

**United Nations Development Programme
Regional Project Document**

Project Title	Regional Human Development Report on Social Inclusion
Expected Outcome	COs, policy makers and CSOs have improved statistical and analytical capacities in respect of MDG and HD monitoring
Expected Output(s):	Regional Human Development Report on Social Inclusion prepared
Executing Entity:	UNDP Bratislava
Implementing Agencies:	UNDP Bratislava

Brief Description

There is currently no standard set of definitions and indicators to measuring social inclusion that is easily transferable to all ECIS country contexts, which reduces the usefulness of this powerful concept as an analytical and policy-making tool. The further articulation of the meaning of social inclusion in the ECIS context could help ECIS governments to refine and improve their analysis of and policy measures for poverty reduction, anti-discrimination, and human rights. It could also build the foundation for promoting social policy measures which extend beyond simply meeting basic needs. A regional report that develops a common analytical approach to social inclusion applicable from Central Europe to Central Asia, and that provides examples of measurement methods as well as policy applications for addressing inequality, poverty, and social exclusion in a multi-national context, would fill an important gap.

Programme Period: 2009-2010 Key Result Area (Strategic Plan): Promoting inclusive growth, gender equality and achievement of internationally agreed development goals, including the MDGs Atlas Award ID: 47377 Start date: 1 Jan 2009 End Date: 31 Dec 2010 PAC Meeting Date: 4 Dec 2008	Total resources required: \$983,330 Total allocated resources: _____ • Regular: \$ 703,330 • Other: _____ ◦ Donor: _____ ◦ Donor: _____ ◦ Donor: _____ ◦ Government: _____ ◦ COs: \$280,000 Unfunded budget: _____ In-kind Contributions: _____
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Agreed by (UNDP):



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1. SITUATION ANALYSIS

Two decades of transition have brought overwhelmingly positive changes to the Europe and CIS (ECIS) region, greatly expanding people's rights and opportunities. The majority of the countries of Central and Eastern Europe have regained and exceeded their pre-transition levels of per capita GDP, the most common comparative measure of economic success. In many countries, human development trends (based on GDP, educational achievements and longevity) have even surpassed GDP trends. Despite these significant gains, the benefits of economic growth and increasing socio-political freedoms have not been equally distributed. The past twenty years have also been characterized by high levels of insecurity and rising inequality. A generation of parents who experienced massive social dislocations, the threat of unemployment, and declining standards of living, look back with nostalgia to a more stable and secure past. Fear and insecurity in the face of a declining quality of life have worked to undermine social solidarity with those less able to compete in a lightly regulated free market, while pressures on public expenditures have often left the elderly, the disabled or families with multiple dependents and care responsibilities in poverty. Social tensions and discrimination and prejudice against social and ethnic minorities have been exacerbated, and several countries in the region flared into conflict, when these fears were manipulated by political actors.

During the same period, as mounting evidence showed that economic growth alone was not sufficient to address problems of vulnerability and exclusion, two complementary approaches - **human development** and **social inclusion** - emerged to address these issues. Both put people at the centre of policy, shifting the focus from an abstract aggregate economy to the society – the individuals and their governance institutions – which together make up the context within which an economy functions. Both approaches seek to widen each the ability of each individual to realize his or her potential, in recognition that without investment in individual well-being, economic growth is neither stable nor sustainable.

Although there are significant variations among and within ECIS countries in the levels and intensity of poverty and social exclusion, the people at risk and the dynamics of transition are quite consistent and present similar challenges throughout the region. The individuals and groups who are most vulnerable include ethnic minorities, people with disabilities, households with many children or elderly dependents, the long-term unemployed, people with little education, residents of small rural communities and people living with HIV/AIDS.

Social Inclusion as a Concept

Social inclusion is a concept that has been extensively applied in other regions and more recently by members of the European Union. The EC defines social inclusion as "a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live."¹ Social inclusion is understood as both a relative concept in that exclusion can only be judged by comparing the circumstances of an individual (or group or community) relative to others within the same society; and as an absolute concept based on the individual's right to "having a life associated with being a member of a community".²

In pursuing social inclusion, the EC has come to recognize explicitly the interdependence of sustainable economic growth and social policy which promotes the active participation of all members of society. The State has a responsibility to act to achieve the above rights by implementing policies which address active and/or passive barriers to full participation in society by all of its members who so desire. Many aspects of this obligation to act are delineated in the Human Rights conventions to which the States of the ECIS region are signatories. The State also has a vested interest, both political and economic, in ensuring the stability and cohesiveness of society and with it the sustainability of economic growth through the inclusion of all its members.

An advantage of the concept of social exclusion/inclusion over an approach based on poverty and other material deprivation is its focus on processes, i.e. the dynamics of the interaction between an individual and his or her social, legal, and economic environment. Asking whether a person is able to participate equally in mainstream society, leads to identifying any barriers to participation. These barriers can be *institutional* (discrimination, lack of infrastructure or absence of services, or in the case of people with disabilities, can also be the *physical* accessibility of buildings or schools), in the *community* (prejudice, marginalization), or

¹ EC, *Joint Report on Social Inclusion*. Commission of the European Communities, 2004:10.

² See Townsend, P. *Poverty in the United Kingdom*, Harmondsworth: Penguin Books, 1979: 31.

personal (lack of education, withdrawal, rejection, or fears). Different population groups may experience different and overlapping vulnerabilities or face different barriers, which require different strategies to overcome them. Social inclusion policies should be designed to correct any negative outcomes which can be ascribed to gender; age; ethnicity; location; economic, education, or health status or disability, etc., be these intentional (e.g., systematic discrimination) or unintentional (i.e., the failure to recognize the differential impact of policies on individuals or groups).

Human development stresses the significance of education, access to adequate social services (health and education in particular), environmental sustainability, gender equality, human security and respect for individual rights. Restrictions in any of these areas are perceived as detrimental to freedom of choice. Social exclusion, which prevents access through institutional, community- and personal-level barriers to important social goods and services, whether as a result of deliberate discrimination or lack of capacity to deliver, impedes people's ability to live a full life, and extends well beyond income deprivation. It is difficult for a country to claim full implementation of human rights conventions or high levels of human development if social exclusion persists.

Social inclusion adds the process dimension of exclusion (the agents, groups, and institutions that exclude) to the human development concept. A social inclusion perspective can thus help sharpen the strategies for achieving human development by addressing the discrimination, exclusion, powerlessness and accountability failures that lie at the root of poverty and other development problems. Both concepts are complementary in policy terms: human development bears a stronger focus on *what* needs to be achieved; while social inclusion focuses on *how* it should be achieved.

2. STRATEGY: RATIONALE FOR A REGIONAL HUMAN DEVELOPMENT REPORT

Human Development and Social Inclusion

The EU integration process has increased the prominence of social inclusion in policy debates in countries surrounding the EU. This in turn has increased the need among national governments and institutions to develop relevant social inclusion statistics and policies. The EU member states have themselves gone through a phase of policy and measurement experimentation and experience sharing within the Open Method of Coordination. There is currently no standard set of definitions and indicators for social inclusion that is easily transferable to all ECIS country contexts³, which reduces the usefulness of this powerful concept as an analytical and policy-making tool. A regional report which develops a common analytical approach to social inclusion that is applicable from Central Europe to Central Asia, and that provides examples of measurement methods as well as policy applications for addressing inequality, poverty, and social exclusion in a multi-national context, would fill an important gap.

The further articulation of the meaning of social inclusion in the ECIS context could help ECIS governments to refine and improve their analysis of and policy measures for poverty reduction, anti-discrimination, and human rights. It can also build the foundation for promoting social policy measures which extend beyond simply meeting basic needs. The essential research questions are: a) what are the dynamics of social exclusion in different countries or types of countries, b) which barriers do excluded groups face, c) what role does the existing system play in generating exclusion and in post-socialist countries, how much of this is a legacy of the past and how much the product of transition to the new system, and d) what strategies are needed to overcome these barriers?

UNDP has generated an extensive body of research on the patterns and causes of social exclusion and vulnerability in the region. Other than UNDP's studies and general articles about the concept, country and area studies have concentrated on Latin America (World Bank) and South East Asia (DFID). A survey on broader literature on social exclusion is included in annex 5. Recent studies have focused on the Roma and the displaced (*Avoiding the Dependency Trap*, 2002; *At Risk: Roma and the Displaced*, 2006), and people living with HIV/AIDS (forthcoming *Regional Human Development Report on the exclusion experienced by People living with HIV/AIDS*). An initial attempt to align the MDGs and social exclusion was made for Slovakia, Hungary, Czech Republic and Slovenia (*MDG report*, 2004), and social exclusion has been analyzed comprehensively in *national human development reports* in *Bosnia and Herzegovina* (2007), *Croatia* (2007), *Macedonia* (2001) and *Montenegro* (forthcoming).

The literature review and the response to these national reports on excluded and vulnerable groups has led to recognition of the need for a region-wide approach to social inclusion. The new member states employ the EC Laeken indicators and the current candidate countries are moving towards Laeken monitoring. However, the conceptual framework of social inclusion, its linkages to human development and achieving

³ This relates mainly to the fact that the EU monitoring framework is based on income poverty measures, which are less applicable in ECIS countries due to the size of the informal economy.

the MDGs, and its relevance has not yet been examined in countries not seeking EU accession.⁴ Although the Laeken indicator set has been expanded, its applicability, especially in a less developed, post-conflict or fragile context, has been questioned. Methods for measuring and analyzing social exclusion, inequalities, and vulnerability have been developed in Poland (*Social inclusion indicators, 2007*), Macedonia (*People-centred report, 2008*) and Croatia (*Quality of life report, 2007*). Other countries have taken different alternative or supplementary approaches to primary data collection (quantitative versus qualitative), secondary data collection (different levels of geographical and identity group disaggregation), and monitoring frameworks (choice of indicators and indices). The proposed RHDR will provide a summary of regional experience thus far and guidance on good practices on all of these issues.

Theoretical Foundations of Human Development, Human Rights-Based Approaches and Social Inclusion

Over the past two decades, as it has become clear that economic growth alone is neither sufficient to eradicate poverty or reduce inequality, measurement of poverty has shifted from a money-metric quantification of who is poor to broader measures of how people are poor. The resulting poverty research has revealed increasingly clear patterns in the distribution of access to incomes, services, and social goods within the general population and the characteristics of those who are poor. While monetized absolute poverty lines based on caloric intake or food-plus-essentials are still used and useful in crisis and post-crisis situations, less easily quantified, socially-based measurements, such as Sen's "capability approach", have become increasingly central to understanding why poverty continues to persist in non-crisis societies.

The research to be undertaken in this project will **draw on three complimentary approaches to understanding poverty**, in an effort to better understand and address its causes across the wide range in levels of development found in Eastern Europe and the CIS. Human Development, Human Rights-Based Approaches and Social Inclusion all proceed from a moral or philosophical belief in the intrinsic value of human life and a commitment to the dignity and equality of each human being. Each of these conceptual frameworks places human well-being within a social and political context, and posits aspects of the interaction of the individual with society that cannot be represented by a money-metric proxy. Each also expresses – explicitly or implicitly -- the vested interest of society in the provision of supportive social policies by a state actor in realization of the social contract.

The concept of Human Development proceeds from the perspective of the individual, incorporating the language of "capabilities" (Sen), to assert that each individual, by virtue of his or her existence, has a moral right to develop his or her inherent capacities (intellectual, physical, social) to the fullest extent possible and to exercise the greatest possible freedom of choice in shaping his or her own life within their society. Human Development stresses the significance of access to education, health care and other social services, as well as guarantees of basic political rights and freedoms, including gender equality and freedom of movement, and the ability to participate in the activities of the community with self-respect and without shame. The social, economic and political context within which this takes place is described, but not explicitly characterized in terms of the obligations and responsibilities of actors or institutions. *Measurements:* individual levels of achievement in terms of income, education and health (per capita GDP, educational achievement, environmental sustainability, gender equality, longevity - often collected at the household level).

The Human Rights-based approach proceeds from the perspective of individual legal rights, deriving from existence as a human being, which are explicitly delineated in the Universal Declaration of Human Rights and supplemented by a number of international conventions on the rights of the Child, Women, Refugees, and other protected categories. The realization of these rights is guaranteed by legally binding obligations assumed by States in signing the conventions and supported by regular, obligatory reports on their implementation by the signatories. Social and economic, as well as civil and political rights are guaranteed in the Universal Declaration. While earlier practice placed more emphasis on the realization of civil and political rights, the more recently articulated Human Rights-Based approach reflects an effort to move beyond legal guarantees to supporting the practical application of civil and political rights to improve the social and economic status of those individuals and groups that have not received equal treatment or derived equal benefit within their societies. This approach explicitly delineates the obligations and responsibilities of both State actors and individual citizens in the realization of these rights. *Measurements:* legislation, monitoring of the implementation of laws, quantified outcomes, e.g. number of women in positions of political power.

⁴ In countries where EU accession plays an important role, UNDP has organized two conferences in cooperation with the EC on aligning Social Inclusion and the MDGs: *Aligning the European Union Social Inclusion Process and the Millennium Development Goals* (Vilnius, Lithuania, April 26-27, 2004) and *Western Balkans Forum on Social Inclusion and the Millennium Development Goals* (Tirana, Albania, June 23-24, 2005).

The concept of Social Inclusion as articulated and applied in practice in the European Union proceeds from the same moral and philosophical foundation of humanism. The development of the EU as first an economic and then a political institution influences its articulation of individual rights. Reflecting its social democratic political and intellectual heritage, the concept of Social Inclusion posited participation in the labour force as the primary nexus of social interaction, which also provides access to social insurance. It understood social exclusion in terms of exclusion from the paid labour force and explicitly assigns an active obligation to the State and its governance institutions to identify and remove barriers to full participation in paid employment and to regularly report on progress. *Measurements*: employment, including wages and income; housing, education, health status, including diet, commodity consumption, information and culture.

As it was applied in practice, the concept shifted from exclusion to inclusion and became less narrowly economically and labour force focused. The concept of Social Inclusion now recognizes the central importance of social processes of inclusion or exclusion and the role of informal as well as formal institutions. It now defines full participation and the barriers to participation much more broadly and has correspondingly broadened the responsibilities of the State and its institutions to identify and address social and political barriers well beyond its initial remit. Social inclusion measurements now address the situation of six vulnerable groups comprising minorities, migrants, children, the elderly, people with disabilities and women, in addition to the material conditions noted above, it also examines equity of rights and non-discrimination, dignity and recognition, autonomy of choice of occupation, family situation and personal development and social participation.

Report objective: to support regional and national poverty reduction and social inclusion advocacy efforts and policy development with examples drawn from practice and statistical evidence based on a standardized set of definitions and indicators and using technically robust methods.

The regional human development report will build on the previous and forthcoming UNDP publications described above⁵, and will draw on the international body of academic and advocacy-based social research to analyze the patterns and causes of social exclusion in the region through a human development lens. The report will examine the multi-dimensional nature of exclusion at both the household and individual levels, and link the risk of social exclusion to capability and opportunity constraints as well as to institutional structures. Such central principles of human development as equity, agency empowerment, and community engagement also will be addressed. The report will analyze the characteristics of social exclusion in at least two countries typical of each sub-region⁶ ("reflecting *inter alia* these countries' social inclusions obligations and opportunities vis-à-vis the EU, as structured by accession or integration processes") for selected groups (i.e., people with disabilities, households with many children or other dependents, migrants, refugees, the long-term unemployed) by identifying such vulnerability risks as location, age, gender, educational attainment, ethnicity, disability status, etc.) to illustrate common social and structural causes of exclusion and inequality in the region.

The report will:

- (i) Introduce a **common understanding of the social inclusion concept** that is linked to human development and is relevant for the region supporting the 20th anniversary of the human development concept in 2010;
- (ii) **Improve the evidence base**, by building a more robust statistical picture of patterns of exclusion in the region, developing a unified set of definitions and indicators/indices, and proposing methodologies to measure the social exclusion of otherwise "hidden" population groups;⁷ and

⁵ These and other UNDP RBEC national and regional reports can be found at <http://europeandcis.undp.org/home/list/publications> and <http://europeandcis.undp.org/poverty/mdghdpm/show/B9FBCA4-F203-1EE9-B396DD57E2620EE0>

⁶ These sub-regional groupings are taken to be: (a) the EU member states; b) Western Balkan countries, and Turkey; (c) the Russian Federation, Western CIS countries, and Kazakhstan; and (d) the other countries of Central Asia and the South Caucasus.

⁷ The report will benefit from ongoing UNDP work in improving methodologies for ethnic data collection, e.g., *Quantitative indicators for monitoring inclusion: ethnic data* (2007); and *Ethnicity as a statistical indicator for monitoring living conditions and discrimination* (2008), <http://europeandcis.undp.org/poverty/mdghdpm/show/B9FBCA4-F203-1EE9-B396DD57E2620EE0>.

- (iii) **Analyze policy impacts and options**, providing guidance to policymakers on successful inclusive policy choices in the economic, social and cultural spheres (with an emphasis on how these affect prospects for achieving the MDGs).

The report's **policy impact** will take the form of:

- (i) Increasing awareness about the relevance of exclusion to political stability and sustainable economic growth in the ECIS countries and the importance of social inclusion policies for achieving them (among national stakeholders, EC, European Parliament, UN agencies, and bilateral donors);
- (ii) Providing a human development approach to social inclusion (particularly in terms of developing a methodological basis for identifying pockets of poverty and social exclusion, which can contribute to the OMC process in EU member states); and
- (iii) Serving as a resource for programmatic follow up and entry points for "East-East" cooperation, particularly supporting capacity development for social inclusion in Europe's wider neighbourhood, reinforcing in this way the principles of the European Social Charter and the Lisbon Strategy+

Proposed research

The report will consist of two parts: A **Regional Overview** and a set of in-depth **Country Studies**. The Regional Overview will focus on **three research components**

- (i) the conceptual basis for social inclusion;
- (ii) socio-economic evidence concerning patterns and causes of exclusion, including the effects of rising inequality on social solidarity; and
- (iii) policy options, institutions, and instruments to promote social inclusion.

The first two components of the **Regional Overview** report will establish the conceptual linkages between human development and social inclusion, analyze social exclusion as a process and state of being excluded from the life of a community, and explore the potential of a social inclusion-based analysis to better understand and address the social dynamics of poverty and inequality in the RBEC region. It will include a discussion on *tolerance* and the *social attitudes* that underpin social inclusion. The third component will provide an overview of policy approaches that work and do not work to promote social inclusion. It will review current social and economic policies as they relate to poverty, inequality and social exclusion in order to identify gaps and weaknesses in addressing the role of social and institutional structures in poverty and inequality, as well as good practices and policy experiences from EU member states or other countries. Particular emphasis will be on showcasing different mechanisms for inclusion, including public policies such as Equal Opportunity laws and regulations, corporate social responsibility (CSR), such as corporate Affirmative Action measures and other partnerships with the private sector, as well as civil society and social economy structures. Case studies will be collected from the EC, the European Association of Poverty Networks as well as bi-lateral and multi-lateral organizations, such as the World Bank, the Global Compact and UNDP's private sector development community of practice, and will likewise draw on current research in these areas.⁸

The **Regional Overview** report will be supported by an inventory of available socio-economic data sources and a set of maps illustrating the geographical distribution of socio-economic factors in the region and be linked to a set of Background Studies (not covered in this project's budget):

Regional Background Studies:

Each Background study will consist of a stand-alone text report and a graphic representation to be included as an Appendix to the report:

⁸ UNDP/Ernst&Young, *Employing the Roma: Insights from Business*, 2005; and Borzaga, C., Galera, G. and Nogales, R. (eds.) (2008), *Social Enterprises: A New Model for Poverty Reduction and Employment Generation*, Bratislava: UNDP/EMES.

- Inventory of legal frameworks on HR and protection of ethnic, social and linguistic minorities, rights of disabled (other?) (DG TTF)
- Institutional change in new EU members in response to social inclusion policies (CD)
- Access to Justice - secure title, realization of legal guarantees for members of vulnerable groups (DG TTF)
- Migration effects on social solidarity/social inclusion in home country and in receiving country. Temporary labour migration and/or permanent relocation (Global HDR)
- Access to credit -- formal vs. community based
- Social Enterprises (study complete)
- Volunteerism study (UNV)

The **Country Studies** will be drawn from a selection of countries characteristic of each of the ECIS sub-regions (see *II Country Studies below*). Each country study will follow the pattern of the Regional Overview report to analyze social exclusion as a process and state and will explore inequalities and vulnerability risks using a combination of existing data (see *Annex 2*) and survey information to identify the extent and causes of exclusion, and to provide a detailed analysis of common vulnerability risks but also of institutions and policies that reinforce exclusion.⁹

Quantitative survey data (see *Survey Instrument Desiderata*) from two countries in each of the four sub-regions (eight countries in total) will provide information on social exclusion based on national inequalities, in terms of access to economic resources, education and employment opportunities, access to and quality of social services, social networks and political and civic participation. A set of social exclusion indicators and indices applicable to the ECIS region will be developed. *Annex 3* includes possible approaches for developing indices on "diversity" and "dissimilarity between groups" building on UNDP's work on social inclusion indicators in Poland and a mapping of poverty and social exclusion research (database on social exclusion research produced as background for this project as well as for knowledge management purposes).

The findings will be compared with other available secondary data on poverty, living standards and exclusion (such as the World Bank regional poverty data base).

The report will consist of the following sections:

I. Regional Overview (sections in logical order of flow)

- 1) Theoretical Foundation: HD, HRBA, Social Inclusion
- 2) Summary of principal aspects of political and economic effects of transition and current situation
 - Loss of security and predictability
 - Increased stress - Indicators: real wages, job security, life expectancy, suicide rates, heart and circulatory diseases, obesity, ...
 - Comparison of household economy effects of non-cash benefits and subsidies vs cash-based income and social transfers – Indicators: share of expenditures on food
 - Effect the transition has had on service quality and delivery
 - Poverty pockets and disparities
 - Fragility and Conflict potential
 - Social impact assessment and cost of non-social policies
- 3) Inequality (economic and political and its effects on domestic demand and growth patterns), and Insecurity and Fear (effects of rapid reduction in social protection and access to labour markets). Current economic climate (could also compare to increased levels of social insecurity and fear in European Union countries). *Indicators:* Gini coefficient/Theil coefficient trend, real median wage trend, personal security perception (?) (World Values Survey, BDP global inequality study)
- 4) Effects of the above on Social Solidarity, Social Inclusion, Social Contract. Ethnic/confessional tensions. Social acceptance of ethnic and social minorities. "Tolerance."

⁹ The report will make use of the existing data and research in this area, especially from UNDP's previous and on-going national and regional human development reports and other publications.

- Social identities, thick vs thin networks, bridging vs binding nets, dissimilarity, social capital
 - Mechanisms of response to state withdrawal
 - Resource-based conflict-potential, mobilization of identity to drive conflict
 - Trust/confidence in/access to State institutions and actors
 - Levels of confidence in political actors
 - Legal empowerment
 - Mechanisms for public expression of needs
 - Access and quality of services
 - Access to information
 - Perceived ability to participate in/affect political decision-making
 - Ability of local authorities to deliver services, costs and affordability
- 5) Countries or programmes which effectively counteract or respond to this dynamic.
- Relationship between the state and NGO sector.
 - "Voluntary/philanthropic" vs subcontractor for service delivery.
 - Economic solidarity – consumer and producer cooperatives
 - Mutual advantage - industrial clusters and other competitive + cooperative patterns
 - Voluntarism (UNV regional scan?), state encouragement of philanthropy (tax breaks)
 - Relationship between the state and private sector
 - Credit unions/credit coops as escalator to formal banking system - connection to legal empowerment of the poor
 - Corporate Social Responsibility (CSR)
 - State subsidies to encourage private investment in strategic priority sectors or areas
- 6) Appendices:
- Inventory of data availability for the region
 - Update on MDGs progress
 - Maps - ethnic mapping of countries/regions¹⁰
 - topographical maps
 - economic resources and infrastructure
 - conflicts and fragility

Possible Additional Aspects:

- Place and Identity, Social Identity or Political Identity?
- Migration effects on social solidarity/inclusion in home country and in receiving country?
- Social attitude shifts since 1989 (e.g. acceptance of public begging in both Western European and CEE countries).
- Disabled – citizens vs labor migrants (this is probably too difficult to capture)

II. Country studies

Each country study will follow the above outline, sections 1-5, and present a statistical analysis of the results of the Perceptions of Social Inclusion survey to be conducted in each of the 8 participating countries.

In each country the national team leader in cooperation with the CO should develop at least 3 programmable proposals fitting country context and needs (based on data and research).

Selection criteria for in-depth studies: 8 countries, 4 sub-regions based on data and other characteristics (non-uniqueness), or three countries with similar social/economic structural characteristics and different policy approaches.

Hard selection criteria:

¹⁰ see Laura Rio ELS project poverty mapping Uzbekistan

- Access to raw data sets (!)
- Political feasibility
- CO cooperation and organizational/logistical support
- Co-funding

Survey Instrument Desiderata

Considerations:

- Information collection should be **individual**, not household-based
- Survey should avoid replication of information available from existing data sets
- Potential for using survey as a source of small additional modules which could be added to regularly conducted surveys (i.e. LFS).
- Survey Instrument should be designed to elicit qualitative information based on individual perceptions and experience.
- Results should be amenable to creation of a GIS-linked database
- Survey should take into account effects of the financial crisis on the choice of the to be surveyed groups
- Survey should address relationship between ethnicity, conflict and social exclusion without violating political sensitivities

Block 1 Quantitative: Age, sex, marital status, number of children, educational level, employment status, types or income sources, self-identification as majority or minority nationally and locally.

Block 2 Qualitative: Behavioural attitudes, social networks, access to, affordability and quality of services and household and individual coping strategies; pre-and post-transition perceptions of social position

Block 3 Mapping territory of survey location (sampling clusters): Governance institutions, realization of rights, local participation, availability of services – schools, clinics, public transport, water/sewerage, etc.

Open issues: (for consultation with experts in survey instrument design)

- Oversample vulnerable groups?
- Disabled, HIV positive/AIDs, drug users and MSMs, institutionalized populations, homeless, migrants, refugees, internally displaced persons, socially discriminated minorities
- Based on individuals in institutions or households?
- Multi-dependent and multi-generational households?

Implementation Plan

The primary beneficiaries of the project are the national governments and stakeholders in the RBEC region. To best serve them and achieve the expected outputs, the Regional HDR project team will collaborate closely with UNDP Country Offices and with the other Practices (and sub-practices) of the Bratislava Regional Centre, and in active cooperation with other non-UN Partners, such as the European Commission and bilateral donor development agencies active in the area of social inclusion.

The project will be implemented in the following steps:

Step One: Once initial resource mobilization is complete, a **project Steering Committee** will be appointed, composed of representatives of RBEC, the BRC, the Resident Representatives of selected Country Offices and cooperating partner Agencies and non-UN partners. TORs for the project Core Team will be circulated and Core Team members will be recruited by the Project Manager. The Core Team will consult regularly and meet as necessary to discuss with and provide support to the Project Manager on all issues of staffing, definition of indicators, elaboration of theoretical concepts, research agenda and assignments, evaluation of policy options and instruments, selection of countries for Country Studies, reviewing of writing team drafts, selecting and coordinating Peer Reviewers, and any other matters concerning the quality of the project outputs. The **Core Team** should be on board three months after inception of the project and will consist of:

- Project Manager
- Project Administrative Assistant

- Lead Author: Responsible for technical content and quality of Regional and National Reports
- Professional Staff Coordinator: to support the Lead Author by facilitating writing team meetings, country team meetings, co-manage and review writing team drafts, and other technical support
- Survey Expert: Responsible for technical quality of indicator selection, survey design and conduct, data cleaning and initial analysis

The Core Team will meet twice (2) with the Regional Report Chapter Heads, Cartographer and any other technical lead authors, and the Country Report Team Leaders first for a kick-off initial planning meeting and at the beginning of the second year for a Midterm update and consultation to discuss first drafts. The Core Team will also develop a regional advocacy strategy throughout the process.

Step Two: Recruitment of the Report Writing Team and participating Country Offices. The Project Manager will circulate TORs and supported by the Core Team, select the Regional Report Chapter Heads and Cartographer/Geographer. At the same time, the Project Manager and Core Team will also solicit applications from RBEC Country Offices to participate in the Social Inclusion survey and in-depth Country Studies and select 8 countries, representative of the RBEC regions.

During this period, the Survey Expert will begin the elaboration of the Social Inclusion survey instrument, the Cartographer/Geographer will begin work on Regional maps, and Background Studies will be agreed with the Partners responsible for their elaboration.

Step Three: Once the participating Country Offices have been selected, the Project Manager and Core Team will rely on their active support in recruiting National Survey and National Report Writing teams.

The eight (8) National Survey Teams will be trained by the Survey Expert in two (2) sub-regional training sessions (Balkans+EU, CIS + Central Asia), who will manage and coordinate their work.

The eight (8) National Report Writing teams will consist of a National Team Lead Leader, five (5) Chapter Heads and one (1) Program/project Application Officer, who will be responsible for using the research results to produce at least three (3) programmable proposals fitting the country context and needs and organise the national advocacy. The National Writing Teams will be supervised by the National Team Leader, who will be trained and supervised by the Lead Author. The National Teams will attend three (3) sub-regional group meetings for Inception discussion, First draft review meeting and Final draft consolidation meeting, coordinated by the Regional Lead Author and Professional staff coordinator. National teams will also meet in their own countries for an Initial Stakeholder consultation and again for the National Launch. Regional Stakeholder consultations will be held at the Inception and First Draft Review points.

Step Four: All management, writing and survey staff should be on board six months after project inception. At this point, the survey instrument should be complete. At the beginning of the third quarter training of National Survey teams will begin, kick-off meetings and Stakeholder meetings will be held for the Regional and National Report Writing teams. Work on Background Studies and Map work will continue. From this point, Core Team consultations will take place at least weekly, at which the Lead Author and Survey Expert will report on the progress of the Regional and National teams. The Project Manager and Professional staff coordinator will monitor the progress of Background studies, maps, and other deliverables.

Step Five: At the beginning of the fourth quarter, a Financial Crisis Working Group (convened by BRC Director) update will be circulated to all project staff. By the end of the fourth quarter, all Country surveys should be complete and preliminary data analysis undertaken. Regional and National Writing Teams, Background Studies and Map work will continue through the end of the year. The Core Team will identify and recruit Regional and National Peer Reviewers.

Step Six: Within the first 30 days of the first quarter of year two, a second report of the Financial Crisis Working Group will be circulated. Data cleaning of the Country surveys will be complete, Background studies and Regional Maps are complete. First drafts of the Regional and National Reports will be circulated for review and comment. By the end of the first quarter, Regional First draft meeting will be held with Core Team, and National first draft discussion meetings will be held with Lead Author and Professional Staff Coordinator and comments on the first drafts returned to the authors for their revisions. Project Midterm Review will take place, Steering Committee and Stakeholders meetings will be held.

Step Seven: During the second quarter, Survey data analysis will be completed, Country survey data will be mapped, Regional and National final drafts will be circulated to Regional and National Peer Reviewers. Selection of Editor(s), Translators(s), Layout Designer and Printer by Core Team will be completed.

Step Eight: At the beginning of the third quarter, International and National final drafts are approved by Steering committee in virtual review meeting and transmitted to for editing, translation, layout and printing.

Step Nine: Regional Launch will take place during the fourth quarter of year two, attended by the Regional Lead Author and Chapter Heads, National Report Team Leaders, and the Project Manager or Professional staff coordinator and programmatic follow up proposals discussed.

Partnerships and Consultations

European Commission: The report will develop a methodological basis for identifying pockets of poverty and exclusion, which can contribute to the OMC process in EU member states. The report can also be an opportunity to improve coordination with the EC and support capacity development for social inclusion statistics and policies in Southeast Europe as well as in countries that already emphasize the need for developing social inclusion statistics and policies in their European Neighbourhood Action Plans (i.e. Ukraine and Moldova) that coordinate the partnership with the EC.

Other UN agencies: The report can be an opportunity to promote "Delivering as One" by engaging relevant UN agencies (e.g. UNICEF, ILO) that have expertise in the area of social inclusion. Partnerships with relevant UN agencies at national and regional levels are envisaged to benefit from other agencies' research, data and experiences in this area.

Other bi-lateral and multi-lateral development organizations with established analytical expertise and practical experience with social inclusion: The report can also be an opportunity to improve cooperation and coordination with development agencies such as the UK Department for International Development and the Nordic group, which have taken the lead in analysis of social exclusion and support to social inclusion policies and programme development.

COs and HQ: The concept note takes into account suggestions from UNDP's regional human development Community of Practice (CoP), which were generated at the CoP meeting on 19-21 May 2008 in Bratislava.

UNDP country offices (COs), and the Regional Bureau for Europe and CIS and other relevant central service bureaux (e.g., the Bureau of Development Policy, the Human Development Report Office, the Partnerships Bureau), will be involved in all stages of the report preparation process. In the design phase, COs and headquarters offices have commented on the concept note, inter alia via a new internet workspace. Those COs selected as case studies in each sub-region will be supported in undertaking **consultation and advocacy efforts with representatives of national stakeholders (government representatives, civil society representatives and representatives of excluded groups, academia) at each phase** in the report development process to obtain their input to its design, conduct of research and conclusions. In this way, COs will be able to use the report preparation process as an advocacy tool as well as project proposal formulation process for social inclusion. The sub-regional Forum on Social Inclusion on 26-27 November 2008 serves as the first consultation meeting to government and civil society representatives in the Western Balkan region where the project has been presented and feedback has been incorporated into the project document.

Resource mobilization

Initial RM efforts have been done with the EC (DG Employment and Social Affairs), Unicef, the Finnish Development Cooperation, and DFID. Internally, BDP and the Oslo Governance Centre have been contacted for possible partnership. Further RM efforts under RBEC management leadership are ongoing.

The project budget foresees that the country studies will be funded fully by COs. COs have been informed and several COs have already expressed interest.

I. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Regional Programme Results and Resource Framework:

COs, policy makers and CSOs have improved statistical and analytical capacities in respect of MDG and HD monitoring

Outcome indicators as stated in the Regional Programme Results and Resources Framework, including baseline and targets:

Baseline:

1. Weak understanding of vulnerability issues in the region (vulnerability of Roma, groups at risk, IDPs, etc.)
2. National level policies insufficiently equipped to address specific challenges of Roma inclusion using quantitative indicators
3. Insufficient access to MDG data for the region from various sources
4. Not all national human development reports produced in the region reviewed by the HD advisor hence the quality of the reports is not guaranteed
5. COs, policy makers and CSOs have poor statistical and analytical capacities in respect of HD, sustainable development and MDGs
6. MDGs are not sufficiently understood and reflected in the national strategies

Indicators:

1. Activities targeting vulnerability issues in the countries implemented
2. Number of countries with monitoring system to their Decade of Roma Inclusion National Action Plans
3. Access to data on HD and MDGs from the RBEC countries
4. Improved quality of NHDs in the region
5. Knowledge products and events on HD and MDGs
6. MDGs incorporated into the national poverty reduction strategies

Applicable Key Result Area (from 2008-11 Strategic Plan): Promoting inclusive growth, gender equality and achievement of internationally agreed development goals, including the MDGs

Partnership Strategy: UNDP COs, European Commission; other UN Agencies (e.g. UNICEF, ILO); Bi-lateral donors such as DFID, SIDA, Norwegian and Finnish Development Agencies

Project title and ID (ATLAS Award ID): Award ID: Regional Human Development Report on Social Inclusion; Award ID: 47377

INTENDED OUTPUTS	OUTPUT TARGETS FOR (2009-2010)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1: Regional human development report on Social Inclusion prepared</p> <p>Baseline:</p> <p>i) Social inclusion analysis has been undertaken in new EU member states and some candidate countries, but not in the majority of</p>	<p>Targets (year 1)</p> <p>Social Inclusion Perception Survey conducted in 8 countries providing quality information on social inclusion</p> <p>Background papers completed providing quality information on social</p>	<p>1. Activity Result: Regional overview report</p> <ul style="list-style-type: none"> • Action – Core Staff and regional writing team recruitment • Action – project staff meetings, stakeholder consultations, steering committee meetings • Action - Background Studies 	<p>UNDP BRC Poverty Practice</p>	<p>Activity 1: Staff salaries and Writing Team honoraria</p> <p>2 x Core Team project Meetings (travel and DSA)</p> <p>2 x Regional Stakeholder consultations (venue, travel and DSA)</p>

<p>countries in the region.</p> <p>ii) There is currently no standard approach to applying social inclusion analysis in ECIS country contexts</p> <p>iii) There is currently no inventory of available social sector data or geographical presentation of social inclusion data for the region</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Unified set of definitions and indicators for social inclusion analysis demonstrated in 8 countries (representative for ECIS region) and available for systematic application and adoption by all ECIS countries - Inventory of data sources and geographical presentation available and regularly used by RBEC COs and UN partner agencies 	<p>inclusion</p> <p>First Drafts applying standardized methodology for new social inclusion analysis near completion</p> <p>Targets (year 2)</p> <p>Final drafts approved by Peer Review Group and Steering Committee</p> <p>Report launched and programmatic follow up proposals developed</p>	<p>2. Activity Result: Social Inclusion Survey</p> <ul style="list-style-type: none"> • Action – Survey expert and national survey teams recruitment • Action – Train country survey teams <p>3. Activity Result: Country Studies</p> <ul style="list-style-type: none"> ▪ Action – Country teams recruitment ▪ Action – Country teams meetings, national stakeholder meetings ▪ Action - National launch <p>4. Activity Result: Regional report launch</p> <ul style="list-style-type: none"> • Action - Editor, translator, layout and printer recruitment • Action - Launch 	<p>UNDP BRC Poverty Practice</p> <p>UNDP COs</p> <p>UNDP BRC Poverty Practice</p>	<p>2 x Steering Committee Meetings (venue, travel, DSA)</p> <p>Activity 2: Survey expert and survey teams honoraria</p> <p>2 x sub-regional training of survey teams (venue, DSA, travel)</p> <p>Activity 3: Country teams salaries</p> <p>3 x country team meetings (sub-regional) (venue, DSA, travel)</p> <p>8 x national stakeholder meetings, printing and launch event</p> <p>Activity 4: Editor, translator, layout and printing costs</p> <p>2 x regional launch event (venue, DSA, travel)</p>
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II. ANNUAL WORK PLAN

Year: 2009

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1: Regional human development report on Social Inclusion prepared Baseline: i) Social Inclusion analysis has been undertaken in new EU member states and some candidate countries, but not in the majority of countries in the region. ii) There is currently no standard approach to applying social inclusion analysis in ECIS country contexts iii) There is currently no inventory of available social sector data or geographical presentation of social inclusion data for the region	1. Activity Result: Regional overview report • Action – Core Staff and regional writing team recruitment	X	X	X	X	UNDP	TRAC	71405 71200	\$60,000 \$58,000
	• Action – project staff meeting, stakeholder consultation, steering committee meeting		X			UNDP	TRAC	71600 73100	\$48,000 \$5,000
	• Action - Background Studies	X	X			UNDP			
	2. Activity Result: Social Inclusion Survey • Action – Survey expert and national survey teams recruitment • Action – Train country survey teams (2 meetings)	X	X			UNDP	TRAC	71200 71310/72100	\$20,000 \$200,000
Indicators: - Adapted method of social inclusion analysis demonstrated on regional				X		UNDP	TRAC	71600 73100	\$36,000 \$4,000
	3. Activity Result: Country Studies • Action – Country teams recruitment		X	X	X	UNDP	COs	71310/72100	\$40,000

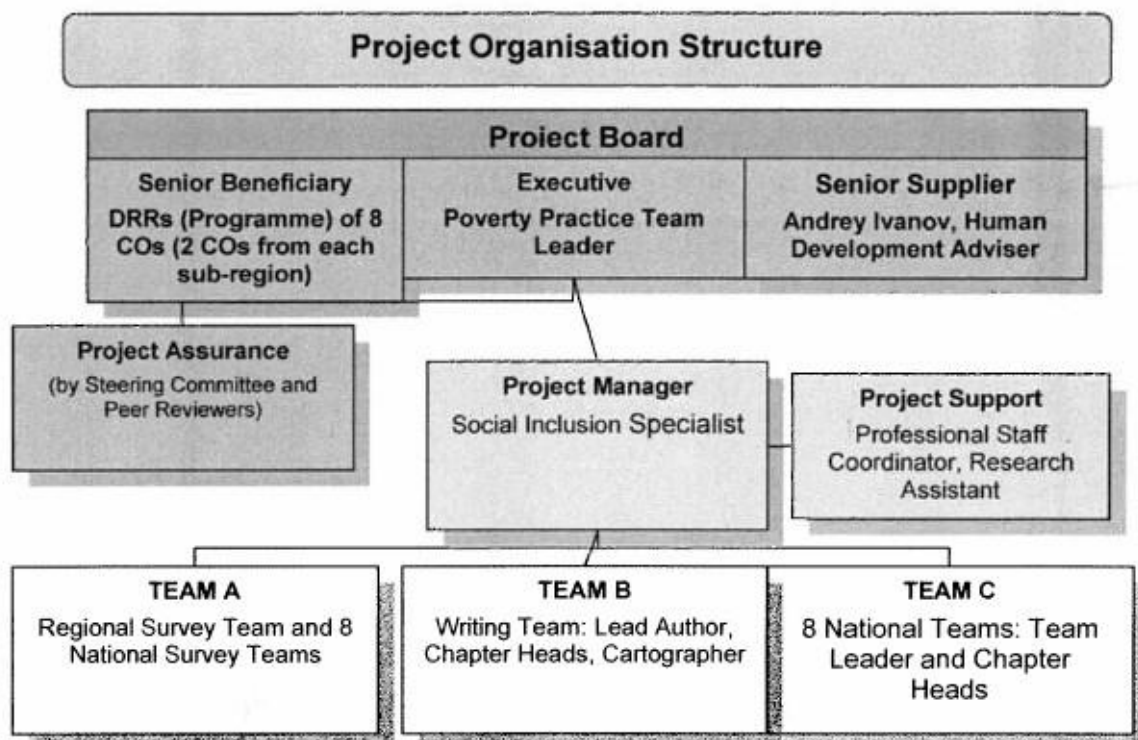
Year: 2010

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1: Regional human development report on Social Inclusion prepared Baseline: i) Social Inclusion analysis has been undertaken in new EU member states and some candidate countries, but not in the majority of countries in the region. ii) There is currently no standard approach to applying social inclusion analysis in ECIS country contexts iii) There is currently no inventory of available social sector data or geographical presentation of social inclusion data for the region Indicators: - Adapted method of social inclusion analysis demonstrated on regional level and available for systematic application and	1. Activity Result: Regional overview report • Action – Core Staff and regional writing team recruitment	X	X	X	X	UNDP	TRAC	71405 71200	\$60,000 \$50,000
	• Action – project staff meeting, stakeholder consultation, steering committee meeting	X				UNDP	TRAC	71600 73100	\$56,000 \$7,000
	3. Activity Result: Country Studies • Action – Country teams	X	X	X	X	UNDP	COs	71310/72100	\$40,000
	• Action – Country teams meeting, national stakeholder meeting	X		X		UNDP	COs	73100	\$72,000
	• Action – National launch events				X	UNDP	COs	73100 74210 71310	\$8,000 \$40,000 \$40,000
	4. Activity Result: Regional report launch • Action – Editor, translator, layout and printer recruitment			X		UNDP	TRAC	74210 71310	\$10,000 \$10,000

III. MANAGEMENT ARRANGEMENTS

The project will be managed and implemented by the Bratislava Regional Centre within the delegated Direct Execution (DEX) authority, in accordance with the programming framework defined for all projects under the regional programme. The regional report and survey will be managed by BRC while it is foreseen that the country studies will be implemented and funded by participating COs. COs can charge ISS to BRC.

The project organizational structure is listed below.



A Project Board will be established to take responsibility for making strategic direction of the report decisions and executive management decisions for a project when guidance is required by the Project manager, including approval of project revisions. The Project Board will be comprised of the Bratislava Regional Centre's Poverty Practice Team Leader, HD advisor, and DRRs Programme of the 8 participating COs. The Group's key roles will be as follows:

- Executive role will be performed by the BRC poverty practice team leader.
- Senior Supplier role will be held by the BRC's HD Advisor who has the substantial technical expertise to guide the project; and
- Senior Beneficiary role will be held by the 8 DRRs Programme of the participating Country Offices to ensure that the project serves the interests of their national stakeholders.

In addition and independently from the Project Board's roles two other roles will be important for the smooth project implementation:

- The project Steering Committee and the peer review group will assume the project assurance role and will support the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The project Steering Committee will be appointed, composed of representatives of RBEC, the BRC, the Resident Representatives of selected Country Offices and cooperating partner Agencies and non-UN partners

(b) The Project Manager is the Social Inclusion Specialist and is responsible for the day-to-day management of the project together with the project support team: the Project Administrative Assistant and the Professional Staff Coordinator. The latter supports the Lead Author by facilitating writing team meetings, country team meetings, co-manage and review writing team drafts, and other technical support.

(c) The three teams will consist of:

- Survey Expert (Responsible for technical quality of indicator selection, survey design and conduct, data cleaning and initial analysis) and 8 country survey teams
- Regional writing team: Lead author (Responsible for technical content and quality of Regional and National Reports) and 5 chapter heads, cartographer
- 8 National teams consisting of team leader and 5 chapter heads

IV. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Quality Management for Project Activity Results

OUTPUT 1: Improved understanding of stakeholders (students, civil society, policy makers) of human development, social inclusion and the MDGs through the preparation of a regional human development report on social inclusion		
Activity Result 1 (Atlas Activity ID)	<i>Regional overview report</i>	Start Date: 1 Jan 2009 End Date: 31 Dec 2010
Purpose	<i>To recruit the main human resources and conduct the advisory, consultation and planning meetings necessary for the regional report and background studies elaboration</i>	
Description	<ol style="list-style-type: none"> 1. Chapters development 2. Project and stakeholder meetings 3. Background papers development 	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
1. Performance of consultants	SSA evaluation form	
1/2. Quality and relevance of steering committee and regional stakeholder feedback	Evaluation forms; comments to drafts	

OUTPUT 1: Improved understanding of stakeholders (students, civil society, policy makers) of human development, social inclusion and the MDGs through the preparation of a regional human development report on social inclusion		
Activity Result 1 (Atlas Activity ID)	<i>Social Inclusion Survey</i>	Start Date: 1 Jan 2009 End Date: 31 Dec 2009
Purpose	<i>To conduct the main data collection exercise (development of survey instrument and data collection in 8 countries)</i>	
Description	<ol style="list-style-type: none"> 1. Survey staff recruitment and data collection 2. Survey trainings 	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
1. Quality of regional SI database	Survey Expert check on quality and consistency of data	
2. Quality of survey training conducted	Evaluation forms	

OUTPUT 1: Improved understanding of stakeholders (students, civil society, policy makers) of human development, social inclusion and the MDGs through the preparation of a regional human development report on social inclusion		
Activity Result 1 (Atlas Activity ID)	<i>Country Studies</i>	Start Date: 1 Jan 2009 End Date: 31 Dec 2010
Purpose	<i>To develop the 8 country studies as input to the regional report</i>	

Description	1. Country teams recruitment 2. Country team and stakeholder meetings 3. Country reports elaboration	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
1. Performance of country teams	SSA evaluation forms	
2./3. Quality and relevance steering committee, lead author and national stakeholder feedback	Evaluation forms; comments to drafts	

OUTPUT 1: Improved understanding of stakeholders (students, civil society, policy makers) of human development, social inclusion and the MDGs through the preparation of a regional human development report on social inclusion		
Activity Result 1 (Atlas Activity ID)	<i>Regional report launch</i>	Start Date: 1 July 2010 End Date: 31 Dec 2010
Purpose	<i>To prepare publication and launch events of the regional report</i>	
Description	1. Editing, translation and layout/printing 2. Regional launch events	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
1. Performance of consultants/institutions	SSA or institutional evaluation forms	
2. Launch received quality feedback and wide coverage	Press materials; coverage	

V. LEGAL CONTEXT

The project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VI. ANNEXES

Annex 1: Risk Analysis

Project Title: Regional Human Development Report on Social Inclusion						Award ID: 47377		Date: 19/11/2008	
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	RM unsuccessful, lack of donor interest	19/11/2008	Strategic (Donors, partnerships fail to deliver)	Resources will not (or not sufficiently) be mobilized to cover the costs of the report. I = 5 P = 3	Efforts are being made to mobilize resources with the EC, Finnish Development, Unicef, Dfid	RBEC/BRC mngt BRC poverty team leader	Project Manager	19/11/2008	No change.
2	Lack of ownership of COs and governments	19/11/2008	Political (Government, non-UN partners and CO commitment) Organizational (Execution capacity)	Project would have difficulty in securing ownership and support from COs, national governments and key non-UN partners Regional report would ultimately not be successful and have reduced impact due to lack of national/local stakeholder ownership over the report preparation process. P = 2 I = 4	Efforts are being made to secure sufficient time and money for stakeholder consultations. Efforts are being made to ensure support of senior management.	RBEC mngt. BRC poverty team leader Project manager	Project Manager	19/11/2008	No change.
3	Poor quality of report (background papers, chapters,	19/11/2008	Organizational (Execution capacity)	Project would suffer from bad quality work from regional consultants or	Extensive quality assurance through the steering committee,	BRC poverty team leader	Project Manager	19/11/2008	No change.

country studies)				country teams. P = 2 I = 4	stakeholder meetings and core team meetings as well as internal cross-practice engagement will ensure that the quality of the report is good and that expectations are met.	Project Manager			
4 Problems with the regional survey – poor data quality and lack of existing data	19/11/2008	Organizational (Execution capacity)	Project would suffer from poor survey data or lack of existing data which is the basis of the analytical work and uniqueness of the report. P = 2 I = 4	Extensive quality assurance through the design expert, steering committee, and core team will ensure that the survey is being conducted properly and country selection data includes access to existing datasets.	BRC poverty team leader Project Manager	Project Manager	19/11/2008	No change.	

Annex 2: Survey data and social exclusion

Using household surveys to explore pockets of poverty and exclusion

To understand the depth and the extent of social exclusion and poverty in the Europe and CIS region, existing household- and individual-level survey data can be utilized **to identify the disparities across various spatial and social sub-populations**. These results can then be used as pointers for further analytical research using administrative data, compiled from the records collected by the agencies serving directly the beneficiaries and thus do not suffer the time-lag and representability bias inherent in the surveys. This précis discusses several examples on the uses of survey data for exploratory poverty and social exclusion analysis.

In Bosnia and Herzegovina, between 2001 and 2004, four waves of LSMS were conducted. Questions on post-conflict residency status, ethno-religious identity, opinions on quality of life and the provision of public services can be compared with household level income (wages, remittances, social transfers), access to credit and labor markets, house-ownership, and the availability and level of public services, such as health clinics. These cross-tabulations can be obtained not only by household characteristics (such as age, sex and education of the head, or household structure) but also at municipal, Canton and Entity levels over the years.

Tables A1 to A3 below summarize some of our findings on the characteristics of the poor and socially excluded at Entity level and by municipality in Bosnia and Herzegovina for selected years. Should there be any further inquiries, similar analysis can easily be produced; for example, access to social services can be compared by post-conflict residency status (IDP, returnee, never moved during the war) at municipal level between 2001 and 2004. Table A4 uses a different survey, UNICEF MICS, and compares the living conditions of households with and without elderly members.

In Macedonia, the survey conducted for People Centered Analyses provides detailed information on the economic and social characteristics of the households interviewed, as well as the institutional processes which the residents trust or feel excluded. Information on region, religion of the household head, and number of literate adult females in the household is cross-tabulated with the gender and age of non-school going children. Exploratory analysis indicated households which reported social assistance as their primary source of income are more likely to keep their children out of school (Table B1). The results further pointed that region and religious identity of the household head may be important on determining whose child is sent to school and whose child is kept at home (Table B3). Should this result be supported later by administration based school and community level data, it would raise the question of whether financial incentives will be sufficient to modify strong cultural norms, or would alienate the community by setting the incentive in opposition to the culture. The preliminary analysis from the survey data thus points to, in addition to providing financial incentives to households, improving access to and retention of these children in school may be more susceptible to peer-group mobilization and focused attention on public awareness campaigns.

While such disaggregated statistics from the existing surveys are informative, they rarely provide information on the processes leading to social exclusion, primarily because survey instruments are designed to elicit the conditions and perceptions of the respondents. In addition, surveys represent only the non-institutionalized population, and may or may not capture sufficient members of social minorities to constitute a representative sampling, and are affected by the lag between the time of the survey and the time it is ready for use. Once the household surveys highlight the possible economic and social areas in which exclusion is experienced and exercised within the hierarchical structures, rapid assessment surveys and administrative-records based data, already paid for by the taxpayers, with timely updates and different layers of information on active and passive barriers of access should be utilized to identify the contextual and environmental characteristics of poverty and social exclusion.

Bosnia and Herzegovina 2001 – 2004 LSMS survey

Table A1: Percent of residents with household incomes <60% median - by Country, Entity, Capital City

	2001	2002	2003	2004
BiH	27.1	26.3	25.2	25.1
RS	36.7	35.2	37.4	36.4
Banja Luca	16.9	18.3	23.0	28.3
FBiH	19.5	19.5	16.7	17.3
Sarajevo	10.5	11.0	12.6	7.7

Table A2: Percent of residents without health insurance (own or as dependent) -by Country, Entity, Capital City

	2001	2002	2003	2004
BiH	14.6	14.5	13.9	13.4
RS	19.9	20.3	18.9	17.2
Banja Luca	15.1	19.5	16.8	15.6
FBiH	10.5	10.1	10.6	10.7
Sarajevo	4.9	6.7	6.9	6.6

Table A3: Exclusion profile by year and household headship

2001				2004			
No Access		Can Not Afford		No Access		Can Not Afford	
Any social program	Any program except pension	Meat	Warm House	Any social program	Any program except pension	Meat	Warm House
Female Household Head							
4.9	6.3	61.4	36.8	6.9	7.0	63.0	37.9
Elderly Household Head							
3.9	7.2	60.6	35.2	7.5	8.2	60.9	35.5
Disabled Household Head							
18.8	18.8	70.8	52.9	20.7	20.7	73.9	55.4
Households with 3+ children							
20.2	20.4	51.4	31.4	4.6	4.5	53.8	29.7
Households with 2+ elderly							
14.8	14.8	37.0	48.2	14.3	21.4	21.4	78.6
Population Average							
16.4	16.9	48.7	29.5	6.8	7.0	46.2	29.7

BiH MICS Second Wave

Table A4: Characteristics of households with and without elderly member

(%)	Reading newspapers	Having water supply in the dwelling	Having a restroom in the dwelling
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	No one can read	At least one person can read	No	Yes	No	Yes
BiH						
Without elderly	2.7	97.3	11.9	88.1	4.8	95.2
With Elderly	25.7	74.3	14.9	85.1	8	92
Federation of B&H						
Without elderly	2.6	97.4	11.5	88.5	4.5	95.5
With Elderly	27.4	72.6	14.1	85.9	6.1	93.9
Republika Srpska						
Without elderly	2.9	97.1	12.6	87.4	5.4	94.6
With Elderly	23.9	76.1	15.8	84.2	10	90

Macedonia PCA survey analysis

Table B1: Primary source of Household Income and Non-Enrollment

	Primary School		Secondary School	
Primary Source of Household Income	At least one child is not enrolled	All children are enrolled	At least one child is not enrolled	All children are enrolled
Social Assistance.	20.0	7.3	14.3	6.3
Pension	24.0	30.2	17.9	20.6
Empl/Agr	56.0	62.5	67.9	73.1

Table B2: Share of child related items in Household Budget and Non-Enrollment

% Household Budget on Food				
	Primary School		Secondary School	
Primary Source of Household Income	At least one child is not enrolled	All children are enrolled	At least one child is not enrolled	All children are enrolled
Social Assistance	55.4	50.4	82.2	55.5
Pension	49.9	39.4	58.2	38.7
Empl/Agr	35.8	39.7	43.2	38.7
% Household Budget on Health and Clothing				
	Primary School		Secondary School	
Primary Source of Household Income	At least one child is not enrolled	All children are enrolled	At least one child is not enrolled	All children are enrolled
Social Assistance	19.9	16.1	22.2	6.3
Pension	16.3	19.1	27.1	19.3
Empl/Agr	17.7	17.2	15.7	17.1

Table B3: Religious Identity of the Household Head and Non-Enrollment

	Primary School	Secondary School
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Religion of the Household Head	At least one child is not enrolled	All children are enrolled	At least one child is not enrolled	All children are enrolled
Orthodox	36.7	57.1	37.1	62.4
Muslim	63.3	41.7	60.0	37.7
Other	0.0	1.2	2.9	0.0

Available Household- and Individual-level Surveys in the Europe and CIS Region

LSMS	Albania, Bosnia and Herzegovina, Latvia, Serbia, Tajikistan
HBS	Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, FYR Macedonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Moldova, Serbia, Slovenia, Tajikistan,
LFS	Albania, Bosnia and Herzegovina, Croatia, Hungary, Latvia, Moldova, Russian Federation, Serbia, Slovak Republic
MICS	Albania, Belarus, Bosnia and Herzegovina, FYR Macedonia, Georgia, Kazakhstan, Montenegro, Serbia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan
DHS	Azerbaijan, Moldova, Turkey, Ukraine
ESS	Bulgaria, Cyprus, Hungary, Latvia, Poland, Romania, Russian Federation, Slovak Republic, Slovenia, Ukraine
EU-SILC	27 Member States + 2009 Initiative for Western Balkans
EQoL	27 Member States + FYR Macedonia+ Croatia + Turkey
WVS	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, FYR Macedonia, Georgia, Kyrgyzstan, Latvia, Lithuania, Malta, Moldova, Montenegro, Poland, Romania, Russian Federation, Serbia, Slovak Republic, Slovenia, Turkey, Ukraine

*POST 2001, except Surveys collected for specific studies. LSMS: Living Standards Measurement Survey, HBS: Household Budget Survey, LFS: Labour Force Survey, MICS: Multiple Indicator Cluster Survey, DHS: Demographic and Health Survey, ESS: European Social Survey, EQoL: European Quality of Life Survey, WVS: World Values Survey

Annex 3: Measurement approaches for indices

Theil's Entropy Index to measure "diversity" within areas

$$\text{Entropy Score} = -\sum_{j=1}^J [X_j * \ln(1/X_j)]$$

Use advantage: multi-group comparisons, inequality measurement across various disaggregation levels.

Example of Entropy Scores using BiH 2004 LSMS data.

At municipal level, the groups are defined by household head's labor market attachment status, and the entropy score defines the extent to which municipalities show diversity across household head's labor market status.

Household Head Status					
Municipality Code	Unemployed	Pensioner	Informally employed	Formally Employed	Entropy score
1	0,31	0,35	0,28	0,37	1,31
2	0,34	0,36	0,23	0,32	1,26
3	0,32	0,30	0,36	0,33	1,31
4	0,34	0,36	0,24	0,37	1,31
5	0,33	0,31	0,36	0,28	1,27
6	0,27	0,27	0,34	0,33	1,20
7	0,36	0,36	0,25	0,37	1,32
8	0,24	0,33	0,37	0,36	1,30
9	0,34	0,37	0,11	0,37	1,18
10	0,35	0,36	0,29	0,35	1,36
11	0,32	0,36	0,10	0,36	1,14
12	0,37	0,36	0,17	0,36	1,25
13	0,36	0,36	0,11	0,35	1,17
14	0,32	0,37	0,23	0,36	1,29
15	0,36	0,30	0,33	0,28	1,27
16	0,31	0,35	0,35	0,35	1,37
17	0,36	0,37	0,16	0,36	1,25
18	0,35	0,37	0,15	0,37	1,23
19	0,37	0,36	0,08	0,37	1,17
20	0,37	0,37	0,25	0,31	1,30
21	0,35	0,35	0,33	0,35	1,38
22	0,35	0,37	0,26	0,35	1,33
23	0,36	0,33	0,32	0,36	1,37
BiH	0,35	0,36	0,30	0,36	1,36

Further examples could be access to social services and goods, level of social relations, transportation, as long as the measure is for a geographical area and the categories are mutually exclusive.

Distance matrix from multivariate data – measuring similarity and dissimilarity across groups of more than two*

By using distance indices in a matrix, it is possible to convert multivariate analysis into an aggregated index where the dissimilarity (distance) of each unit is measured with respect to other units.

Advantage: Multivariate comparison for measuring the distance, i.e., how dissimilar the units are in N-dimensional space.

Disadvantage: With large number of households, this method can be computationally expensive. Clustering the households beforehand, in accordance with the operational definition of social exclusion, may reduce the number of households to number of groups of households.

Assume four hypothesized households, with the following information:

Household ID	Income	Household Head's Labor Market Status	Household Access to Services	Subjective Satisfaction	Has health insurance
1	160	Unemployed	(1,1,1,0,0,0)	1	1
2	350	Pensioner	(0,0,0,1,0,1)	0,75	0
3	200	Informal Empl	(1,1,0,0,0,0)	1	1
4	500	Formal Empl.	(0,0,0,0,1,0)	0,25	1

Household head's labor market status, as long as the available options are mutually exclusive, can be converted into a vector. Here we will convert the four categories designed for the head's labor market status into a 2 dimensional vector: (0,0) for unemployed head, (0,1) for pensioner (1,0) for the informally employed and (1,1) for formal sector employment.

Access to services: 1=water, 2=electricity 3=telephone 4=kitchen 5=bathroom 6= car. Access to services can be converted into a vector of (1,1,1,0,0,0) if the household has only water, electricity, telephone. (Please keep in mind the data are hypothesized for exposition purposes).

The multivariate matrix is then:

Household ID	Income	LM status	Amenities	Subjective Satisfaction	Has health insurance
1	160	(0,0)	(1,1,1,0,0,0)	1	1
2	350	(0,1)	(0,0,0,1,0,1)	0,75	0
3	200	(1,0)	(1,1,0,0,0,0)	1	1
4	500	(1,1)	(0,0,0,0,1,0)	0,25	1

The Hamming distance for the labor market status of the household head can be calculated as follows:

		(0,0)	(0,1)	(1,0)	(1,1)
LM status / HH ID		1	2	3	4
(0,0)	1	0	1	1	0
(0,1)	2	1	0	2	1
(1,0)	3	1	2	0	1
(1,1)	4	0	1	1	0

And the normalized distance is

LM status / HH ID	1	2	3	4
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1	0	0.5	0.5	0
2	0.5	0	1	0.5
3	0.5	1	0	0.5
4	0	0.5	0.5	0

Repeating this exercise for the other dimensions included, an aggregate distance index can be calculated as follows:

Sum	1	2	3	4
1	0.00	3.14	0.78	2.42
2	3.14	0.00	3.36	2.94
3	0.78	3.36	0.00	2.63
4	2.42	2.94	2.63	0.00

Above table shows (i) each household's distance from own is 0 (ii) the distance between household 1 and 2 is 3.14 and it is symmetric. If one wants to average across various dimensions (labor market status, access to amenities, subjective satisfaction, access to health insurance), the distance index, i.e., how far the households are from each other in these dimensions then becomes

Average distance	1	2	3	4
1	0.00	0.63	0.16	0.48
2	0.63	0.00	0.67	0.59
3	0.16	0.67	0.00	0.53
4	0.48	0.59	0.53	0.00

A comparison of the mean distances between households will show that, with respect to all dimensions, the distance between household 1 and 3 is the lowest.

*Reference: for a short introduction to this analysis see Teknomo, Kardi. Similarity Measurement. Online access - <http://people.revoledu.com/kardi/tutorial/Similarity/>

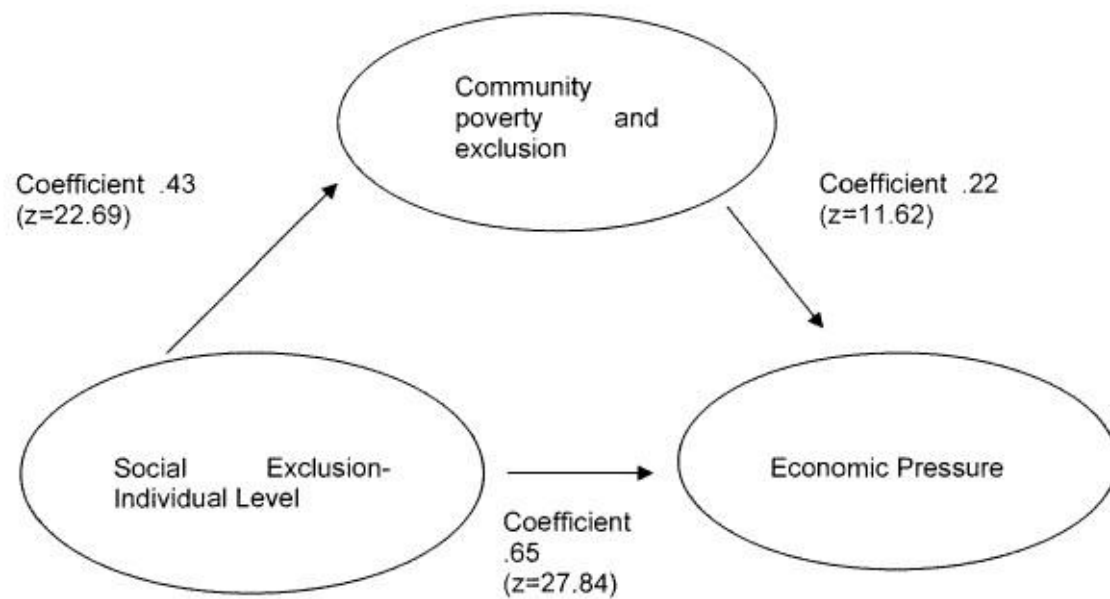
Structural Equation Models

A conceptual model linking social exclusion to other domains, such as poverty, can be empirically assessed. The strategy is used by Robila (2006) to test the relationship between social exclusion and poverty, by Whelan and Bertrand (2004) as latent class analysis to test vulnerability and multiple deprivation and by Krishnakumar and Ballon (2008) for estimating basic capabilities.

Advantages: Theoretical basis of social exclusion can be assessed empirically with unobserved conditions manifesting through indicators, by using existing survey data from the region provides.

Disadvantages: The presentation of the results may not be easily accessible by the public.

Example from Robila (2006) who conceptualized the linkage between community and individual level social exclusion and poverty from Euro-Barometer data for EU 12 as follows:



Krishnakumar, J. and P. Ballon (2008), "Estimating Basic Capabilities: A Structural Equation Model Approach Applied to Bolivian Data", *World Development*, Vol. 36, No.6, 992-1010

Robila, M. (2006) "Economic pressure and social exclusion in Europe" *Social Science Journal* 43, 85-97

Whelan, C.T. and M. Bertrand (2004) "Vulnerability and Multiple Deprivation Perspectives on Social Exclusion in Europe: A Latent Class Analysis" EPAG Working Paper 2004-52, Colchester: University of Essex.

Annex 4: Budget

Activity	Item	2009			2010		
		Unit (months/or meetings)	Unit cost	Cost	Unit (months/or meetings)	Unit cost	Cost
1. Regional overview	Project coordinator	12	3000	36000	12	3000	36000
	Project support	12	2000	24000	12	2000	24000
	Lead author	6	5000	30000	6	5000	30000
	Country study related travel/misc.	4	2000	8000	8	2000	16000
	Chapter heads (5)	4	5000	20000	4	5000	20000
	Cartographer	1	8000	8000			
	Project team meeting	1	10000	10000	1	12000	12000
	Regional Stakeholder meeting	1	20000	20000	1	20000	20000
	Steering Committee meeting	1	15000	15000	1	15000	15000
	Background studies						
2. Survey	Survey expert	2	10000	20000			
	National Survey teams (8)	8	25000	200000			
	2 sub- regional trainings	2	20,000	40000			
3. Country studies	Country teams (8)	8	5000	40000	8	5000	40000
	Country teams meeting (sub- regional)	2	16000	32000	4	16000	64000
	National stakeholder meetings	8	1000	8000	8	1000	8000
	Editing, translation, printing				8	10000	80000
	National launch				8	1000	8000
4. Regional launch	Editing, translation, printing				1	20000	20000
	Regional launch event				1	15000	15000
Total activities				511,000			408,000

GMS (7%)	35,770	28,560
Total budget	546,770	436,560