children and Youth and Care of the Socially Vulnerable Individuals. The supervisions are also aimed at establishing peer support in detecting the appropriate approach to the beneficiaries and strengthen the professional competence of the project implementing agency.

The non-institutional education of CSW employees and the NGO increases the personal and professional capacities for the purpose of maintaining the quality standards in work with the beneficiaries.

**Monitoring and evaluation**

**How is/was the measure monitored/evaluated?**

The program of counselling services is monitored by mechanisms and instruments defined in the Protocol on Methods and Procedures of CSW Zagreb – Regional Office Dubrava and the Association Children First in the Field of Cooperation in Protection of Children and Families, Prevention of Behavioural Disorders of Children and Youth and Care of the Socially Vulnerable Individuals. Additionally, the internal evaluation of impact on the beneficiaries is performed with respect to the defined indicators and expected outcomes.

In early 2008 the association carried out an external evaluation of Preventive and Intervention Projects of Children and Family Protection of the Children and Family Centre, which was performed by the Association Children First in cooperation with the Centre of Social Welfare Zagreb – Office Dubrava in the period 2005-2008.

The main goals of evaluation were the following: to identify the relevance of the projects with respect to the local needs and reform processes; to investigate the
degree of accomplishing the goals of the Children and Family Centre; to analyse the quality of partnership projects between the association and the CSW and other stakeholders (schools, family medicine practitioners); to identify the possible challenges in the implementation and prepare the recommendations for follow-up.

Since July 2008 the programme of counselling services is implemented through the Innovation and Education Programme of the MoHSW, which will be finished in August 2009. The main goals of the evaluation which is in process are the following: to assess the efficiency of the project with respect to the specific goals, the efficiency and adequacy of the project activities, with emphasis to improving the capacities of participating organizations/institutions; assess the efficiency of the cooperation model between the Association Children First and the CSW Zagreb – Office Dubrava and Office Sesvete with respect to the costs and benefits and to evaluate the sustainability of the project with respect to the sustainability of the outcomes and the possibility of multiplication of the project activities.

Outcomes

1. **To what extent have the specific objectives been met?**

The findings of the external evaluation and internal evaluation of the association indicate that the positive changes were recorded with 94% of children, beneficiaries of services, in line with the defined and anticipated outcomes for beneficiaries (increased positive interaction with family members and persons of the same age, reduced number of incident prone behaviour in the school or kindergarten, better success in school, increased confidence of the child, reduced psychosomatic disorders evidenced at the beginning of the treatment). In addition, among 85% of parents involved in psychosocial treatment the parental knowledge and skills were increased, resulting in positive behavioural changes (prolonged time of active and incentive occupation with the child, reduced incidence of destructive conflicts with the child, better insight in personal situation with less unrealistic expectations referring to developmental capacities of the child and/or crisis situation in the family). With 68% of parents with high risk behaviour (violent family relations, serious cases of children negligence or abuse) the serious aspects of inadequate care and upbringing of children was deterred.

The findings of external evaluation, carried out in 2008 indicate the relevance of extending the non-institutional services, not available in local community, based on the local need, as well as the quality reflected in individual approach to the beneficiary and planning of services in line with the beneficiaries’ needs.

2. **With what obstacles/risks was the implementing of the initiative faced?**

The major obstacles refer to the issue of viability of the services provided by the association and insufficient strategic or mandatory support of the decision makers and state services, which should and/or could have more impact at national and local level. The viability of associations providing social services and their role in the welfare mix, depends, in spite of the proclaimed principles, on previous progress in reforms and liabilities with respect to European integration and the state strategic documents, mostly on defining of the mechanism system, which will provide for contracting the provision of social services by the civil society organisations.

3. **How were these obstacles and risks addressed?**

With a view to providing for long-term viability of social services provided by the
association the activities referring to advocating changes in the CSOs social services financing system were intensified in the relevant ministries, local administration offices, Office for Cooperation with NGOs and through the Coordination of Association for Children in Croatia (formal network comprising 20 associations working with/for the children in Croatia).

4. Were there any unexpected benefits or weaknesses?

The unexpected benefits are reflected in the fact that 45% of parents, beneficiaries of counselling services, continue upon accomplishing the treatment some aspects of personal contacts in mutual support and assistance, extending thus the network of social support. This outcome is in particular significant from the aspect of long-term viability of modification of parents’ behaviour and prevention of social exclusion.

The additional benefits are reflected in the extension of services to the service of organised custody over children (younger minors) during the group counselling services provided to parents, in cooperation with the volunteers. This service contributes significantly to the family approach in work with the beneficiaries and provides for continuity of participation of parents in counselling services.

The additional benefit contributing to the networked and integrated system of providing social services are also the association’s working premises, comprising the appropriately arranged play-room for children. The play-room is used within the implementation of the measure *Supervision Over Contacts Between the Child and the Parent not Living with the Child* (measure rendered by the municipal court on proposal of CSW and implemented by professional staff of CSW). In this way the organizational and material deficiencies of the CSW Dubrava and Sesvete are compensated, enabling thus the implementation of the measure in the premises providing for privacy and material context appropriate for the needs of children and parents. Significant interest in this type of service is indicated by the Municipal Civil Court in Zagreb for the purpose of providing for adequate premises for implementing the measure for the beneficiaries of other regional offices of CSW Zagreb.

5.2.2. Appendix 2. Programme of intergenerational solidarity: "Assistance of Volunteers in Day Care for the Elderly"

<table>
<thead>
<tr>
<th>Title of the measure</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot programme: &quot; Assistance of Volunteers in Day Care for the Elderly&quot;</td>
<td>Republic of Croatia</td>
</tr>
</tbody>
</table>

End purpose of the measure

Improvement of the quality of living of elderly and promotion of volunteering in non-institutional care for elderly.

Main results, summary

Organizing of various cultural, entertainment, educational and recreational programmes for elderly in their immediate vicinity.

Active involvement of the local community in care for elderly members by services of volunteers and extending the solidarity network.

<table>
<thead>
<tr>
<th>Target beneficiaries</th>
<th>Policy focus</th>
</tr>
</thead>
</table>
Context/Background to the Initiative

The basis of the Elderly Services Development Programme, implemented by MoFWVIGS in cooperation with LRSGU follow the demographic changes in the population, resulting from an increase of the share of elderly population, in particular of the singles, changes of the traditional family forms and intergenerational relations in care for the oldest family members, significant migrations and mobility of the active part of population, alienation in interpersonal relations, aspiration of elderly for independence within their home and meeting of their needs for social inclusion.

In addition, by adoption of the Volunteering Act the MoFWVIGS intends to promote volunteering as a recognized activity of a special interest for the Republic of Croatia, based on voluntarily investment of time, effort, knowledge and skills for the benefit of the others or for public welfare.

Details of the initiative

1. **What is/was the timescale for implementing the initiative?**
   
   The initiative was launched in 2008 and continued in 2009.

2. **Specific Objectives**
   
   - Introducing of new services and programs for elderly in local communities
   - Promotion of engaging volunteers in elderly care
   - Promotion of elderly contribution in local community development
   - Promotion of intergenerational solidarity and active participation of citizens
   - Enhancing cooperation between central and local authorities and civil initiatives in raising the quality of living of the elderly

3. **How did the initiative address these objectives?**
   
   The MoFWVIGS invited tenders for projects for local and regional self-government units and based on the defined criteria 10 pilot communities were selected with the most successful volunteering initiatives and the cooperation contracts were signed with the said communities. Special attention was paid to the communities with lower capacities and the communities which were acting as volunteering promoters, engaged in motivating and involvement of volunteers, conceiving new services for elderly and evaluation of citizens’ participation in meeting the needs of elderly, as well as addressing their social exclusion.
### How is/was the measure monitored/evaluated?

The measure is followed up and monitored by:
- Written reports on implementation in the field
- Media presentations
- Booklets and leaflets
- Evaluation of satisfaction of beneficiaries and persons included in the implementation

### Outcomes

1. **To what extent have the specific objectives been met?**

The specific goals and initiatives have been fully accomplished:
- Participation of 10 local self government units and 16 civil society organizations
- New services provided for 886 elderly
- Involvement of 96 volunteers in the age 12 – 75, whereof 79 women, 17 men and 29 volunteers of older age
- Improved information on the needs of elderly and organized services in 10 local communities
- Improved cooperation between the public and civil sector
- Achieved significant civil activism, since the primary and secondary schools, citizens associations, entrepreneurs, local media, musicians, tourist boards and elderly, their friends, neighbours and relatives participated in mobilization of volunteers

2. **With what obstacles/risks was the implementation of the initiative faced?**

No significant obstacles or risks have been recorded in implementation of the initiative.

3. **How were these obstacles and risks addressed?**

4. **Were there any unexpected benefits or weaknesses?**

The benefit of the initiative is the establishing of cooperation between the Ministry of the Family, War Veterans and Intergenerational Solidarity and 10 local self-government units, which were the field implementing agencies, since the Ministry develops with them various non-institutional programmes for elderly during the 5 years period.

### 5.2.3. Appendix 3. Silver Rehabilitation Centre – Non-institutional care for disabled persons

<table>
<thead>
<tr>
<th>Title of measure</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver Rehabilitation Centre</td>
<td>Croatia</td>
</tr>
</tbody>
</table>

The benefit of the initiative is the establishing of cooperation between the Ministry of the Family, War Veterans and Intergenerational Solidarity and 10 local self-government units, which were the field implementing agencies, since the Ministry develops with them various non-institutional programmes for elderly during the 5 years period.

The MoHSW, the City of Zagreb and the Croatian Guide Dog and Mobility Association have signed the agreement on co-financing the construction of the facility of the Croatian Guide Dog and Mobility Association. The three parties have signed the Contract on Establishing of
the Silver Rehabilitation Centre as well, agreeing thus upon the joint financing of the institution, whereby one third of the costs will be borne by each respective party.

The Centre’s activities are focused on the following areas:
- Orientation and mobility of the blind persons (training for independent navigation with the assistance of a cane and trained guide dogs);
- Training and allocation of rehabilitation dogs to persons in wheelchairs and persons with reduced mobility;
- Granting of therapeutic dogs to children with developmental impairments;
- Breeding of working dogs for humanitarian purposes;
- Educational-promotional activities aimed at sensibilisation of the public for specific needs of the blind persons and other disabled persons;
- Promotional campaigns and programmes aimed at fundraising and development of partnership with the sponsors.

Main results, summary

The beneficiaries of services within the rehabilitation processes in one year's period in the Silver Centre, providing for maximum occupation of working positions are the following:
- Blind persons and persons with a high degree of visual impairment in the programme of training for using the white cane (in average 30-40 persons);
- Blind persons by means of granting them trained guide dogs (in average 15-20 persons);
- Persons in wheelchairs by granting them the rehabilitation dogs (in average 10 dogs);
- Children with developmental impairments, elderly or persons with intellectual impairments through involvement of therapeutic dogs (in average 15-20 persons);
- Families of above mentioned disabled persons of all ages, through educational programmes on adoption and tackling with the specific features of particular disability or impairment;
- Groups of pre-school or school age children, local population, tourist groups within the educational-promotional programmes and development of volunteers’ support.

Target beneficiaries | Policy focus
--- | ---
General Population | Social Exclusion
Children | Healthcare
Single-parent Families | Long-term care
Unemployed | Governance
Older People | Geographic scope
Youth | National
People with Disabilities | Regional
Immigrants/ Refugees | Implementing agency
Ethnic minorities | SILVER Rehabilitation Centre
Homeless | Other [Please specify:]
Specific Illness/disease | SILVER Rehabilitation Centre

Context/Background to the initiative

The Silver Rehabilitation Centre was opened in mid 2008. The special feature of this Centre is that it is the first multidisciplinary rehabilitation centre in this part of Europe. By training in using of the white cane technique the Silver Centre provides for the first step of the blind persons in acquiring mobility and functioning. The trained dogs are of great importance to the blind persons, since they have, in addition to the newly acquired independence and mobility,
direct impact on the quality of the living of the blind persons. The rehabilitation dogs facilitate by their work the functioning and increase the independence of the persons in wheelchairs. By involving of the therapeutic dogs in work of experts or in the family the development processes of children with developmental impairments are stimulated. The value of the said Project amounts to HRK 14.6 million; the Centre was financed by the MoHSW, the City of Zagreb and Croatian Association for Training of Guide Dogs participated with amounts of HRK 5 million each. The facility of the Centre is located in the area totalling to 10 thousand square meters and the area of the Centre amounts to 1,407 square meters; the facility consists of 3 departments (Department for Rehabilitation and Integration of the Blind Persons and Other Persons with Physical Impairment, Department for Training of Guide Dogs, Rehabilitation Dogs and Therapeutic Dogs, with the internal veterinary medical clinic, Department of Supporting and Technical Services) and administration. The environment of the Centre is a tactile aromatic park designed for facilitated orientation of the blind persons when using the services. The accomplishing of the working&training area, purchasing of adequate working vehicles, as well as purchasing of the remaining computer equipment.

<table>
<thead>
<tr>
<th>Details of the initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Which is/was the time framework for implementation of the initiative?</td>
</tr>
<tr>
<td>In November 2003 the Agreement on Co-financing the Construction of the Centre Facility for Guide Dogs and Mobility was signed between the MoHSW, the City of Zagreb and the Croatian Guide Dog and Mobility Association. The Silver Centre was opened on June 17, 2008 by concluding the Founder’s Contract as the first private partnership between the state and local administration bodies and one non-governmental organization.</td>
</tr>
<tr>
<td>2. Specific goals</td>
</tr>
<tr>
<td>The programme goals of the Silver Centre works and activities are the following:</td>
</tr>
<tr>
<td>- Increase of the number of blind persons and persons with high degree of visual impairment who were trained for independent navigation, either by using the white cane or by granting guide dogs, providing thus for enhanced quality of living</td>
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<tr>
<td>- Improving the quality of living and independence of the persons in wheelchairs and persons with reduced mobility by using the rehabilitation dogs;</td>
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<tr>
<td>- Achieving better results in therapeutic processes and enhancing the communication skills of children with developmental impairment by involvement of therapeutic dogs;</td>
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<tr>
<td>- Developing partnership with the representatives of private sector by promotion of social accountability of all society actors;</td>
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<tr>
<td>- Creating conditions for enhanced social inclusion of disabled persons in community, together with promotion of their human rights and the right to living with dignity.</td>
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<tr>
<td>3. How has the initiative addressed these goals?</td>
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<td>The Silver Centre has impact on independent and safe navigation of blind persons, on their quality of living and social involvement of these marginalized groups in society by providing services of training the blind persons for independent navigation either by assistance of the cane or by granting them the trained guide dogs, by granting the trained rehabilitation dogs to persons in wheelchairs and therapeutic dogs to children with developmental impairment. During the working age of the dog (in average 7 years) the employees of the Centre control the quality of the beneficiary’s work with the dog and the dog care. Through cooperation with educational institutions, the visits of citizens associations</td>
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</table>
to the Centre are organized with a view to informing public on the programmes implemented by the Centre.
Educational lectures for members of disabled persons associations and organizations with programmes for disabled persons with the purpose of raising awareness on the importance of orientation and mobility, as well as independent functioning in everyday life.
Apart of it the significant method of achieving the goals is breeding and production of guide dogs, rehabilitation and therapeutic dogs, providing for health protection and feeding of dogs in breeding, socialization and training programmes of such categories of working dogs.

**Follow up and evaluation**

<table>
<thead>
<tr>
<th><strong>How is/was the measure followed up and evaluated?</strong></th>
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<tr>
<td>The rehabilitation programmes of the Centre are based on the five years Strategic Action Plan providing for annual time schedule of each employee, department and support service. The annual scope of each trainer is harmonized with the standards of the International Guide Dog Federation, which provides for training standards and criteria both for the guide dogs and the other dogs for humanitarian purposes. According to above each trainer is assigned with the task of simultaneous training of 4-5 dogs, including finally the education of the person to which the dog is granted. The evaluation of outcomes of the implemented programmes is continuously carried out by filling in the questionnaires and obligatory quality control of the use of rehabilitation/therapeutic guide dogs by the expert team. Since the Croatian Guide Dog and Mobility Association and the Silver Centre grant the trained dogs free of charge, this implies the obligation to follow up the work quality of each working team during the working age.</td>
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</table>

**Outcomes**

1. **To which degree have the specific goals been met?**

   Meeting the goals of Centre’s activities is a continuous process of reintegration of the beneficiaries in society by means of the newly acquired independent navigation skills and performance of day-to-day activities.

   From its opening to the end of 2008 the overall number of 7 guide dogs was granted, 2 rehabilitation dogs and 5 therapeutic dogs, 16 persons were trained for independent navigation by using of the white cane technique. The breeding programme included the overall number of 4 litter with 33 puppies and in 2008 the overall number of 30-71 dogs of various age was included in socialization programme. From opening to the end of 2008 the overall number of 10 organized groups visited the Centre.

2. **With which obstacles/risk was the implementation of the initiative faced?**

   Since the Silver Centre is conceived and organized as an integral model of joint partner management and co-financing, the processes of agreement and harmonizing are not simple. The obstacle presents also the implementation of services standards and criteria in the current social welfare system in the Republic of Croatia, developed by now by the Croatian Guide Dog and Mobility Association by means of transposing and application of standards and criteria from the EU states. That is, the problem is the harmonization of the said innovative social services with the by now available models in the practice. This requires high flexibility by all three
partners and the adherence to the professional rules and standards for the benefit of the beneficiaries for whom the services are intended.

3. **How have the obstacles and risks been addressed?**

The analyses of the overall specific process of rehabilitation programmes implemented by the Silver Centre provides for harmonization of their justifiability and impacts on the quality of living both of the blind and other disabled persons, as well as of children with developmental impairments. The optimum solutions for future development of the said programmes require multidisciplinary approach of all interested parties.

4. **Were there any unexpected benefits or weaknesses?**

In previous activities of the Silver Centre the weakness was identified, i.e. the reluctance of the partners to promptly meet the needs of the institutions in every given moment, what presents a difficulty in Centre’s activities. The current economic crisis restricts and has negative impact on the conditions of the programme implementation in the Silver Centre.

As the benefit the level of recognition of the Silver Centre in society should be mentioned, in spite of the fact that it is in the initial phase of its activities, what derives from the sensibilization and information of the community on the human role of the dogs in life of disabled persons.

5.3. **ANNEX:**
SUBJECT: Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009

Osijek, July 22, 2009

Ministry of Health and Social Welfare
Zagreb, Ksaver 200a
Attn. Mrs. Dorica Nikolić,
State Secretary

Dear Madam,

With respect to your letter CLASS: 910-04/09-42/04, REF. NO: 534-09-1-7/2-08-21 of July 16, 2009, we would like to emphasize the following:

- The complete and comprehensive opinion on the submitted Report requires much more time than currently available for the purpose of considering the Report in detail, as well as by all the services, i.e. the competent bodies with a view to receiving their opinion. Correspondingly, we consider this opinion incomplete and not comprehensive and would appreciate if you consider it as such.

- With respect to the Chapter – Health, it should be emphasized that in the network of health care services the Republic of Croatia addresses the issue of palliative care for persons needing such type of care only at the level of declaration. The issue of the network of hospice care and palliative teams, that means the system of payment, required staff, equipment, space, have not been resolved.

- We consider that the issue of lack of the health care workers, as well as the lack of other medical professionals required for carrying out the public activities, such as social workers, experts of educational-rehabilitation profile should be resolved through the system of scholarships from the State Budget funds, granted to the staff in short supply with obligatory temporary employment in areas in which the short supply of such worker has been registered (some local self-government units, such as Osijek-Baranja County, have already implemented such practice).

- The network of social welfare institutions and activities should comprise the homeless centres (apart from the towns and municipalities and the civil
associations, Caritas and companies, the counties join the projects of homeless care as well – as for instance the Osijek-Baranja County participates in extension of capacities of the Osijek Homeless Shelter for 4 female persons).

- In counties where no family centres are established, it is necessary to accelerate this process, in particular in cases where the space is already provided for and the experts who could carry out these activities are available, such as in the case of Osijek.

- We would like to emphasize in particular the issue of social exclusion of the rural population in spite of the fact that the schools, health institutions, roads etc. are being built, due to the insufficient number of traffic lines, connecting the rural areas with the towns. That is, the number of public transportation lines from rural areas to the city centres, in which the population from the villages are employed, in which the children attend the schools and faculties, and in which they meet their remaining needs, has been drastically reduced since the beginning of the Homeland War. It is frequently the case that during the weekends no public transportation traffic line towards the town is available and on working days just two to three traffic lines are available. Due to the lack of public transportation lines, the population is forced to use either the personal transport, or accommodate their children in rented apartments, students’ and pupils’ homes, or eventually to sale their property below the actual value and to move to the town, resolving thus the issue of residence at the lower standards. Even if they use the public transportation, the tickets are extremely expensive due to the low number of passengers (no passengers since one can not rely on such a low number of traffic lines). Correspondingly, the living in the village is practically impossible for an average citizen. The living in the village is affordable only for those with appropriate standards of living (transport by cars in the place of work or school, apartment in the town for the purpose of education of children etc), or for the poorest population, which is unemployed, and does not provide for further education of the children except for the primary school, or for the use the other services required for a usual living. Correspondingly, we consider that the state, as well as the local self-government units, should participate in the public transportation costs up to the level of minimum standard, that is, define the minimum number of transport lines for each settlement, required for shift work of the employed persons and for attending of secondary schools and universities. Additionally, the financing or co-financing of the tickets for secondary school pupils and students should be retained, depending on the social status of the pupils and the ticket price.

As mentioned above, no time was available for a more detailed and high quality opinion. The above mentioned issues are just the remarks made after a brief reading of the Report.

With kindest regards,

DIRECTOR
Ružica Gvereri
I am going to focus my comments on the area of the social welfare, i.e. social services. Before providing of some concrete suggestions, I would like to take note of the text in general:

- Significant progress has been achieved in the area of social services in relation to the previous report period with respect to actualization of some activities such as the standards of social services and the reform of the centres for social welfare.
- The document anticipates the issues related to over indebtedness, what is doubtless the indicator of the required critical relation of the author of the text to the social processes. Unfortunately, the developments in July 2009 confirm this concern and put in question a number of assessments and measures listed in the document as well. In this context, the anticipated measures and the priorities should be reconsidered upon the final adoption of the Budget Revision for 2009.
- In particular I support the indication of good practice examples as valuable and significant supplement to the Report.

Further I would like to provide some concrete suggestions and comments to the previously indicated Chapters of the text:

- With respect to the gender equality I suggest that the authors review the study carried out by the Civil Servants’ Trade Union (Presentation was held in March 2009). The outcomes indicated that the required level of gender equality has not been achieved either in the state bodies or in the local self-government units and that gender based harassment is also present.
- In the Chapter referring to the social housing strategy, the issue of providing the special status to family violence victims should be considered. This would contribute to the National Strategy of Family Violence Prevention. The good practice examples of such housing accommodation of victims of family violence are recorded for instance in Austria, and in particular in the Town of Vienna. Certain initiatives in this area are recorded in Zagreb as well.
- In the Chapter of the text referring to the measure: “Develop the good practice standards, introduce the code of professional ethics for providers of services, as well as the supervision implementation system” the incorrectly indicated years of the standards development should be corrected. Further, as in the previous period, although the supervision, as one of the measures was mentioned, the planned development of the supervision system has not been mentioned. I would like to remind
that based on the invitation for tenders by the MoHSW, the Society for Psychological Assistance has in June 2009 signed the contract on provision of supervision for the employees directly involved in work with children, pursuant to the National Action Plan for Child Welfare, adopted by the Government of the Republic of Croatia. Unfortunately, the planned funds are far from sufficient (just 1/3 of the justified required funds was approved) for providing continuous supervision over the said employees or for comprising of all interested employees by such supervision, although on the position from which the funds for this activity will be allocated (lottery means), sufficient funds are available, as well as the sufficient number of licensed supervisors in the social welfare system.

- The development of the model of introducing supervision, as one of the means for providing for high quality social services, and in spite of the availability of concrete initiatives, is not mentioned and the position of the supervision in the draft of the new Social Welfare Act is not clearly defined.

- In the Chapter referring to deinstitutionalization of social services the data referring to 2008 should be incorporated. Additionally, it is necessary to finally pay special attention to the infants up to the age of 3 (if possible up to the age of 5), who were accommodated in the social welfare institutions and to provide for their accommodation within the so called special foster care in line with all available cognitions. The infants in institutions should be the absolute priority of the deinstitutionalization action plan as well as further development of foster care.

- With respect to the Chapter “Systematic education and training of professionals engaged in addressing the needs and difficulties in functioning of various vulnerable groups” the programme of short-term and long-term education of employees should finally be prepared, which would be based on the necessity of acquiring/upgrading of certain competences for complex tasks they are carrying out. It would be advisable that the MoHSW prepares such education programme in cooperation with the competent institution for education of social workers, what does not exclude the involvement of the other high educational institutions, associations and other competent trainers, or the internal resources of the MoHSW in some segments.

- With respect to the programme of education for professional workers of CSWs and children’s homes for the implementation of the supervision measure over exercising the parental care (which was realized in cooperation between the MoHSW, UNICEF and the Faculty of Law – Social Work Study Centre) the further activities in the area of further enhancing of its application should be proceeded, based on the outcomes of evaluation of these seminars, since the said measure is one of the few measures implemented in the area of the so called prevention of separation of children from their families and assistance provided to families in risk. In the field of family violence, the strategy of social welfare system should be additionally developed as one of the significant partners in the chain of inter-departmental cooperation in prevention and providing assistance to family violence victims in all age groups – from children to elderly. This way the social welfare system could additionally contribute to strengthening and restoring of the family, as well as enhanced implementation of the National Strategy of Violence Prevention for the period 2008-2010.

- I propose the systematic provision of funds for smaller research projects (up to approximately HRK 50,000 per project), significant for the JIM implementation.
Dear Sirs / Madams,

Within the scheduled term we are sending you the Opinion of the Association for Promoting Inclusion on the draft report on implementation of Joint Inclusion Memorandum. We hope that our comments will provide contribution to this Report.

With kindest regards,

Neda Miščević, LLB
Association for Promoting Inclusion
Zagreb, Bleiweissova 15
Tel. +385 1 37 58 932, 37 58 935
Tel/Fax +385 1 37 51 696 (direct)
Mobile phone 091 25 29 029
ASSOCIATION FOR PROMOTING INCLUSION

Zagreb, July 20, 2009

MINISTRY OF HEALTH AND SOCIAL WELFARE

Re: Your CLASS: 910-04/09-42/04
REF. NO. 534-09-3-5/2-09-20 of July 15, 2009

Subject: Opinion to the Report on implementation of JIM of the Republic of Croatia for the period 2008-2009

With reference to your above letter we are sending you our opinion as follows:

At the beginning we have to note that it is rather difficult to provide review to the submitted Report, in particular to the progress with respect to the previous Report and the listed numeric indicators in this Report. This Report comprises the period from January 2008 to March 2009, and the previous 1st Report comprised the period from March 2007 to June 2008 (see Report on Implementation of the Joint Inclusion Memorandum of the Republic of Croatia between the Government of the Republic of Croatia and the European Commission for the period from March 2007 to June 2008, source: www.mzss.hr). From the above mentioned it is evident that the reports are overlapping with respect to the first six months of 2008, what may cause confusion with more careful readers (the matters indicated as progress in the first Report for the concerned period are probably indicated as progress in this second Report as well).

In line with the above, and for the purpose of accuracy of the outlined data we consider that in the introductory part of the Report, 1. Introduction, in the second paragraph, the fourth sentence should read:… specifically for the period from March 2007 to June 2008 (and not to March, as currently indicated).

In addition, as the association active in the field of social welfare, which is at the same time the private provider of services to persons with intellectual disabilities, we can not provide review to the overall Report, but we shall correspondingly focus only on Chapters concerning the status of the persons with disabilities, what includes the children with developmental difficulties and the adults.

In Chapter 3.1.3. Extend the network of social services for children, elderly and persons with disabilities it is indicated that the number of both the institution and non-institution beneficiaries is simultaneously increasing and that the construction of institutions with a high number of beneficiaries was suspended. This sentence was mentioned in the 1st Report as well, without explaining what the high number of beneficiaries implies. It is known that earlier the new rehabilitation centre in Komarevo near Sisak was constructed, with capacity of 100 beneficiaries and since the Report indicates that the number of institutionalized beneficiaries has increased, the said accommodation capacities should have been occupied. That means that no institutions for high number of capacities have been built, however the capacities of the previously built buildings have been occupied.

Further, the same Chapter indicates that the number of persons in organized housing increased by 54% (from 78 to 120).

The third Chapter indicates that the status of nursing parents is a measure contributing to the prevention of institutionalization of children and persons with disabilities and that only
modest progress was achieved with respect to deinstitutionalization of persons already accommodated in institutions.

In order to assess the indications we should first refer to some further Chapters, which are in direct relation with the allegations referred to in Chapter 3.1.3.

Further we consider that the Chapter 3.2.1.1. Facilitate the availability of stable and better quality employment, active employment and training policy should warn of the deficiencies of the current Act on Professional Rehabilitation and Employment of Persons with Disability and that the efforts aimed at its amendment should be taken. That is, six years from the adoption of the said Act, its full implementation is not possible yet. The committees identifying the reduced work capacities are not available, nobody implements supervision over the application of the employee’s quota system. The personal assistant or occupational therapist for persons with disabilities is the person employed by the employer, what additionally aggravates the employment of persons with disabilities. The Association for Promoting Inclusion has suggested introducing of employment agencies providing for support, what would considerably facilitate the access to labour market of persons with disabilities, in particular of the persons with intellectual disabilities. The issue of employment of this population group has not been resolved, since they are mostly deprived of civil capacity. Since the committees for identifying the reduced working capacity have not been established, there is no possibility of establishing the working centres as institutions to which persons, not employable on open labour market, are referred to work.

It is noted in Chapter 3.2.2.4 Social services, item Deinstitutionalization of social services that the number of persons in state social welfare homes indicates the stagnating trend, whereas in non-state homes the decrease of beneficiaries was recorded, resulting primarily from status changes of the two homes (transferred from the home status in the status of non-governmental organization). The indication referred to in Chapter 3.1.3 on increase of the beneficiaries of organized housing by 54% is mentioned again. Since these two statements directly refer to the Association for Promoting Inclusion, we should warn of their incorrectness.

The Association for Promoting Inclusion has carried out the formal legal reorganization by means of suspension of the activities of the remaining three homes for independent living as social welfare homes (and not two as mentioned), comprising at that time 144 beneficiaries. It is known that the Association offered the permanent accommodation service in their homes, however in apartment intended for living of a smaller group of persons. During 2008 conditions were met for transfer of the Association to the new formal legal organization with the same service, however at that time under the title of organized housing. Due to this fact, the number of beneficiaries in organized housing increased significantly in 2008 and correspondingly a slight decline of the number of beneficiaries in non-institutional homes was recorded. This gives an impression that progress has been made with respect to deinstitutionalization of social services in this reporting period as well, although this contradicts the practice.

That is, in the 1st Report the Association for Promoting Inclusion was illustrated as the best practice example exactly under the measure/initiative Deinstitutionalization of social services, including the overall number of 144 beneficiaries to which the services were provided in three homes for independent housing. In the 2nd Report the number of beneficiaries in non-state social welfare homes was reduced, resulting primarily from the change of the status of our home, and the number of beneficiaries of organized housing increased by 54%, i.e. from 78 to 120, according to Chapter 3.1.3.
According to the facts, the Association for Promoting Inclusion had at the moment of its change of the status the overall number of 144 beneficiaries, for which amount the number of beneficiaries in non-state homes was reduced. At the same time the number of beneficiaries in organized housing should increase for the said 144 beneficiaries, and not only for 42. The question is: where have the beneficiaries disappeared?

In addition, we would like to note that on the day of writing of this opinion the overall number of 150 beneficiaries with intellectual disabilities were included in organized housing, that is, 6 new beneficiaries, out of whom 3 persons have been deinstitutionalized, i.e. left the state social welfare homes.

As the Association which is currently the mayor provider of organized housing services and the sole serious partner of the state exactly in the area of deinstitutionalization of social services, we consider that our beneficiaries do not deserve such dichotomous treatment. Correspondingly, the numeric indicators should be indicated differently or it should be explicitly stated in the Report that the Association for Promoting Inclusion has, as the good practice example in deinstitutionalization of social services, made progress in formal legal terms as well, due to the amendments to the Social Welfare Act, which introduced the new service called organized housing, providing thus to civil society organizations providing of such service without establishing of social welfare homes. Such additional interpretation would contribute to better understanding of the concept of deinstitutionalization of social services.

Further to deinstitutionalization of social services, under the same item, the statement is made that during 2008 the preparatory works were carried out in Koprivnica for construction of the new three facilities for accommodation of the children without adequate parental care, replacing thus the accommodation of the children in facility of the “Svitanje” Children’s Home. Since the Report indicates that these two facilities will have accommodation capacity for up to 8 persons, what means for the overall number of 16 children, would it not be better to accommodate the children in foster families, instead of investing the funds in construction of buildings? This would provide for enhancing of foster care, in particular due to the fact that Chapter 3.2.3.2. Strengthening and Retaining the Family (item – Enhancing and promotion of foster care is required) indicates that the family homes with accommodation capacity from 5 to 20 beneficiaries are actually not considered as social welfare institutions, but foster families.

In addition to above mentioned, in special Chapter referring to disabled persons 3.2.4.1. Persons with disabilities, certain issues should be explained in item Deinstitutionalization and promotion of alternative aspects of care in community. According to this Chapter the social welfare system provides for professional support within the family to disabled children, which is aimed at prevention of institutionalization, however no numeric indicators were mentioned. Apart of it, the Chapter mentions the availability of social welfare mobile services, offering care to children with visually impairment, which provide the assistance in their integration in regular upbringing and education system. However, it is not clear if the concerned children are children the visually impairment using the accommodation services of that home, or the children living with their biological families and what is the number of the said children.

The Chapter indicates that the number of beneficiaries of the nursing parent status has increased in only one year by 813% (from 172 to 1,398). Since the nursing parent status implies the 24 hours care for the child, who can correspondingly not be involved in any aspect of the day care, it would be interesting to have the numeric data on the number of parents who have withdrawn their children from the care outside their own family, as well as the number
of children excluded from some aspects of upbringing and education in line with the special regulations. We mention this due to the fact that the new Primary and Secondary Education Act introduces in the primary school education, which is obligatory for all children pursuant to Constitution, the new term was introduced: *permanent education deferral*. Article 19, paragraph 3 of this Act reads (quotation):

*The child can not be permanently exempted from enrolment in the first grade of primary school, except in the case when the child has multiple impairments and the parents acquired the right to the nursing parent status pursuant to the special regulations, or the child, with respect to the type, degree and severity of impairment, acquired the right to care outside his own family for the purpose of training his self care competences in the social welfare home or the right to assistance at home, within which service the provision of psychological assistance is provided.*

In this case neither the Constitution of the Republic of Croatia nor any of the conventions, having legal force exceeding the said Act and regulating the promotion of the child’s right to involving in educational system, can be applied if the parent, i.e. the social welfare system has assumed the 24 hour care over the child. In addition, it should be mentioned that in June 2009 (beyond the period comprised by the 2nd Report on JIM implementation) the ordinance on conditions for providing care outside the own family entered into force (full title: Ordinance on the Types and Activities of Social Welfare Homes, Methods of Providing Care Outside the Own Family, Spatial Conditions, Equipment and Social Welfare Workers, Therapeutic Communities, Religious Congregations, Associations and Other Legal Persons, As Well As the Centre for Assistance and Care in Home), which replaces the previous homes for independent housing with the education centres (only three were available and became history by the decision of the Association for Promoting Inclusion to liquidate its homes). The said centres, as the social welfare centres, provide, apart of the usual services of stationary homes, the educational service to the physically or mentally impaired children and youth and presumably the service of lifelong learning to adults with mental disabilities.

According to above by a single provision and by replacing of the one type of homes by the other in the minister’s implementing regulation, the children with developmental difficulties were included in the social welfare system, instead of the educational system. Correspondingly, all further statutory measures aimed at providing of staffing, spatial and financial conditions for involving of the children with developmental difficulties in the regular education system referring to the matter described in Chapter 3.2.2.6, become useless in practice.

In explaining the concept of the institute of personal assistant for persons with highest degree and category of disability, it terms of highest category and degree of disability, should be explained. The Report indicates that the project was implemented in cooperation with 64 associations of disabled persons, however the indication of the category of disability is not mentioned. Does this term refer mostly to persons with physical disability or the persons with intellectual disability can be included in this group as well, whose disability percentage has not been identified.

In the implementation of the in-depth evaluation of the measure of depriving the persons with intellectual impairments of civil capacity the reasons for not implementing the said evaluation have been omitted. The Family Act provides for the liability of review of the reasons for depriving of civil capacity in three years period. The review is launched by the centres for social welfare. The question is why the competent ministry in its statistical reports, filled in by the CSW, dos not incorporate the column listing the number of launched procedures of review of the reason for such depriving, apart of the column with number of launched
procedures for depriving of civil capacity. This might be the first step in the implementation of the future in-depth evaluation of the measure of depriving of civil capacity.

With respect to Chapter 4.4. **Prepare deinstitutionalization action plan**, the Report indicates that the said action plan has not yet been officially adopted by the MoHSW. In the 1st Report drafted in the previous year it was indicated that the action plan has been prepared, but not yet officially adopted. This indicates the level of understanding of implementation of the Joint Inclusion Memorandum of the MoHSW, as the implementing agency of the measure, since the Ministry was within the one year’s period not able to officially note in written form that the said plan was made. On the other hand, if that plan has been prepared, why the preparing of the assessment of the needs of beneficiaries and transformation plans of institutions is required for the purpose of defining the goals with respect to the number of persons who are going to leave the institutions.

We have to repeat now the comments from our opinion to the first Report:

The deinstitutionalization plan should be implemented in four phases and it can be concluded from the above mentioned that the deinstitutionalization will apply to the persons – beneficiaries, who are assessed as capable for living in local community and for whom the alternative housing is provided. The international liabilities of the Republic of Croatia impose the liability to provide for all its citizens the exercising of the right to live in community, in particular when speaking on the Convention on the Rights of the Persons with Disability, which imposes the liability to provide to persons with disablment for living in community, together with establishing the support services. Based on what criteria and by means of what instruments can somebody be authorized to decide on the destiny of a citizen – disabled person, i.e. whether this person is worthy of living in community, if we are aware that the inalienable right of every individual is the right to living as undiscriminated and equal individual in society. All human beings are born free and equal in dignity and rights. (Universal UN Declaration on Human Rights) and the task of the social community is to enable them the exercising of the said rights. This can be achieved only by development of support services in community and not by voluntary decision of individuals, that some individuals have such right and the others do not. According to statistical data the 1:2 ratio was recorded between the persons with intellectual disabilities accommodated in institution and the persons of the same degree of intellectual disabilities living in community in their family. Correspondingly, the presumption that some can live in the community and the others can not, is absolutely false since it contradicts the practice.

Apart of it, it is not clear from the above mentioned what number of disabled persons will be comprised by the action plan and what will happen to persons who are assessed as not capable of living in community. The implication is that deinstitutionalization is not what it should be in line with its actual meaning, but implies only the reducing of the number of beneficiaries in particular institutions while retaining all the other stationary forms of accommodation. Correspondingly, it would be more appropriate to call this Chapter **Preparing of the plan for reducing the number of beneficiaries within the institutions**, and not the Action plan for deinstitutionalization, since the action plan described in this way can not be considered as the action plan for deinstitutionalization.

When indicating the prevention of institutionalization we may say that the implementation of legal regulations promoting the non-institutional aspects of living will by no means prevent the new institutionalization, only the type of institutionalization will be changed. For the purpose of preventing institutionalization and implementing deinstitutionalization, the professional services of community support have to be developed, i.e. the existing professional resources redirected from institutions in the local community and the forms
forcing the parents to choose the right of 24 hour care at home, instead of involving of their
child in community services, should not be promoted. This contributes in the long term to
isolation and segregation (exclusion) of the child with severe disabilities for the purpose of
resolving the material status of his parent.

We hope that this opinion, as well as the previous, will contribute to social inclusion of
persons with disabilities in Croatian society in particular due to the fact that we promote the
inclusion in the title of our association as well and we are the example of best practice,
proving that the inclusion of persons with intellectual disabilities is possible, in spite of all
former, current and future obstacles.

President of Association
Prof. DSc Borka Teodorović, m.p.
On behalf of Neda Miščević, LLB
Zagreb, July 22, 2009

Ministry of the Health and Social Welfare
State Secretary Mrs. Dorica Nikolić, prof.


Dear Sirs,

The Croatian Caritas supports the detailed, analytical and partially critically prepared Draft Report on implementation of measures of the Joint Inclusion Memorandum of the Republic of Croatia for the period from January 2008 to March 2009.

The mechanisms and indicators of efficiency of particular measures, as well as reporting on performances (best practice examples of the activities of associations, ministries, local and regional authorities) have not been clearly highlighted, and the contribution of the civil society organizations in reducing poverty and social exclusion is also not evident.

Although among a number of proposed measures, activities and indicators, only one measure of Croatian Caritas was adopted in the National Implementation Plan for Inclusion for 2009-2010, we hope that the implementing of all anticipated measures will be subject to high level evaluation with a view to providing for a whole range of performance indicators of all measures.

We are looking forward to your invitation to further cooperation with a view to involving the Croatian Caritas as actual partner to the Ministry of Health and Social Welfare!

With kindest regards,

Ivan Milovčić, MSc
Director
Subject: Report on implementation of measures of the Joint Inclusion Memorandum of the Republic of Croatia for the period from January 2008 to March 2009.

Dear Madam,

With respect to your request for providing the opinion to the Report on implementation of measures of the Joint Inclusion Memorandum of the Republic of Croatia for the period from January 2008 to March 2009, CLASS: 910-04/09-42/04, REF. NO.: 534-09-3-5/2-09-20 of July 15, 2009 the Union of Autonomous Trade Unions of Croatia (UATUC) submits its opinion (we attach to the letter the text of the Report submitted by the MoHSW by e-mail, in which the actual comments of the Union of Autonomous Trade Unions of Croatia were inserted).

In further text we are providing our opinion on the methodology of preparing the Report, as well as on its contents, i.e. concrete achievements in realization of priorities provided by JIM:

- The Report does not follow the reporting period with respect to the indicated data and activities and indicates partially the “old” statistical data (as for instance, 2007 if compared with 2006) and mentions the activities and/or projects only planned for the following period, the realization of which is disputable. The planned terms/time schedules of some projects and activities can not be met (as for instance the adoption of the Strategy of Regional Development of the Republic of Croatia is anticipated by the end of 2009, as well as adoption of the Regional Development Act, what is unrealistic, since the drafting of the acts follows the adoption of the Strategy – or the tasks will, as usual, be accomplished simultaneously, what is one of the reasons of continuous amendments to the already adopted acts!?);
• In addition to the above, and with respect to statistical data we are aware of the fact that for the considered period all required significant data are not available (and we do not consider the authors of the Report responsible for it!), however we consider it necessary to emphasize the unacceptability of the said continuous lack of reliable statistical data, as well as professional analyses; the lack of reliable data was noted a long time ago, however, in the meantime the statistics and analytics have not been appropriately developed;

• Besides, the methodology of statistical reporting in this and the future Reports should be harmonized in the overall text (as for instance if the statistical indicator of the average monthly net wage is used on page 8, for comparison or further description can not be used another indicator of the average monthly wage for persons employed in legal persons without announcing the said difference; the said indicators are of different type, different amounts and correspondingly different trends of the said economic indicators);

• It is methodologically inadequate to compare only the average of the various counties with respect to the comparative study of unemployment or wages, since the said counties indicate significant distinctions; Where no statistical indicators are available, they should be derived from the other sources (statistical survey on consumption, census, special surveys). That is, such presentation does not provide for perceiving the increasing structural feature referring to poverty in towns, in particular in big towns, where the socially marginalized social groups are excluded from the usual network of natural assistance and natural production of their own needs, which is a characteristic typical for the rural areas, as well as social exclusion of rural population (the comment refers to conclusions contained on pages 9 and 11);

• The lack of indicators for follow up of the efficiency of measures was identified, correspondingly the conclusion can not be made whether the measures were successfully realized or not, that is, it is not evident from the indicated data whether the goal of the measure was accomplished or not (as for instance with respect to the policies and measures aimed at improvement of the status of refugees and outcasts or the Roma minority and the other data were indicated in absolute numbers and percentage, frequently in relation to the previous year, however, no indicators are available for explaining the relation between the said numbers and the needs, i.e. suppliants and potential suppliants of certain right/service – the same refers to various social services and other public services such as the children and elderly care etc.);

• For certain novelties (as for instance the different procedure of collection of child maintenance from persons liable to child maintenance and the quota system in employment of persons with disabilities…) no adequate mechanism was established for follow up of their efficiency and the Report notes that their efficiency can not be assessed; this is completely unacceptable, however, unfortunately it is the usual method of work of which we have been warning for years. Correspondingly, we appeal here to establish the indicators for follow up of (non)efficiency of the application of the measures immediately upon their adoption;

• The harmonization of terms used in the Report is required, as for instance the “state pensions” (page 20) i.e. the “social pensions” (page 36); further with respect to introducing of this type of social assistance for elderly (since this type of assistance is actually the social assistance for elderly and incapable persons without incomes, and such assistance should not be called pensions) we support the need of carrying out the public discussion;
• The public discussions should be organized for some other measures and policies indicated in the Report as well, which have not yet been subject to any discussion, neither have they been adopted (as for instance the workfare – see enclosed comments of the UATUC);

• In addition to above the term of the ”vulnerable family” is indicated on page 14. We assume that the economically vulnerable families are implied or families vulnerable in terms of social exclusion. Such imprecise indication provides for arbitrary interpretation or revoking of uncontemporary ethical forms which consider every non-traditional family as ethnically vulnerable;

• The part/measure titled Develop, that is, implement statutory flexible employment forms, reconciled with carrying out the family obligations, within the Chapter 3.2.2.2. Child and family benefits and child care is unacceptable, since it advocates the flexible aspects of work and employment under the pretext of “carrying out family obligations”, contrary to some other documents (as for instance the Joint Assessment of the Employment Policy Priorities of the Republic of Croatia – JAP, addressing only the flexible working hours, acceptable to employers and workers). Besides, it is indicated that the “application of flexible forms of employment provided by the law” is required, however the issue of the Croatian practice and the need of combating abuse of these institutes in our practice is not emphasized (pursuant to the Labour Act /LA/the permanent employment contract is the basic form of employment contract and the temporary employment contract is exemption from the concrete listed cases – the issue is the temporariness of the jobs and not the “usual” contract for the first job, as irresponsibly indicated by both the Government and the ministries in certain documents (as for instance the first draft of JAP). The changes in this part are required exactly for this reason, that is, to start the use of the terms (flexibility, security, flexicurity, flexible forms of work and employment, flexible working hours…) very precisely and with understanding.

• The same refers to the term “social partners” (see opinion referred to in 3.2.1.1. Facilitate the availability of stable and better quality employment, active employment and training policy, measure Restore the previous social partner status to unemployed persons (their associations).

• In the measure Enhance and promote social partnership and dialogue in Chapter 3.2.6 Mobilizing of all relevant stakeholders in resources the part “require retaining of the current status” should be deleted in the part of the sentence “whereas the trade unions mostly require the retaining of the current status and…” since the said ins not correct; the trade unions require adoption of “triggers” for workers simultaneously with introducing of any type of flexibilization for the benefit of employers, since this is actually the meaning of the term flexicurity. More than frequently the amendments of the labour-social legislation in the Republic of Croatia are made for the benefit of employers, however by reducing of some workers’ rights (let’s recall the amendments of the LA from 2003 and, among others, the reducing of severance payment on account of the termination of the employment contract, i.e. the limitation of severance payment to maximum 6 wages, what causes direct injury to the older workers with over 20 years of service at the same employer, what was partially compensated by the state, by means of the one-off payment by the CES, what was suspended last year by adoption of the new Employment Mediation Act…! Correspondingly, after the five years the final outcome is that the benefits were granted to employers to the detriment of the older workers, that is, by reducing the rights of the older workers the rights of the employers were increased!).
• The pursuing of non integral policies in the Republic of Croatia is in particular evident in the parts of the Report addressing the regional development of the Republic of Croatia, i.e. balanced development of all regions. It is correct that the policy of balanced development of the Republic of Croatia is a prerequisite for viable development, however, the Report does not indicate that the Croatian Parliament has on February 20, 2009 already adopted the Strategy of Viable Development of the Republic of Croatia, the document in drafting of which the social partners and other interested public were not involved, and moreover, were not informed about its adoption! Further, the planned regional development will not be viable without the previous establishing of the new administrative organization, since the composition of the Republic of Croatia, comprising 21 counties, 127 cities and 429 municipalities, is unviable – as for instance 386 municipalities are financed from the State Budget and the decentralization of public services to citizens is practically not feasible – the meaning of the self-government, comprised in the European Charter on Local Self-Government, adopted recently by the Republic of Croatia, on public authorities which have to be more accessible to the citizens, was pushed to the point of absurdity! The unsustainability of financial burdens of the State Budget by the costs of the so called local administration, which is its own purpose, is in particular evident at this moment when the expenditures are being cut in the first and the second Budget Revision for 2009.

• The part referring to further development of pension system is inconsistent in the current fiscal, i.e. economic status. Are the changes feasible and meaningful? If not, the conclusions on indisputability of financing of the other measure in the context of the current economic and fiscal status should be avoided.

• Decentralization of the social policy services should not be perceived as the mix between the public system privatization and volunteering. This is in particular significant since it represents the concept of European society based on institutional consensus on the welfare state and the role of the state, i.e. public policies in care for its socially excluded citizens. That is, the continuing of this trend of introducing the private initiative in the system of providing social welfare services should not be directed towards transformation of social institutions in profit companies, or towards reducing the funds for public social policy institutions.

• In the Report a whole range of positive examples of efficient realization of policies and measures was recorded, which are indisputable and we would like to emphasize and welcome the new model of organizing the social welfare centres as “one-stop offices” in all its components (organization and arrangement of the spaces, work organization, introducing information technology, networking with the other systems, education of the employees…) since such approach puts the beneficiary in focus, i.e. confirms that the centres (what should be the case with the other institutions as well) are established for the benefit of the beneficiaries and not the reversely!

And finally, we would like to emphasize that the Report does not follow consistently the time schedule with respect to the description of the measures for combating social exclusion in the context of economic crisis and disputable inflows of funds to the State Budget. In some parts of the text, referring to realization of programmes and measures aimed at combating social exclusion, this fiscal limitation is mentioned in certain places and not mentioned in the others. Such approach should be harmonized. All the programmes, projects and measures intended as compensation measures of social protection of population should be emphasized, in particular with respect to economic and social impacts of the crisis. That is, in the period of economic
stagnation the need appears for establishing of stronger and more efficient systems and social care network for the overall population, and in particular for the most vulnerable segment.

With kindest regards,

President
Ana Knežević

Enclosure: as mentioned above
Dear Madam,

With reference to your letter CLASS 910-04/09-42/04, REF. NO.: 534-09-1-7/2-08-21 of July 16, 2009 we are sending you the opinion of the Karlovac County to the Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 to March 2009.

With kindest regards
Ksenija Cvitković Jamboršić, expert assistant

Contact No: 047/666 – 178
Subject: Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009

We support the determinants of the Joint Inclusion Memorandum. We have carefully considered the Chapters referring to social protection and health care.

The Report indicated the achievement of significant progress in recognizing of the actual needs which should be comprised by the process of JIM implementation, and which were collected by involvement of the social partners and the civil society in the Report.

We would like to welcome in particular the efforts of Croatia to harmonize its social welfare system with the EU model.

The Karlovac County is one of the oldest counties in the Republic of Croatia with respect to the share of the persons of the age 65+ in overall population in our area.

Correspondingly, we would like to draw the attention to the significance of the provision addressing the quality of social services and extension of the social services network intended for elderly and persons with disabilities.

We consider that significant progress was achieved by adoption of the Foster Care Act, which application provides for improvement of the social accommodation services.

The activities referring to extension of non-institutional services by means of the intergeneration solidarity programmes titled “Assistance to Elderly at Home” and “Day Care and Assistance to Elderly at Home” are praiseworthy, what can be confirmed by positive experience in implementing of the said programmes in our county and we consider that such and similar programmes should be further supported.

As one of the more significant determinant for our country, the need for development of the preventive medicine and public health campaigns should be mentioned, as well as the availability and accessibility of the medical protection services to all beneficiaries, irrespective of the distance to their place of residence. Our county mostly covers the areas of...
rural character, with poor traffic connections to the major cities and are considered areas of special state care.

With kindest regards,

Višnja Jović, B. Sc. (Social Work)
on behalf of Director
Subject: Report on implementation of Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009 - opinion is submitted -

With respect to your letter CLASS: 910-04/09-42/04, REF. NO.: 534-09-1-7/2-08-21 of July 16, 2009, requesting the opinion on the Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009, sent by e-mail, we are sending our opinion.

Upon insight in the Report and the presented recent demographic, economic and social statistical indicators we consider that the submitted Report presents a comprehensive, integral and useful presentation of the status of social issues in the Republic of Croatia. The said Report will by all means be a valuable resource of data for drafting of strategic documents in planning the aspect of addressing the key challenges in the area of social inclusion in the Republic of Croatia, not only at national, but on the local level as well.

Please receive our commendations for your efforts and the achieved outcomes.

With kindest regards,

DIRECTOR:
Josip Kraljić, DM
Franković Snježana

From: Branka Došen [bdosen@bpz.hr]
Date: July 28, 2009, 14:26
To: Franković Snježana
Subject: Ministry - Opinion

Administrative Department for
Health and Social Welfare
Class: 550-01/09-01/
Ref. No: 2178/1-07-01-09-1
Slavonski Brod, July 24, 2009

MINISTRY OF HEALTH
AND SOCIAL WELFARE
Ksaver 200a, Zagreb

Subject: Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009
- opinion is submitted -

Re: CLASS: 910-04/09-42/04
REF. NO.: 534-09-1-7/2-08-21 of July 16, 2009.

The Brod-Posavina County supports the Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009, provided for by the Programme of the Government of the Republic of Croatia for the mandate period 2008-2011, as well as the other adopted strategic documents.

We support the regional development policy in all its key segments, as well as the intensive development of fiscal decentralization which will be economically strengthened and will develop all the areas of the Republic of Croatia which were, like the area of Brod-Posavina County, in many aspects above the national average, what will provide for the atmosphere of successful work, competitiveness and excellency.

We hope that the application of the new Social Welfare Act will provide special contribution to the deinstitutionalization of welfare care.

We support this Report on implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the period January 2008 – March 2009, since it is realistic in all approaches and reflects the aggravated economic and financial status prevailing in our county as well and had significant impact on strategic approach in the area of social protection and social inclusion of the Republic of Croatia within the considered period.

With kindest regards,

Mato Tustanić, BSc (Theology)
On behalf of DIRECTOR