



Montenegro

Ministry of Labour and Social Welfare

IPA



Council of Europe

Conseil de l'Europe

European Union

Union Européenne

Social Security Coordination and Social Security Reforms

**THIRD MINISTERIAL CONFERENCE ON
SOCIAL SECURITY CO-ORDINATION AND
SOCIAL SECURITY REFORMS
IN SOUTH EAST EUROPE**

BUDVA DECLARATION

The Delegates to the Third Ministerial Conference on Social Security Co-ordination in the South East European Region, meeting in Budva on 12 October 2010, under the Chairmanship of Mr Suad NUMANOVIĆ, Minister of Labour and Social Welfare of Montenegro, at his invitation, and at the invitation of the Council of Europe and of the European Commission of the European Union,

Bearing in mind the progress made by the Beneficiary parties to the Programme towards integration in the European legal, institutional and organisational frameworks,

Recalling the Thessalonica Declaration adopted on the occasion of the EU – Western Balkans Summit on 21 June 2003,

Recalling the Bucharest Declaration on Employment adopted on the occasion of the South East Europe Ministerial Conference on Employment on 30-31 October 2003, and the Sofia Conclusions adopted on the occasion of the Second Ministerial Conference on Employment in South Eastern Europe on 21 October 2005,

Recalling the Dubrovnik Pledge on Meeting the Needs of Vulnerable Populations in South East Europe, signed by the Ministries of Health of the South Eastern European countries on 2 November 2001 at their first Ministerial Forum, and the Skopje Pledge, adopted on the occasion of the Second Health Ministers' Forum on 26 November 2005,

Recalling the support of the Stability Pact through its Initiative for Social Cohesion,

Recalling the Montenegro Conclusions of the 3rd Ministerial Conference on Employment and Social Policy in South Eastern Europe, under the Bucharest process, signed on 26 October 2007 in Budva, Montenegro,

Recalling the European Commission and the Council of Europe Joint Programme (Social Institutions Support Programme - SISP) under the CARDS Regional Action Programme 2003 and notably the Zagreb Declaration adopted in Zagreb on 24 March 2006 and the Tirana Declaration adopted in Tirana on 16 October 2007,

Also recalling the European Commission and the Council of Europe Joint Programme (Social Security Co-ordination and Social Security Reforms - SSCSSR) under the IPA 2008 Programme,

Recalling the Moscow Declaration on “Investing in Social Cohesion – Investing in stability and the well-being of society” adopted at the First Council of Europe Conference of Ministers responsible for Social Cohesion, held in Moscow on 27 February 2010,

Taking into consideration the international instruments setting standards in the field of pensions and health care, not in the least those developed within the Council of Europe and the International Labour Organisation, notably the European Code of Social Security and Convention No. 102 respectively.

Unanimously adopt the following Declaration:

We, the Ministers responsible for Social Security issues of the Beneficiary parties to the Programme in the South East European Region,

Recognise:

- further to the changes that have been introduced from the beginning of the SISP Programme in 2004 and followed by the SSCSSR Programme in 2008, the additional need for reform of the social sector, and for co-ordination and monitoring of social policies,
- the continued need to co-ordinate more effectively, between the Beneficiary parties to the Programme, legislation and administrative practices to increase standards in social security issues, so as to further facilitate movement of workers in the Region as well as between our Region and the rest of Europe,
- the continued need for further improvements in the networks of existing social security co-ordination instruments notably by, *inter alia*, a better implementation of the existing bilateral and multilateral agreements signed and ratified in the Region and by the adoption of new agreements the case need to be.

Acknowledge:

That together, and in partnership with relevant national and international institutions, we can more effectively address these common needs through:

- implementation of a comprehensive legal and administrative framework for co-ordination of social security systems across the Region,
- coordinated measures to improve our social policies and reinforce our institutional capacities,
- preparation of our future integration into the European Union by moving towards the European Union's social security co-ordination legislation, notably Regulations 1408/71, 574/72, the new Regulation 883/04 and Regulation 987/09,
- implementation of the Council of Europe and the International Labour Organisation standards in the social field, notably the European Code of Social Security and Convention No. 102 respectively.

Decide:

- to work together for the continuous improvement of the social security rights of our citizens in the entire Region and the rest of Europe,
- to further improve the efficient implementation of existing bilateral and multilateral social security co-ordination instruments,
- to co-operate so as to facilitate our citizen's access to social security rights in the entire Region; paying particular attention to the needs of the most vulnerable groups.

Agree:

a. In respect to issues relating to the protection of pension rights

- to engage ourselves, each in the framework of our own competencies, to endeavor that by 2030 all elderly may enjoy an income out of pensions,
- to consider to set up a legislative and regulatory framework, which is adequate for the pension constitution by those now in full time registered work, but also allowing weaker groups, such as persons with low income out of work or work incapacitated, to have access to a decent income out of pension when in old age,
- to take the necessary incentives for people in their active working life to make the necessary provisions for a good coverage in old age, the correct registration of work and income and the corresponding payment of the due contributions being a starting point to that effect,

- to have the confidence building measures be taken by all involved actors bearing in mind the fact that the future of any pension system resides in the confidence the citizens have in that pension system and those administering it,
- that citizens should not be confronted with pension choices and the consequences thereof they are reasonably speaking not able to make, to provide those who have to make choices with reliable and understandable information and to consider remedial systems in case of unforeseeable inequalities that result from earlier reasonable choices,
- that defined contribution arrangements with an undefined duration may never be construed in a way that after having received for a number of years, pensioners would be denied further pension payments, as their pension credit would be exhausted,
- that invalidity pensions should never be construed on funded defined contributions,
- to acknowledge having the moral duty to provide at least a minimum income to elderly deprived of any other means of subsistence,
- to make provisions allowing citizens to return when they attain the age of retirement to their home country after having worked abroad and to enjoy in their home country a decent pension by furthering bi-and multilateral co-ordination agreements with countries in which citizens of the beneficiary parties work; as well as by creating the possibility for citizens working abroad to contribute for a decent pension in their home country,
- on the basis of the principle of reciprocity to co-operate with each other and with other member states of the Council of Europe to fight the phenomenon of 'phantom pensions' and to fight other forms of pension fraud,
- to send a report, to be discussed with the representatives of our countries before the end of 2014, to the Secretariat of the Council of Europe by 1st January 2014 on the progress made in each of the abovementioned areas.

b. in respect to issues concerning the protection to the right of health care:

- to take as a starting point for the definition of the personal scope of our health care social insurance that all residents are covered, except the groups which would be expressly excluded by each Beneficiary Party,
- to develop the legal framework of the private health care coverage arrangements in a way that they are made solidaristic with the public health care system,

- to progressively grant a right to health care coverage to stateless persons, political refugees, persons repatriated or deported but not yet removed from the territory, even if no international agreements have been concluded on the subject,
- to further conclude and properly implement bi-and multilateral agreements for health care treatment abroad, within or outside social security co-ordination agreements,
- to pay special attention to the transparency and the respect for the rule of law when defining and applying the authorization procedures to get health care abroad which cannot be provided within the country,
- to endeavor to remove sanctions imposed upon the socially insured persons for failures by others to comply with their obligations under the health insurance law,
- to examine in advance how to proceed when health care is delivered but not paid for and to determine from the outset who will cover the corresponding costs,
- to reject the possibility to refuse social health coverage to a patient who provoked himself/herself intentionally or at least by guilty behavior the health damage suffered,
- to send a report, to be discussed with the representatives of our countries before the end of 2014, to the Secretariat of the Council of Europe by 1st January 2014 on the progress made in each of the abovementioned areas.

Finally, we underline the importance of continued assistance from international stakeholders to help us achieve the aims mentioned. We acknowledge the work already done and the support already received from the European Union and the Council of Europe.

We look in particular to the European Union and the Council of Europe for further co-operation and support in our efforts to achieve the goals mentioned in this Declaration.

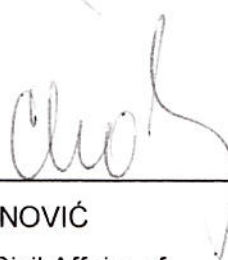
We commit ourselves to continue our regional co-operation, with the aim of further improving the co-ordination of social security rights.

Done in Budva, on 12 October 2010.

Signatures:



Mr Spiro KSERA
Minister of Labour, Social Affairs and
Equal Opportunities of Albania



Mr Sredoje NOVIĆ
Minister of Civil Affairs of
Bosnia and Herzegovina



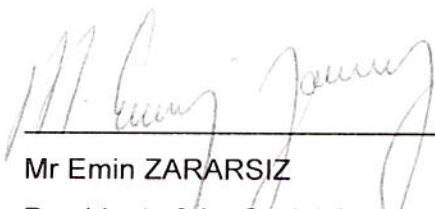
Mr Krešimir ROŽMAN
State Secretary of Economy, Labour and
Entrepreneurship of Croatia



Mr Suad NUMANOVIĆ
Minister of Labour and Social Welfare
of Montenegro

Mr Rasim LJAJIĆ
Minister of Labour and Social Policy of
Serbia

Mr Xhelal BAJRAMI
Minister of Labour and Social Policy of
"the former Yugoslav Republic of Macedonia"



Mr Emin ZARARSIZ
President of the Social Security
Institution of Turkey

Mr Nenad RAŠIĆ
Minister of Labour and Social Welfare of
Kosovo¹

¹ All reference to Kosovo, whether to the territory, institutions or populations, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo"



REPUBLIC OF SERBIA

**MINISTRY OF LABOUR AND
SOCIAL POLICY**

Belgrade

No: 011-00-386/2009-01

Date: 11th October 2010

Mr. Alexander Vladychenko
Director General – DG III Social Cohesion
Council of Europe
F-67075 Strassbourg

Dear Mr. Vladychenko,

Hereby, on behalf of the Government of Serbia, I would like to confirm acceptance of the recommendations set forth in the Budva Declaration on the importance and significance of the regional cooperation and promotion and further advancement of social security matters, in particular pension rights, as well as rights to health care, which will be adopted at the Third Ministerial Conference on Social Security Coordination in the South - East Europe, in Budva, on 12 October 2010.

Simultaneously, I would like to remind you that the participation at the Conference and signing of the Declaration by the representatives of the provisional institutions of self government of Autonomous Province of Kosovo and Metohija within the Republic of Serbia, bearing also in mind further regional co-operation, have to be in full accordance with the United Nations legal regime established by Security Council Resolution 1244.

Please accept assurances of my highest consideration,


MINISTER
Rasim Ljajić



РЕПУБЛИКА СРБИЈА

**МИНИСТАРСТВО РАДА
И СОЦИЈАЛНЕ ПОЛИТИКЕ**

Београд

Број: 011-00-386/2009-01

Датум: 11.10.2010.

Господин АЛЕКСАНДАР ВЛАДИЧЕНКО
Генерални директор Социјалне кохезије (DG III)
Савет Европе
F-67075 Стразбур

Поштовани господине Владиченко,

Имам част да Вас обавестим да, овим писмом, Влада Републике Србије прихвата препоруке из Будванске декларације о координацији социјалне сигурности у југоисточној Европи, које се односе на значај регионалне сарадње и даљег унапређења стања у области социјалне сигурности, посебно у вези заштите пензијских права, као и права везаних за здравствену заштиту, а која ће бити усвојена на Трећој министарској конференцији о координацији социјалне сигурности у југоисточној Европи, која се одржава у Будви, 12. октобра 2010. године.

Истовремено, желео бих да Вас подсетим да би учешће на конференцији и потписивања декларације од стране представника привремених институција самоуправе са подручја Аутономне покрајине Косово и Метохија у оквиру Републике Србије, имајући, такође, у виду даљу регионалну сарадњу, морало бити у потпуности сагласно са правним режимом Уједињених нација успостављеним резолуцијом Савета безбедности 1244.

Моје најдубље поштовање,


МИНИСТАР

Расим Љајић



*REPUBLIC OF MACEDONIA
MINISTRY OF LABOUR AND SOCIAL POLICY*

12 October 2010

Dear Mr. Vladychenko,

Hereby I declare that the Ministry of Labor and Social Policy of the Republic of Macedonia agrees with the provisions of the Budva Declaration adopted on the occasion of the Third Ministerial Conference on Social Security Co-ordination and Social Security Reforms in the South East European Region, held in Budva, Montenegro, on 12 October 2010.

It is considered that with this instrument the Ministry of Labor and Social Policy of the Republic of Macedonia becomes a signatory Party to the said Budva Declaration of the Third Ministerial Conference on Social Security Co-ordination and Social Security Reforms in the South East European Region.

However, I declare that the Government of Republic of Macedonia does not accept the denomination used for my country in the above-mentioned Budva Declaration having in view that the constitutional name of my country is the Republic of Macedonia.

Please accept, Sir, the assurances of my highest consideration.

Minister
Xhelal Bajrami

Mr. Alexander Vladychenko
Director General of Social Cohesion (DG III)
Council of Europe



GOVERNMENT OF
THE REPUBLIC OF MACEDONIA

Prime Minister

FULL POWERS

I, Nikola Gruevski, President of the Government of the Republic of Macedonia

HEREBY AUTHORISE Mr. Xhelal Bajrami, Minister of Labor and Social Policy of the Republic of Macedonia, to sign on behalf of the Government of the Republic of Macedonia the Budva Declaration on Regional Cooperation in the Area of Social Security.

IN WITNESS WHEREOF this Full Powers is issued to Mr. Xhelal Bajrami.

Done in Skopje, on October 05, 2010.

Nikola Gruevski



REPUBLIC OF MACEDONIA
MINISTRY OF LABOUR AND SOCIAL POLICY

12 October 2010

Dear Mr. Vladychenko,

Hereby I declare that the Ministry of Labor and Social Policy of the Republic of Macedonia agrees with the provisions of the Budva Declaration adopted on the occasion of the Third Ministerial Conference on Social Security Co-ordination and Social Security Reforms in the South East European Region, held in Budva, Montenegro, on 12 October 2010.

It is considered that with this instrument the Ministry of Labor and Social Policy of the Republic of Macedonia becomes a signatory Party to the said Budva Declaration of the Third Ministerial Conference on Social Security Co-ordination and Social Security Reforms in the South East European Region.

However, I declare that the Government of Republic of Macedonia does not accept the denomination used for my country in the above-mentioned Budva Declaration having in view that the constitutional name of my country is the Republic of Macedonia.

Please accept, Sir, the assurances of my highest consideration.

Minister
Xhelal Bajrami

A handwritten signature in dark ink, appearing to read 'X. Bajrami', written over a light blue horizontal line.

Mr. Alexander Vladychenko
Director General of Social Cohesion (DG III)
Council of Europe



GOVERNMENT OF
THE REPUBLIC OF MACEDONIA

Prime Minister

FULL POWERS

I, Nikola Gruevski, President of the Government of the Republic of Macedonia

HEREBY AUTHORISE Mr. Xhelal Bajrami, Minister of Labor and Social Policy of the Republic of Macedonia, to sign on behalf of the Government of the Republic of Macedonia the Budva Declaration on Regional Cooperation in the Area of Social Security.

IN WITNESS WHEREOF this Full Powers is issued to Mr. Xhelal Bajrami.

Done in Skopje, on October 05, 2010.

Nikola Gruevski



Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria – Vlada – Government

Ministry of Labour and Social Welfare

Dear Mr. Vadychenko,

Through this Annex Document I have the honor to confirm that the Government of the Republic of Kosovo complies with the provisions of the III- Ministerial Conference in the field of coordination of social security for the countries of Eastern Europe, held in Budva, 12.October.2010.

So please consider this Annex Document equivalent to the signing of the Declaration of Budva in the field of coordination of social security for the countries of Eastern Europe.

Regarding the reference to my country with Writing (Fusnote) in Resolution 1244 on the signing of the Declaration of Budva for the countries of Eastern Europe, I would like to inform you that after the February 2008 constitutional name is Republic of Kosovo.

With high consideration Sir, please accept our commitment.

Mr.Alexander VLADYCHENKO
Director General of Social Cohesion (DG III)
Council of Europe

Mr. Nenad Rasic
Minister of Labour and Social Welfare