

SOCIAL INNOVATION FUND OF SERBIA

Milica Stranjaković, Center for Social Policy (CSP)

Summary - SIF in Brief

The Social Innovation Fund (SIF) was designed as an innovative (reform) mechanism for transitional funding¹ in the social welfare sector. Its implementation started in 2003 and continued until 2010. In that period, SIF financed around 300 local initiatives² in establishing and/or developing community based services. The total SIF expenditures were 7 million EUR over 7 years. External donor funding amounted up to 4.3 million EUR, while allocation from the national budget was 2.7 million EUR³.

SIF had a multi-folded role in: a) decentralization, by linking local level to central level reform initiatives, b) deinstitutionalization, by encouraging and developing alternatives types of care at local level (community based services) as opposed to institutional care, c) transmission of good practices, by embedding the good local practices into the reform processes, and d) pluralism of service providers, by creating conditions for competitiveness between public and civil sector, quality social care and sustainability at local level. After the envisaged lifespan of 5 years⁴ as a project, SIF was expected to either reach "institutional autonomy"⁵ or cease to exist. The SIF as a project came to an end after 7 years.

Creation and Functioning

SIF was a fast-track social reform mechanism, designed by the Ministry of Social Affairs in consultation with experts, sector professionals and relevant NGOs. Its overall aim was to place local level action at the very heart of the social system reform process. In practice, SIF represented a demand-driven mechanism for capacity building and allocating funds to reform-oriented and innovative social welfare services at local level⁶.

The innovative characteristic of the Social Innovation Fund was reflected in encouraging civil society organizations (NGOs) to become providers of local social care services, better donor coordination, enhanced cooperation between local governments and public/non-profit (private) service providers and exchange of good practices and experiences. In implementing the complex reforms in the social welfare sector, SIF was designed as the main tool for

¹ Matkovic, Gordana (2016), Decentralization of Social Care Services in Serbia, expert paper for the Policy Forum on Decentralization *Impact of Decentralization on Social Services Regional Conference*, in organization *Terre des Hommes*, <http://childhub.org/en/child-protection-online-library/impact-decentralisation-social-services-south-east-europe>

² Tadzic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level*, MP, FEFA

³ Ibid.

⁴ Ministry of Social Affairs (2002), *SIF Operational Manual*

⁵ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics, <http://childhub.org/en/child-protection-online-library/assessment-results-social-innovation-fund-foundation-advancement>

⁶ Ministry of Social Affairs of Republic of Serbia (2003), *The Executive Summary – SIF Development Plan*

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“testing” the absorption of forthcoming EU funds and for developing innovative social care services at local level⁷.

As a project of the Ministry, the SIF was initiated in 2002 through preparation of Operational Manual, procedures and job descriptions for management and staff. Tendering priorities were defined. The first SIF tender was launched in 2003.

The SIF grants for social care services were awarded annually by an Appraisal Committee, established under the project. A total of 298 grantees - service providers (out of 1.323 applicants) won funding through 7 tenders. Around 100 municipalities and towns participated in the grant scheme – the partnership between local governments and service providers was a condition for applying for funds. The grantees predominantly belonged to the public sector (Centers for Social Work and residential institutions in transformation), while 1/3 were NGO service providers and local Red Cross branches. The largest beneficiary group was comprised of vulnerable children followed by the elderly. It is estimated that the share of these two groups amounted to 70% of the total number of beneficiaries⁸.

The major donors of SIF were the Norwegian Ministry for Foreign Affairs (NMFA), UK DfID, UNDP/EU and their representatives had a “seat” in the impartial Steering Committee, alongside with line Ministry and civil society representatives.

Apart from the disbursement of grants, SIF staff provided trainings and hands on support to grantees and applicants. An M&E scheme was developed, involving 6 NGOs in the monitoring process. The standardized M&E procedures added up to even greater transparency of SIF operations, while trainings and support provided “adequate transfer of knowledge, helping provision of innovative social care services at local level and therefore supporting overall local development” (Golicin, Ognjanov, 2010).

Factors of Success

From the very beginning Social Innovation Fund was a serious “enterprise”: the policy and procedures were in place, the outsourced staff was highly skilled, professional and motivated and the implementation practice was beyond reproach. Shortly, SIF became highly visible and widely popular amongst local communities, service providers, the NGO sector and professionals at local level, including beneficiaries and the donor community. The SIF’s good image remains alive even today.

SIF was a true “agent of change” (Golicin, Ognjanov, 2010) in social sector in Serbia. SIF went hand in hand with the reform processes and decentralization in social sphere, paving the way to development and standardization of social care services at local level.

⁷ Tadzic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level*, MP, FEFA

⁸ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

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The SIF was well designed and meticulously prepared. Apart from groundwork on structure and preparation of procedures, SIF was piloted with success through the Call for Proposals of Budget Fund for Persons with Disability Programme in 2002⁹.

Funding from national budget was secured in addition external donor financing¹⁰. The invested resources enabled smooth functioning of SIF and room for maneuver.

SIF brought together heterogeneous actors: NGOs, social welfare institutions, local governments, professionals, beneficiaries, decision makers, donors¹¹. Social Innovation Fund visibly promoted cooperation between the public and private (non-profit) sector through partnership development, knowledge engineering and innovative approaches. Enabling public institutions to take part broke through the resistance to reforms and advanced modernization in sector. Chance was given to all to compete and participate, even the least developed municipalities¹². SIF fostered the exchange of experiences and good practices, exercising the potential for replication¹³ and mutual learning.

SIF introduced an external M&E scheme and engaged 6 NGOs to implement it. Apart from its significant influence on capacity building, the M&E scheme contributed to testing the new approaches, adding to the quality service provision¹⁴, such as regular beneficiary assessments. Placing beneficiaries in the center of system was one of the most important principles of social welfare reforms¹⁵.

SIF's position remained impartial thanks to UNDO/EU financial support to the management unit. This position also ensured greater transparency in grant selection¹⁶.

Challenges

The main challenge was the unresolved legal status of SIF, directly affecting its sustainability - the consensus on transforming SIF into a public institution was never reached¹⁷. Throughout its life cycle SIF operated as a project, "often suffering from the lack of mandate to make certain decisions or implement certain actions" (Golicin, Ognjanov, 2010).

Political changes at national level and more frequently at local level also represented a challenge. Changes at national level resulted in the delay of sector reforms and frequent

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Tadzic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level*, Master Paper, FEFA

¹³ Ministry of Social Affairs (2002), *SIF Operational Manual*

¹⁴ Tadzic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level*, Master Paper, FEFA

¹⁵ Government of Serbia (2005), *Strategy for Development of Social Protection*, <http://www.zavodsz.gov.rs/PDF/Strategija%20razvoja%20socijalne%20zastite.pdf>

¹⁶ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

¹⁷ Ibid.

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focus shift¹⁸. The adoption of the new Law on Social Protection was delayed until 2011, postponing key bylaws for service standards, ear-marked transfers and procurement of services. Political changes at local level had a direct effect on SIF's operations. Impossibility of local governments to continuously secure and sustain service funding, gave SIF the limited opportunities to fulfill the gap: the lack of mechanisms for imposing the service sustainability as priority in local budgets remained an obstacle for SIF¹⁹.

The quotation of one elderly beneficiary of homecare services illustrates the uncertainty related to service continuity: "I do not have the security that this will continue and what my life will look like when it (service) stops – I have no alternative for this service"²⁰.

A decrease in donors' funding over the years exerted pressure to maintain stable funding²¹. This required an additional effort by SIF staff to fund-raise and manage the complex task of implementation at the same time.

Impact

The successful implementation of SIF was immediately recognized as a good practice and learning tool. In the 2005 EU CARDS Social Sector Study²², SIF was recommended as a good model for capacity building of NGOs as social service providers in the development of welfare mix approach. The similar validation was communicated in 2006 in the World Bank Serbia Social Assistance and Child Protection Note²³. True credit to the Serbian SIF was given at the Common Cents 2012 Forum, where it was ranked the same as Social Innovation Funds from Scotland, Finland and USA (so-called "Obama's SIFs")²⁴.

In 2010 the Assessment of Results of the Social Innovation Fund was conducted. This evaluation tended to capture the most important features of SIF implementation. The value of SIF was attributed to partnership development, improving access to services for vulnerable groups, enabling inclusion and deinstitutionalization, and transfer of knowledge.

Facilitation of partnership development. "Partnership development has been one of the trademarks of the Social Innovation Fund", (Golicin, Ognjanov, 2010). SIF was a crucial factor in liaising state and non-state organizations in service provision and building of mutual trust²⁵. SIF (staff) successfully facilitated the mobilization of local public institutions and the non-profit NGO sector in joining efforts to establish and provide more flexible services to vulnerable groups. Participation of public institutions and NGOs in the competitive process

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ CLDS (2005), *The Social Innovation Fund Beneficiary Assessment*, supported by UNDP

²¹ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

²² Bartlett, W., Kolin, M., Xhumari, M. (2005), CARDS Social Sector Study (research study on the social sector administration in Albania, Croatia, Bosnia Herzegovina, FYR Macedonia and Serbia Montenegro and Kosovo)

²³ World Bank (2006), Serbia Social Assistance and Child Protection Note, <http://childhub.org/en/child-protection-online-library/serbia-social-assistance-and-child-protection-note>

²⁴ Mortell, D. (2012), *The Role of Social Innovation Fund*, Common Cents 2012 Forum

²⁵ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

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enabled the diversification of services providers²⁶ and the emergence of a service market. This also contributed to further strengthening of civil sector.

In 2000 only 12 mainly state-founded daycare centers for 400 children with disabilities were present in Serbia, while in 2007 their number exceeded 49 with 1,400 beneficiaries. More than a half of the 49 service providers came from the NGO sector²⁷.

Improved access to services for vulnerable groups. Developed local partnerships, increased motivation of service providers, regular trainings, earmarked and continuous funding made social care services more available to vulnerable groups. Encouraging NGOs to take part in service provision, enabled larger number of vulnerable people to access the social care services.

The 2005 Beneficiary Assessment²⁸ has shown the high level of beneficiary satisfaction with delivered services. Almost all beneficiaries expressed their satisfaction, stressing that their quality of life has been improved and that these services should become standard in their community.

“The beneficiary assessment of the SIF programme showed that the beneficiaries were extremely satisfied, while over 90% positively assessed all aspects of provided services and support. The vast majority of beneficiaries feel less isolated and more empowered to face the future problems. It seems that the satisfaction of the vast majority is genuine, since even cross-referenced responses did not indicate that the beneficiaries were just being polite or just thankful for getting any type of service”.

Extract from The Social Innovation Fund Beneficiary Assessment, 2005, CLDS (supported by UNDP)

Enabling inclusion and deinstitutionalization. Development of social care services is one of the most important prerequisites for social inclusion and prevention of institutionalization. SIF contributed to reform efforts in shifting social care from institutions to community based care²⁹. Some of the grantees were residential institutions in the process of transformation and applied for funds in partnerships with NGOs. One of such partnerships in supporting independent living of beneficiaries with disability has shown that converting institutional care services to alternative and innovative ones was possible³⁰. SIF was also flexible in adjusting to the needs of grantees and beneficiaries: one of the annual tenders was “dedicated” to services’ development in small and the least developed municipalities³¹. Without this mechanism, the poor municipalities would have not been able to finance any of the services addressing the needs of the most vulnerable groups.

²⁶ Ibid.

²⁷ Matkovic, G. (2009), *Daycare as an Entitlement and as a Service in the Social Welfare System*, Population (periodical), vol. 47, No 1., www.doiserbia.nb.rs/ft.aspx?id=0038-982X0901069M

²⁸ CLDS, Social Policy Unit (2005), *The Social Innovation Fund Beneficiary Assessment*, supported by UNDP

²⁹ World Bank (2006), *Serbia Social Assistance and Child Protection Note*

³⁰ Tadic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level* (page 61), Master Paper, FEFA

³¹ Golcin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

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Transfer of knowledge. Clear but demanding (tender) procedures, trainings, tool kits and hands-on support were valued by SIF grantees and partners. Acquiring new knowledge and skills, exchange of good practices, a transparent and competitive process of granting were factors of empowerment “for several hundreds of applicants and grantees throughout the SIF implementation” (Golicin, Ognjanov, 2010). Namely, strict and complicated application procedures helped the majority of participants to learn, gradually improve their skills and win other grants³². SIF role in upgrading local competencies was crucial and practitioners in numerous occasions stress the value of gained knowledge and experiences.

Costs

Total SIF expenditures in the period 2003-2010 were around 7 million EUR (Table 1). External donor funding amounted to 4.3 million EUR, while 2.7 million was allocated from the national budget. Some of the annual funds were extended to the following year, due to obtaining extra funding or due to delay in allocations.

Table 1. Grant Funding of SIF (2003 – 2009/2010)

SIF Tenders	Donors' Funds (EUR)	Budget of the Republic of Serbia (EUR)	TOTAL (EUR)
Tender 1 - (2003/2004)	1,146,196.04	628,571.43	
Continuation of funding (2004/2005)	174,305.54	312,795.52	
TOTAL TENDER 1	1,320,501.58	941,366.95	2,261,868.53
Tender 2 - (2005/2006)	900,277.26	381,165.17	
TOTAL TENDER 2	900,277.26	381,165.17	1,281,442.43
Tender 3 - (2006/2007)	869,451.07	699,333.51	
TOTAL TENDER 3	869,451.07	699,333.51	1,568,784.58
Tender 4 - (2007/2008)		726,282.34	
TOTAL TENDER 4		726,282.34	726,282.34
Tender 5 - (2008/2009)	543,048.17		
TOTAL TENDER 5	543,048.17		
Tender 6 - (2008)	295,135.45		
TOTAL TENDER 6	295,135.45		295,135.45
Tender 7a - (2009)	69,508.31		
Tender 7b - (2009)	56,157.25		
Continuation of funding (2009/2010)	165,260.92		
TOTAL TENDER 7	390,926.48		390,926.48
TOTAL TENDER 2003-2010 VALUE	4,319,340.01	2,748,147.97	7,067,487.98

Source: Social Innovation Fund, presented in Assessment of Results of Social Innovation Fund (2010)

³² Tadic, J. (2014), *SIF Contribution to Reforms and Modernization of Social Care at Local Level* (page 61), Master Paper, FEFA

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Annual operational/administrative SIF costs were around 167.000 EUR on average. The line Ministry, i.e. Republic of Serbia provided office space and utilities, while donors enabled staff salaries, transportation cost and equipment³³.

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³³ Golicin, P. and Ognjanov, G. (2010), *Assessment of Results of the Social Innovation Fund*, Foundation for Advancement of Economics

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<http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2014/04/Study-on-Options-for-the-Establishment-of-the-Social-Inclusion-Fund.pdf>

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