



World Bank and Ministry of Social Policy and Youth - Working Together to Better Protect Croatias Vulnerable Groups

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To set the stage for the successful implementation of the EUR70 million Social Protection System Modernization Project, and to ensure the commitment of all stakeholders to the reform effort, the Ministry of Social Policy and Youth and the World Bank organized a Project launch workshop, engaging with two hundred stakeholders from various institutions responsible for the implementation of reforms. Croatia has a complex and mature social protection system that covers all main social risks and reaches a large share of the population. However, the system is fragmented, costly to administer, and only a small share of its spending is targeted to the poorest. In order to improve the system, the Government, in partnership with the World Bank, initiated a wide-ranging and complex set of reforms of the social protection system supported through the Social Protection Modernization Project. Speaking at the launch of the workshop Milanka Opacic, Deputy Prime Minister and Minister of Social Policy and Youth of the Republic of Croatia, emphasized that, "The Government of the Republic of Croatia is undertaking comprehensive reforms of the social protection system in order to protect the most vulnerable and the poorest, and to, at the same time, make social protection more efficient and less costly. This is an important segment of the Governments National Reform Program, and the Social Protection System Modernization Project is a perfect complement to the Program. The project will be implemented through a loan from the World Bank, an institution with which we have excellent cooperation. A Project Preparation Advance in the amount of almost USD1.25 million was approved for the preparation of the Project, and guaranteed funds for the implementation of the Project amount to EUR70 million." The implementation of the Social Protection System Modernization Project will be carried out from 2015 until 2018. Beneficiaries of the project will be those mostly affected by poverty (beneficiaries of the Guaranteed Minimum Benefit, child benefits, other family benefits, and the unemployed), disabled, and children and adults in social welfare institutions. Opacic continued, "By focusing on the poorest members of our society, we intend to support the eradication of extreme poverty in our country. In addition, this is a Project that will, at the same time, be to the benefit of social benefits recipients and to the benefit of all taxpayers in Croatia, as we expect to significantly reduce expenditures caused by errors and fraud and we expect to use social assistance funds more efficiently." "We hope that, with the support of this Project, we will be able to build the foundations for additional reforms such as the modernization of the administration of social protection," said Opacic. "As a Minister overseeing this Project, I will make sure, together with my associates, that its implementation proceeds in line with the agreed objectives, and I trust that the World Bank and the Ministry of Finance, as well as all other involved institutions - the Ministry of Public Administration, the Ministry of Labor and Pension System, the Ministry of Health and its agencies, including the Central Disability Certification Body within the Institute for Disability Certification, Professional Rehabilitation and Employment of Persons with Disability, the Croatian Institute for Pension Insurance, the Croatian Institute for Health Insurance, the Croatian Institute for Health Insurance, Croatian Employment Services and the Labor Inspectorate, will continue to provide their full support and assistance." The Project will support reforms in five key areas that are necessary to improve the social protection system with the aim of achieving the following results: The administration of social benefits will be consolidated under a one-stop-shop, providing a single service point to beneficiaries to apply for and receive a range of cash benefits, reducing the time and cost of application for the beneficiaries. Certification of disability will be unified and harmonized through the establishment of a Central Disability Certification Body within the Institute for Disability Certification, Professional Rehabilitation and Employment of Persons with Disability (IDCPREPD), resulting in a faster, more transparent, and more efficient certification process for applicants and improving the inclusion of persons with disabilities in the labor market. Until January 1, 2015, certification of disability was performed by numerous bodies such as Social Welfare Centers, the Croatian Institute for Health Insurance, the Croatian Institute for Pension Insurance, and educational institutions. Reduction of error, fraud, and corruption in social protection benefits will be achieved by strengthening information systems, oversight, and control procedures. This will create significant fiscal savings over the life of the project. De-institutionalization of vulnerable children and adults by moving them into family-type environments outside of the institutions and improving care and quality standards for these groups will be promoted. This type of care produces better results for the beneficiaries. The goal is to de-institutionalize at least 715 children without parental care, youth with behavioral disorders, adults and children with disabilities, and mentally ill adults by 2016. More tailored services to the unemployed and long-term unemployed will be provided to help them return to the labor market, through, for example, the development of statistical profiling techniques in employment offices as a tool to manage the high case load of its employment officers and to better focus scarce resources. "We are very pleased to support the Croatian Government in its efforts to make the provision of social protection services to the most vulnerable groups better targeted, better organized, and less of a strain on public finances. This is especially important during periods of economic downturn when the demand for social protection is on the rise, while the resources to finance it are increasingly scarce," highlighted Carlos Piñerúa, World Bank Country Manager for Croatia. Since joining the World Bank in 1993, Croatia has benefited from financial and technical assistance, policy advice, and analytical services provided by the global development institution. To date, the World Bank has supported 54 operations amounting to around US\$3.5 billion, and approved 53 grants with a total value of US\$70 million. Media Contacts
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