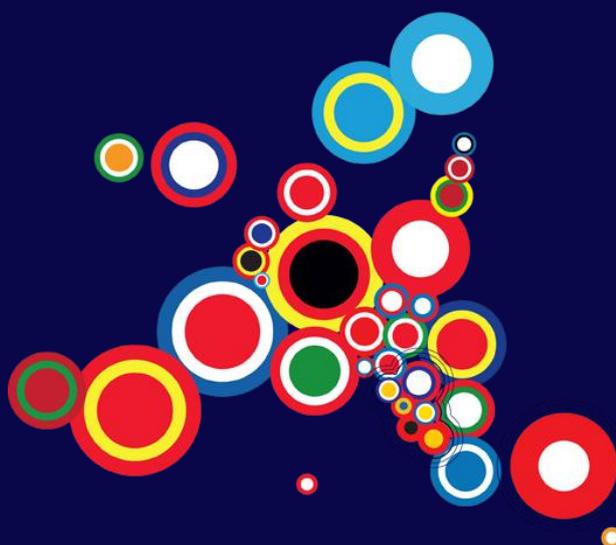




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

SERBIA

European Integration
Facility



Action summary

The aim of this Action is to support the process of gradual alignment of the Republic of Serbia with the requirements of the EU *acquis* and the relevant standards according to the better regulation approach in a number of key sectors. The action will contribute to the achievement of progress in reform fields by allowing a faster response to the priority needs. The sectors covered in this programming cycle of the facility will be: (i) Home Affairs- IDPs, (ii) Public Administration Reform - strengthening of structures for Indirect Management of EU funds and Statistics; (iii) Agriculture and Rural Development - Food Safety, Veterinary and Phytosanitary issues; (iv) Transport – road safety, (v) Energy – energy efficiency; (vi) Environment - NATURA 2000 and (vii) Human Resources and Social Development - gender equality and Roma inclusion. The Action will, furthermore, allow financing of Technical Assistance for the successful programming and preparation of major investment projects (Project Preparation Facility – PPF). In particular, it will support preparation of the programming documents and investment projects included into Single Project Pipeline. The Action will also secure the support to priority needs unforeseen throughout the programming process but that would later appear relevant to the accession negotiations, *acquis* alignment and institution building in various sectors.

Action Identification	
Action Programme Title	Country Action Programme for Serbia for the year 2016
Action Title	European Integration Facility
Action ID	IPA 2016 AP Serbia 01.2016/039-801/1/ European Integrations Facility
Sector Information	
IPA II Sector	Democracy and Governance
DAC Sector	15110
Budget	
Total cost	36.388 235 EUR
EU contribution	35.800 000 EUR
Budget line(s)	22 02 01 01
Management and Implementation	
Management mode	Direct management
<i>Direct management:</i> EU Delegation <i>Indirect management:</i> National authority or other entrusted entity	EU Delegation in Serbia For result 7, the action will be implemented through an IMDA with UN Women.
Implementation responsibilities	The institutional arrangements for implementation of this Action under direct management include: Office for Kosovo and Metohija (Result 1); the Ministry of Finance (i.e. its organisational units performing the tasks of Management Structure (NAO SO and NF), CA, AFCOS, as well as other bodies involved in implementation of IPA programs) (Result 2); Statistical Office of the Republic of Serbia (Result 3); the Ministry of Agriculture and Environmental Protection (Result 4); the Ministry of Construction, Transport and Infrastructure (Result 5); The Ministry of Agriculture and Environmental Protection (Result 6); Coordination Body for Gender Equality/Office for Gender Equality (Serbian European Integration Office for activity 7.2) (Result 7), the Ministry in charge of employment, labour, veteran and social policy (Result 8) and the Ministry of Energy (Result 9), NIPAC TS (SEIO) is responsible for the Negotiations and Policy Developments Envelope (result 10) and PPF (result 11).
Location	
Zone benefiting from the action	Republic of Serbia
Specific implementation area(s)	N/A
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2017

Final date for concluding delegation agreements under indirect management	At the latest by 31 December 2017		
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation		
Final date for operational implementation	6 years following the conclusion of the Financing Agreement		
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement		
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	<input type="checkbox"/>	X	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input type="checkbox"/>	X	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

The European Council granted Serbia the status of candidate country in 2012. The Stabilisation and Association Agreement (SAA) between Serbia and the EU entered into force in September 2013. Accession negotiations were launched in January 2014. The analytical examination of the EU *acquis* (screening process) was completed in March 2015.

The EC assessed that Serbia should be capable of assuming the membership obligations in the medium term in almost all areas of the *acquis*, provided that the alignment and adoption of legislation is accompanied by its effective implementation and enforcement. This aspect remains a challenge in a number of sectors and is also due to current weaknesses in the policy and legislative processes, which do not fully ensure an inclusive and evidence-based approach (the better regulation approach advocated at the EU level). Rather, a considerable amount of new legislation is passed in a fast-track procedure. In addition, the screenings of the state of play of Serbia legislation and structures related to the Chapters of the *acquis* also demonstrated that there is a lack of specific knowledge and expertise in a number of areas.

Accession negotiations will, therefore, require that Serbia improves the capacity of public administration, both in terms of developing adequate institutional structures, but also in terms of ensuring the sufficient number of qualified experts and competent civil servants with knowledge to work on the harmonisation of the national legislation with the *acquis* including in terms of improving the quality of policy and legal drafting processes.

In terms of the institutional framework, Serbia has established structures to coordinate and carry out the process of accession negotiations. The Chief Negotiator has been appointed and is supported by the Negotiation team. National line institutions have a key role in the accession negotiations, in accordance with their respective competences. The Coordination body for the accession process has been established to deliberate on the most important issues and streamline accession-related tasks. In total, 35 negotiation groups will be functional during the accession process, while the Serbian European Integrations Office (SEIO) provides operational support to the Negotiation team.

In the next stage of the negotiations process, the opening, interim and closing benchmarks set by the EC for the *acquis* Chapters will have to be addressed as a matter of priority. As a first step, the development of the negotiation positions for each Chapter will require in-depth understanding of the substance of the Chapters, in order to define targets that are realistic and reachable.

The identification of the accession priorities which will be supported through this EIF was performed through the process of analytical assessment by the line national institutions tasked with the individual sectors, and the coordination and prioritisation of the needs was undertaken with the assistance of SEIO. The identification of the needs has taken into account the relevant strategic documents in each sector, stakeholder requirements and needs, timing and relevance of the diverse accession priorities, and the results and status of implementation of previously programmed assistance. The following sectors and issues have been identified:

Home Affairs sector – IPA assistance has been provided in the past years to the resolution of the situation of the refugees from the wars of the 1990s, returnees and IDPs in Serbia, with substantial results. The present EI facility will be used to achieve the next steps in this process, aiming at the final resolution of the situation for all persons belonging to these migratory groups in accordance with the timelines set out in the national strategies, by 2020.

The EC has been providing technical assistance to the Serbian Government in relation to decentralised **management system of the EU funds**, in order to effectively manage pre-accession assistance and consequently speed up Serbian preparations for EU membership. The main achievements from previous projects include the establishment of the DM system, strengthening of administrative and technical capacities and improvement of internal procedures. However, the EC Audit Report in 2015 noted that significant improvements are needed for the application of the sound financial management principle and irregularities management. The supervisory bodies (NAO SO, NF, CA and AFCOS) need help to further professionalize their monitoring, reporting, evaluation and implementation

functions. Also, support is needed for the building of capacities of the staff in the line institutions directly involved in the implementation of IPA funds.

Statistics is a key cross-cutting area in the EU accession process. The development of official statistics is connected to the EU accession process (Chapter 18), as well as to the monitoring of indicators of fulfilment of economic criteria for the membership and forthcoming negotiations with this process. Serbia has adopted the Programme of Official Statistics 2016 – 2020, which defines the activities needed for the harmonization of statistical surveys and indicators with international standards, primarily with the standards of the European Statistical System (ESS) and the European Union. The main obstacles in this area relate to the inadequate administrative capacity to adopt more modern methodologies in order to comply with the ESS and to respond to the requirements for delivery of national accounts data and government statistics according to ESA 2010. The actions planned within this EIF will help build capacities and deliver concrete results in the key areas, according to the national plan.

Animal welfare remains under the spotlight of the EU, which is currently summing up the outcomes of the 2012–15 EU strategy for protection and welfare of animals. The Serbian Strategy for **Agriculture and Rural Development** 2014-2024 clearly indicates the necessity for the improvement of the animal welfare in key areas identified in the EU acquis. In addition, in recent years stray dog management is high on the agenda of the EU, due to severe problems some of the new Member States are facing with this issue. Those problems are to a certain extent present in Serbia as well, such as zoonotic diseases. Hence, education and training, apart from alignment of the legislation, present a key instrument in enforcement of standards and overall improvement of the animal welfare in Serbia.

Improvement of the quality, safety and capacity of the road transport network is the main objective of the IPA II assistance in the **transport sector**. Local authorities in Serbia do not have sufficient capacities and the level of knowledge to manage traffic safety issues properly. Therefore, assistance in appropriate recognition of problems in traffic safety at local level and support by developed road safety databases is highly important for the exact understanding of problems and planning of most efficient measures.

With regards to the **Environment Sector**, the priority relates to the identification of potential future **NATURA 2000** sites and the development of a management system for those sites. The Nature 2000 network of protected areas as provided for under the EU nature directives aims at ensuring long term survival of Europe's most valuable and threatened species and habitats. Accession Countries are encouraged to implement said directives as early as possible since they impact on spatial and infrastructure planning and on other EU policies such as agriculture and water. Serbia is at the beginning of the process of identifying potential Natura 2000 sites. The proposed EIF action is to substantially complete the identification of such sites for the entire territory of Serbia, among other results.

In relation to **gender equality**, women remain in an unfavourable position compared to men at the labour market in Serbia, with the pronounced gender gap in the sphere of employment and entrepreneurship, particularly affecting women in rural areas. The Evaluation of the National Action Plan for Gender Equality 2010-2015 identified several challenges in effective implementation of laws and gender equality policies and measures. These include the fact that the institutions for gender equality, in particular the Coordination Body, are understaffed and lack adequate resources, their visibility is insufficient; the lack of systematic and continuous vertical and horizontal coordination between institutions mandated for gender equality, and no precise and systematic monitoring of gender equality policies. The action under this EI facility will support the achievement of progress in these areas.

A part of the EIF will ensure comprehensive assistance for further advancement of **Roma inclusion**, in line with already developed mechanisms, applicable strategies and viable policies. The recently adopted (March 2016) Strategy for Social Inclusion of Roma 2016-2025 recognizes the barriers standing in the way of socio-economic integration of Roma. The support provided through this EIF will build on already achieved results from previous programmes, and focus on the implementation of measures in the most pertinent strategic areas: housing, employment, healthcare and social protection, taking into account the cross cutting issues, such as gender equality and youth.

In the **energy** sector, the basis for the reform is the Serbian Energy Sector Development Strategy for the period up to 2025 with the projections up to 2030. The Strategy is strongly influenced by obligations set by the Stabilization and Association Agreement and the Energy Community Treaty. Next steps for its implementation include the completion of the energy market liberalization for the electricity and gas market, in particular in the view to drafting, adoption and implementation of necessary bylaws to the Energy Law to implement provisions of the 3rd energy package. Additionally, the rights of new market entrants to supply those customers need to be ensured. In terms of energy efficiency, Serbian legislation requires further adjustment with the EU Acquis, and particularly with the Directive 2012/27/EU. Serbia also needs to further align to the energy labelling directive and the eco-design directive. In terms of renewable energy, technical assistance will be necessary for assessing different models of connecting small power plants on the distribution power grid, and for proper solutions for its future development.

The EIF will contain, in addition, a specific **Negotiations and Policy Developments Envelope**. In order to obtain full EU membership, Serbia is required to meet all conditions deriving from the Stabilisation and Association process and the Copenhagen criteria and ensure the stability of democratic institutions. That requires support for the administration and different actors in the country in their efforts to manage the EU integration process, to mitigate risks which might jeopardise the EU future of the country and to ensure proper utilisation of the available pre-accession assistance.

The pre-accession process and the implementation of the National Programme for the Adoption of the *acquis* 2014-2017 (NPAA) includes the approximation of Serbian legislation with the EU *acquis* and the enforcement of that legislation. The support required by the Serbian institutions in the process of alignment of the legislation to the EU *acquis* is usually planned in a structured way and included in the regular IPA programming exercise. However, it may happen that some urgent actions relating to the accession process, that were unforeseeable at the time of programming, need support from IPA. For that purpose a relatively flexible financing envelope needs to be established.

In this context, Serbian administration needs to secure assistance for unspecified institutional building support relating to the SAA process, EU *acquis* related reforms.

The Serbian European Integration Office (SEIO), by its legal mandate as the NIPAC Technical Secretariat (NIPAC TS), will be the direct beneficiary of the support, but mainly as coordinator interacting with the institutions eligible for assistance, in order to consolidate the quality of proposals and allocate the funds available.

The EIF also includes the continuation of the **Project Preparation Facility** (PPF). A challenge for the effective utilisation of available IPAAII resources is the insufficient capacity of national administrations, both on the central and local level, for strategic design, planning, permitting, inspection, enforcement, monitoring, and project management of large investment projects. In the past, the lack of a system for project identification, and problems with land expropriation, delays by national and local authorities to issue building permits, disputes over land ownership, and delays with preparation of technical documentation for investment projects have caused considerable delays for the implementation of investment projects.

In response to these weaknesses, Serbia has been working on improving its regional policy and coordination of structural instruments through the sound preparation for a sector approach under IPA II by developing the Methodology for Selection and Prioritisation of Infrastructure Projects (hereinafter the Methodology).

The Methodology has been developed by the Serbian European Integration Office (SEIO) and adopted by the Government in 2013, and has been tested during 2013-2014 with the cooperation of the responsible sector Ministries for the following sectors: Environment (water/wastewater treatment and solid waste management); Transport; Energy and Business Development (industrial zones, business parks, incubators).

The Methodology allows the identification of strategically significant projects and their prioritisation into sequenced project pipeline - Single Project Pipeline (SPP) for investments. Given the currently restrictive fiscal climate, the Methodology allows focusing available resources on strategically

significant infrastructure projects i.e. on those projects which will make the largest contributions (impacts) towards the achievement of national policy objectives for accession and for socio-economic development in general, especially having in mind that large scale investments in infrastructure will be needed to meet the legislative requirements and to achieve the standards set out in Chapters 15, 21 and 27 of *acquis* (Energy, Trans-European Networks and Environment and Climate Change, respectively). The current value of the projects that make part of the SPP is estimated at 10 billion EUR, of which projects in the value of 300 meur have technical documentation prepared to some degree of completion. The present project will focus on finalising the technical documentation for the most mature projects selected in the key areas of the SPP.

In order to provide a suitable forum when it comes to the planning of investments in infrastructure, a National Investment Committee (NIC) was established in October 2014. The NIC is established to support the strategic process of selection and prioritisation of infrastructure projects resulting in the SPP. It is co-chaired by the Minister of Finance and the Minister for EU Integration (NIPAC) and is composed of the ministers responsible for construction, transport and infrastructure, energy, environment, economy and public administration reform. Representatives of the EC, IFIs, and the wider donor community are invited as deemed appropriate to be observers at NIC meetings.

The continued support to preparation of projects listed in the SPP remains necessary to ensure the readiness of Serbia to effectively absorb IPA and future EU funds in strategically relevant sectors. An additional goal of the facility is to continue building capacity of the Serbian authorities for the effective programming of EU funds and for the management of project preparation both at the local and the central government level. In relation to the SPP, PPF will also support NIPAC TS - SEIO and the responsible line ministries in further reviewing and amending as necessary the strategic relevance criteria applied in the Methodology so that they reflect the most recent sector strategies.

The **quality of the legislative and policy-making process**, affecting all sectors, needs to be improved. The 2015 OECD/SIGMA baseline measurement¹ against the Principles of Public Administration highlights that *"...the basic foundations for evidence-based and inclusive policy development are established. However, challenges remain with regard to implementing clear procedures within the ministries, and between the administration and stakeholders, and with regard to inter-ministerial consultation. This has led to shortcomings in translating policy development structures and procedures into high-quality policy and legislative proposals."* As concerns impact assessment, the baseline notes that based on a review of six sample cases... *"the analysis is not comprehensive, as not all impacts are properly addressed. For each proposal, only one policy option is provided, and costing of the identified impacts is largely absent."* As concerns inter-ministerial coordination, the baseline assessment notes that it often lacks respect for deadlines, and information on opinions and reasoning for rejected items is not provided to the government. The baseline assessment highlights that even though public consultations are regulated, their scope is limited to public debate and co-operation with some selected stakeholders through working groups, which play an important role in developing proposals. Also, outcomes of these consultations are not attached to draft proposals, which are submitted for adoption.

OUTLINE OF IPA II ASSISTANCE

The IPA 2016 European Integration Facility aims at providing extended targeted and thematic support to the key institutions in the above sectors, selected on the basis of the complexity of the respective chapters, and in accordance with the priorities set out in the Indicative Country Strategy (ICS) 2014-2020.

The main expected result of the assistance is to support the Government in establishing of the necessary legislative framework and institutional capacities for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership in the selected sectors. This includes:

¹ <http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-Serbia.pdf>

Rule of law: The IPA II assistance will provide support to results related to the Home Affairs sector through further implementation of obligations deriving from the Action plan for Chapter 24, among others, related to the protection of interests and basic rights of IDPs.

Public administration reform: The IPA II assistance will address the identified problems related to indirect management of EU funds, and will continue to support the Statistical Office of the Republic of Serbia (SORS).

Agriculture and rural development: The action within this EI facility shall address needs identified in the field of veterinary services, more specifically in the field of animal welfare standards.

Transport: The assistance provided to the transport sector will focus on the improvement the efficiency of the road safety system at the national and local levels.

Environment sector: the EIF Action will provide support to strengthening of Nature Protection, through the identification of potential future NATURA 2000 sites.

Human resources development/ social inclusion: The IPA II assistance will provide targeted support to gender equality and for strengthening of the position of Roma in local communities.

Energy: The aim of the actions under the EI facility in the energy sector will be to increase the capacity of national institutions for the implementation of EU 3rd Energy Package requirements and Energy Treaty in energy policy.

Negotiations and Policy Developments Envelope: Through this envelope, support will be provided to any necessary actions supporting the EU accession process, which cannot be identified in the programming phase, as they will depend on the progress of Serbia's legislation and institution building. The support shall also be dedicated to back-up smaller-scale projects. Moreover, it is expected that the support to Independent State Bodies, such as State Audit Institution or National Bank of Serbia, etc., would be included within this envelope (if not addressed with other sectorial actions).

Project Preparation Facility (PPF): This Action aims to finance a new phase of the Project Preparation Facility. The aims will be the preparation of project documentation for projects included in the SPP, which will be selected based on the recommendations of the gap assessments carried over 2014-2016.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

All of the actions proposed within the EIF derive from the priorities listed under the IPA II Indicative strategy paper (ISP) for Serbia, and have been aligned with the recommendations of the 2015 Annual Report for Serbia (AR 2015).

In the **Home Affairs** sector, the proposed two actions (IDPs and asylum) will support the implementation of the objectives of the ISP which focus on the "creation of an effective and efficient law enforcement system in the fight against organized crime, border management, migration and asylum". The action will contribute to the implementation of recommendations of the AR 2015, which notes that significant work remains to be implemented in relation to the housing situation of displaced persons, particularly in the area of ensuring basic human rights.

With regard to the action related to the capacities for Serbia in relation to **indirect management with the beneficiary country**, it will support the implementation of the specific objective of the ISP which is "strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership by supporting progressive alignment with, implementation and adoption of the Union acquis". The ISP recognizes that the central (and local) administration lacks capacities for strategic design, planning, permitting, inspection, enforcement, monitoring, and project management of investment projects and that this lack of capacity has resulted in delays with procurement and implementation of EU-funded projects. It goes on to recognize the need to allocate substantial assistance to enhance capacity in view of preparation for future implementation of the Structural Funds. This action will furthermore support the achievement of the recommendations of the AR 2015 in relation to Chapter 22 of the acquis (Regional policy and coordination of structural instruments).

Development of efficient and sustainable **statistical systems** will contribute achieving the ISP results as follows: "Statistical methods applied by the Serbian Statistical Office are in line with the requirements of the European Statistical System". It will also contribute to the achievement of the AR 2015 recommendations which are to "(i) improve the compilation of macroeconomic statistics in line with European System of Accounts (ESA) 2010, start sending data for the EU's excessive deficit procedure and improve the process for sending data to Eurostat; (ii) continue to boost coordination of statistical data producers on macroeconomic statistics (Statistical Office, Ministry of Finance, and National Bank) and strengthen the administrative capacity of the Statistical Office.

IPA 2016 EIF will provide support to activities which contribute to the objective of the ISP in the field of **Veterinary and phytosanitary services and controls**. The ISP notes that services and controls need to be implemented in line with the EU requirements; and animal health needs to be improved through eradication of diseases and/or better control of brucellosis, bovine leucosis and tuberculosis, rabies and classical swine fever. Furthermore, this action will help Serbia implement the AR 2015 recommendations in the field of agriculture and rural development, where it is stated that Serbia has largely aligned its legislation with EU regarding animal welfare on farms, but it is necessary to improve its implementation.

In the **transport sector**, the AR 2015 emphasises that although the number of fatal road traffic accidents is falling, it remains high and road safety remains a concern. In addition Serbia needs to pay attention to further strengthening its administrative capacity for enforcement of legislation and inspection. Furthermore, ISP defines six targets for the transport sector; and this Action will contribute to the achievement of the following target/result: "Harmonisation of Serbian transport legislation with the *Acquis* and strengthened institutional framework and administrative capacity for implementation".

In the **environment sector**, as regards **nature protection**, the AR 2015 recommends that, "to overcome the current standstill in Natura 2000, the institutional framework for designating and managing future Natura 2000 sites needs to be streamlined and adequately resourced". The EIF Action will directly contribute to the achievement of these recommendations. The action will furthermore lead to the achievement of the ISP results which anticipate harmonization of Serbian legislation with the environment and climate *acquis* and strengthened institutional framework and administrative capacity for implementation both at the central and local government level; improvement of water management and selection and implementation of Natura 2000 network sites on the basis of sound scientific data.

When it comes to **gender equality**, the action will contribute to the achievement of the ISP objectives that are: to "support of political reforms and to strengthening the ability of the beneficiaries to fulfil the (future) obligations stemming from EU membership by supporting progressive alignment with the Union *acquis*" in terms of the protection of women's and human rights, anti-discrimination policies and gender equality. The proposed Action is fully in line with the "EU Council conclusions on the Gender Action Plan 2016-2020" adopted on 26 October 2015, launched by the Commission and the EEAS, and endorsed by the Council and is in line with the National Strategy for Gender Equality, 2016 – 2020, the key national document in the area of gender equality.

The **Roma Inclusion** activity within this EIF will contribute to the achievement of the ISP results that address Roma inclusion: "Inclusive growth is enhanced through implementation of the employment and social reform programmes (ESRP); Social protection supporting labour market participation and employment is enhanced; Increased social inclusion of the most vulnerable groups, especially people with disabilities, women, children and Roma, following implementation of community-based solutions in education, health, housing and job creation, and improved child-care provision".

In the sector of **energy**, the action contributes to the objective in the ISP, which is to increase energy efficiency and competitiveness of the Serbian energy market, to improve security of supply (also in the regional context), and develop renewable energy sources. The actions are aligned to the Stabilization and Association Agreement priorities, and will contribute to setting up conditions for the achieving of the aims of the Europe 2020 Strategy flagship initiative "Resource efficient Europe";

the SEE 2020 strategy actions in the sector of 'Energy' and the Energy Strategy of the Energy Community.

The **Negotiations and Policy Developments Envelope** will enhance the institutional capacity to implement activities helping Serbia to meet the full range of its priorities deriving from the Indicative Strategy Paper, as well as from the Stabilization and Association Agreement. The EC PR 2015 on Serbia highlights a number of issues that may be tackled through this envelope, including the achievement of the accession political criteria, the co-operation between the authorities and the independent regulatory bodies, support to public administration reform, fundamental rights and protection of minorities. With regards to the economic criteria, the positive momentum for advancing structural reforms needs to be preserved. This includes priorities in the areas of private sector development, restructuring of state owned enterprises and public utilities and capacities to cope with competitive pressure and market forces within the Union. As regards Serbia's ability to take on the obligations of membership, main issues relate to securing adequate financial and human resources, and improvement of the legislation in the areas of public procurement, statistics and financial control.

PPF assistance will be granted in line with, and in support to the **Enlargement Strategy and the Indicative Strategy Paper (ISP) for Serbia**. These documents stipulate, among others, that support shall be concentrated on those interventions that bring the greatest added value in relation to the **European Union strategy for smart, sustainable and inclusive growth (Europe 2020)**.

At the regional level, PPF assistance will be provided in line with the priorities identified in the **Multi-country Indicative Strategy Paper 2014-20**, but also in line with relevant EU policies and EU macro-regional strategies such as the **EU Strategy for the Danube Region (EUSDR)** endorsed in April 2011 and the future **EU Strategy for the Adriatic-Ionian Region (EUSAIR)** launched in November 2014. The PPF assistance is directly linked with preparation for adoption of the EU Cohesion policy, the subject of negotiation within the chapter 22. This is also in line with the findings of the **EC PR on Serbia (2015)** in relation to Chapter 22 which is specifying that Serbia is moderately prepared in regional policy and coordination of structural instruments.

Under public administration reform, the Serbia 2015 annual report highlights that **inclusive and evidence-based policy development** is only partially ensured. It is noted that public and inter-ministerial consultation on proposals are required but often conducted formalistically and too late in the process. It is also noted that the quality of regulatory impact assessment varies. As concerns institutional set-up and accountability, the Serbia 2015 annual report further notes that many agencies decide on public policies and report to the Prime Minister and even to parliament rather than to the minister responsible for their area. Therefore, under this action any institutional capacity-building should address this issue and ensure efficient lines of accountability lines between institutions.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

The selection of the actions under this facility derives from lessons learned through the 2014 evaluation of performance of IPA I assistance, which noted that sustainability of some reforms requires proper, well-designed follow-up to relevant interventions. The application of this lesson learned is most visible in the case of the actions which represent the continuation of support in sensitive areas. In the case of **refugees from the wars of the 1990s, returnees and IDPs** in Serbia, the interventions need to be sequenced in order for the cumulative effects to be felt. Complementarity with the previous assistance becomes an aspect of the sustainability of such interventions, leading to the achievement of not just the specific results of each project, but jointly, to the achievement of the higher aims of the policy. The present intervention will build on the achievements of the IPA 2014 "Support to the sustainable return to Kosovo*". The project includes a technical assistance and grant scheme, and the legal aid activities will continue the support to the returnees who are faced with, in particular, pending property legal cases.

In the case of the project supporting the **Indirect Management System** in Serbia, it builds on the basis created by a previous IPA 2012 support, which aims at providing the initial conditions for indirect management system of EU pre-accession assistance.

The intervention in the area of **statistics** builds on the IPA 2012 projects related to "Strengthening the Serbian Statistical System", which aimed to achieve Statistical System substantially upgraded in terms of improved availability, quality, comparability and timeliness of statistical data in accordance with requirements of the process of approximation to the European Statistical System.

The intervention in relation to **Food Safety, Veterinary and Phytosanitary** issues builds on the lessons of the IPA 2012 intervention in the agriculture sector, which focused on further strengthening the food safety and veterinary sectors, with a particular focus on the national system of laboratories for food chain control, animal welfare, control of diseases and controls at external borders.

Significant IPA funding has been used throughout the IPA I period for the priorities in the **transport** sector. The EU has increased support for capacity building activities including harmonization process through projects such as Implementation of the European Common Aviation Area Agreement. Substantial funds were allocated to improvement of the navigation conditions on the Danube, to the railway track condition analysis, the development of technical documentation for intermodal terminal establishment, preparation of documentation for railway infrastructure modernisation, as well as support to project management and supervision of construction works on the road corridors, including the construction of Žeželj bridge on the Danube River in Novi Sad, co-financed by the national funds. The present activity, although modest in size in comparison to previous and future infrastructure projects, touches upon a key issue of road traffic safety, until now not supported through IPA.

IPA I and II funding has strongly focused on priorities in the sector of **environment**, notably as regards environmental monitoring, control of industrial emissions and protection against chemical accidents, waste management, water protection, chemicals management, nature protection and climate change. Programming of new environmental infrastructure projects has been put on halt since 2014, pending the completion of the implementation of a number of investment projects, which were not finalised for a series of mainly administrative issues. The present project is a logical continuation of previous work carried out in support of nature protection and is on the critical path towards meeting EU standards in this domain.

Support to **gender equality** has, in the past (IPA 11 and IPA 13 antidiscrimination projects) taken place in the context of other larger interventions, or as a side issue in the policy development projects, and in the 2015 SBS for PAR. A dedicated project to this issue has not been fully supported so far, although this represents a relevant step toward achieving the EU and national gender equality commitments through gender mainstreaming.

The present **Roma** Inclusion intervention builds on the achievements of numerous previous programmes, and in particular to the IPA 2014 social development Action. The result related to Roma integration (results 3) of this 2014 AD will be used as the starting point for the present intervention. The 2014 project has focused on creating better infrastructural and housing conditions in Roma settlements in 20 pilot municipalities previously selected and supported in regulatory preparations within the IPA 2012 Sector fiche for Social Development (measure 5,) and on establishing regulatory preparations for the improvement of housing conditions in a further 20 pilot municipalities. The IPA 14 intervention is also supporting the planning and realisation of sustainable housing models in a total of 40 pilot municipalities through joint mobile units, and improved capacities of Roma civil society organisations to participate in planning and implementing sustainable housing models and local action plans in a total of 40 pilot municipalities.

In terms of **energy**, One of the principal lessons learned from past energy sector projects is the need for close consultation with multiple stakeholders to ensure that they develop 'ownership' of capacity building and reform projects. The project builds on the IPA 2012 project related to energy efficiency, which aimed at the Effective implementation of the energy saving and energy efficiency measures by the Serbian authorities; reduced energy consumption and CO2 emissions.

The experience gained so far concerning the demand for usage of the IPA '**unallocated**' **negotiation and policy envelopes**, demonstrates high interest of the national administration and the purposefulness of such a programming and financing tool in the national IPA package. This proved to be relevant in particular for sectors with diversified and voluminous *acquis* such as environment, agriculture and rural development, internal market, but also justice and human resources

development. In that respect unallocated envelope ensures the reserve of funds to be mobilised with the aim to respond to emerging tasks related to the institution building and further strengthening of administrative capacities of institutions responsible for implementation of the *acquis* in a flexible and immediate way.

With regard to ensuring objective and transparent allocation of the "unallocated funds" to concrete actions and projects, it has been jointly concluded by the national institutions, primarily the SEIO, and the Commission that based on the previous experience and the lessons learnt a comprehensive system of selections needed to be established. The management of the unallocated envelope is treated as a mini-programming exercise with all seriousness that such process requires and deserves. Consequently, as of IPA 2013 the unallocated envelope has been a subject of discussion and approval by the Working group members involving SEIO, CFCU, National Fund and EU Delegation. The activities of the WG are steered by the jointly agreed Guidelines for management of unallocated funds.

The **PPF assistance** has been included in previous IPA programmes with the aim to assist the preparation of the technical documentation of projects selected from the Single Project Pipeline. The IPA 2013 programme included two facilities, with the total amount of EUR 11 million: **PPF6** (EUR 5.5 million) was dedicated to preparation of project documentation for at least two large infrastructure projects in the environment and energy sectors of the Single Project Pipeline. **PPF7** (EUR 5.5 million) will provide support to the NIPAC and national institutions in the programming of IPA II funds, through sector and project assessments, preparation of project documentation, advise and capacity building.. The second component will be dedicated to the preparation of technical project documentation for additional two projects from the Single Project Pipeline.

The IPA 2014 programme sets aside EUR 10 million for the PPF8 phase. It should prepare the technical documentation of at least one large project in the transport sector and two projects in the environmental sector. Project preparation costs range from 5%-10% of the total investment value, depending of the complexity of the project. It is estimated that these three phases of the facility will thus contribute to the preparation of up to 7 infrastructure projects, with the total investment value between EUR 175 million and EUR 350 million.

The experience gained in the implementation of several PPFs confirmed that the Methodology for prioritisation and selection of investment projects is a best practice, which is now applied in the context of the regional programmes as well, and in other WB countries. The Methodology's inclusive elements, like the Gap Assessment Reports, Project passports and the coordination mechanisms ensured for the first time in Serbia drawing up of the Single Project Pipeline as its final output. In the context of immense investments needs and restricted budgets, projects prioritisation is essential in order to ensure that the most relevant projects for growth, stability and accession are prepared to the highest standards and successfully implemented. The development of the SPP, followed by the National Investment Committee (NIC), should continue playing a key role in identifying these priority projects.

Finally, a general lesson learnt, applying to all sectors, is that policy and legislative development needs be inclusive and evidence-based, costed and subject to appropriate internal and external stakeholder consultations at the right time of the legislative and policy-making process. This is a key in ensuring implementation and enforcement of adopted policies and legislation.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
To contribute to the establishment of legislative and institutional capacities in line with the better regulation approach, for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership	Rate of transposition of the EU acquis, as measured by the % of the implementation of the Serbian National Programme for Approximation with the Acquis opened	EC Progress Reports Reports on functioning of the committee drafted by NIC secretariat; Reports of the Public Debt Administration. Audit missions IPA Monitoring Committees reports and meetings SIGMA reports	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
To support Serbian administration to effectively conduct accession negotiations and successfully manages overall EU integration and pre-accession assistance geared towards EU membership in the sectors of fundamental rights (rights of IDPs, refugees from the wars of the 1990s and returnees), food safety, veterinary and phytosanitary policy, statistics, transport, environment, energy and regional policy.	Speed of progress on the negotiation of a number of acquis negotiation chapters.	Progress Reports; NPAA Reports SEIO Reports on implementation of the Action Plans for fulfilment of EC recommendations contained in Annual Progress Reports Financing Agreements on Annual Programmes on pre-accession assistance	Continuous support of the GoS to European Integration process; Continuous support of the Member States to Serbia's European Integration process; Future allocation by the government of appropriate levels of human and financial resources; Budgetary constraints are not increased; Sufficient dedicated and qualified staff available at beneficiary institutions.
<p>Result 1 - IDPs</p> <p>Serbia ensures access to legal aid, assistance and dissemination of information necessary for ensuring the protection and exercising of rights of IDPs, refugees from the wars of the 1990s and returnees under Readmission Agreements</p>	<p>Ratio between opened legal aid/assistance cases, including cases inherited from the previous legal aid project, and closed legal aid/assistance cases;</p> <p>Increased number of new cases and requests for legal assistance</p>	<p>EC Progress reports for Serbia Interim and Final reports Monitoring reports Legal cases database Project surveys and previous project surveys</p>	<p>Implementation of the Courts' decisions; Satisfactory level of security and freedom of movement in the places of origin; Proactive approach of the local community in the places of origin.</p>
<p>Result 2 – Indirect Management System</p> <p>Serbia strengthens its administrative capacities in</p>	<p>Timeliness of the Entrustment for management of IPA</p>	<p>Audit mission report (EC, Audit Authority)</p>	<p>Entrustment Budget Implementation tasks for IPA II annual programs in place.</p>

implementing EU funded projects under indirect management system of EU pre-accession assistance;		IPA Monitoring Committees reports and meetings SIGMA reports	
Result 3 - Statistics Serbia improves the capacities of its statistical system in line with the European Statistical System;	Degree of statistical compliance (Eurostat) Degree of compliance with the European Statistical System in the areas of National accounts, business statistics and harmonisation in the agriculture census	Eurostat reports EC Progress Reports IMF Reports	Cooperation of official statistics providers; Complementarity with multi country action programmes on statistics.
Result 4- Food Safety, Veterinary and Phytosanitary issues Serbia improves the capacities of its veterinary services for reinforcement of animal welfare;	Degree of alignment of the Law on animal welfare with EU standards; Adoption of Strategy for management of the stray dog population	Project reports Official Gazette FVO Country Reports OIE Country data	Legislative, personnel and administrative frameworks for animal welfare implementation are in place; General consensus on the animal welfare importance among key stakeholders.
Result 5 – Transport The efficiency of the road safety system on national and local levels is improved and the Directive 2008/96/EC is implemented	Degree of establishment of the performance benchmarking of institutions in the field of road safety established. MAIS3+ scale of injury introduced. Electronic data exchange among medical institutions, the traffic police and the Road Traffic Safety Agency.	EC Progress Reports Road Traffic Safety Agency annual report	Adequate hardware resources available for electronic data exchange in linked institutions. Willingness to pass the by-laws prescribing common participation of institutions to improved road safety.
Result 6 – Environment Serbia identifies NATURA 2000 sites and establishes a management system for those sites;	% of pSCIs identified in Serbia % of SPAs identified in Serbia	EC Progress Reports	Adequate number of expert human resources Availability of all necessary data (databases).
Result 7 – Gender equality Serbia strengthens its administrative capacities for implementing gender equality and implements of EU and national gender equality commitments through gender mainstreaming	Degree of establishment of the of the national monitoring and reporting system for gender equality Degree of internal review and quality assurance process for gender mainstreaming of EU assistance	Coordination Body for Gender Equality Annual Reports National Action Plan on Gender Equality 2019-2020 IPA programming documents Monitoring Reports	Legislative, personnel and administrative frameworks for gender equality are in place; Political Commitment for gender equality remains strong.

<p>Result 8 – Roma Inclusion</p> <p>The position of the Roma population in local communities is strengthened through implementation of prioritised strategic measures in the Strategy for Social Inclusion of Roma for the period 2016-2025</p>	<p>Number of joint mobile units (JMUs) established and equipped in LSGs.</p> <p>Number of local action plans for Roma Inclusion implemented by 2020.</p> <p>Number of sub-standardized Roma settlements meeting conditions for sustainable housing and improved living</p>	<p>EC Progress Reports Interim and Final reports Monitoring reports Annual Reports on implementation of the Strategy for Social Inclusion of Roma for the period 2016-2025</p>	<p>Proactive participation of local self-governments; Willingness of cross-sector stakeholders to collaborate; Continuous functioning of JMUs established with previous IPA support.</p>
<p>Result 9 – Energy</p> <p>Capacity of National institutions for implementation of EU requirements in energy policy strengthened and EU Acquis implemented</p>	<p>Number of hours out of operation due to outages in distribution grid – SAIDI and SAIFI indicators.</p> <p>Number of nonconforming products on the market</p>	<p>EC Progress Reports AERS Annual Reports Market inspections reports, Annual Implementation Reports Reliability indicator reports for distribution grid parts where RES are connected Energy Community Secretariat Annual Implementation Reports Annual EPS reports</p>	<p>Sufficient capacity of market inspection exists, Sufficient capacity of market inspection exists, Conformity assessment bodies applied for product testing; Availability of the agreed financing (State side co-financing if relevant; Continuous functioning of support scheme (feed-in tariffs) for RES.</p>
<p>Result 10 - Negotiations and Policy Development Envelope</p> <p>A prompt implementation of emerging accession related actions in the sectors covered by the EU acquis and policy dialogue with EU is ensured</p>	<p>Improved capacities of specific national institutions implementing the negotiation envelope projects for the achievement of selected NPAA priorities.</p>	<p>Government reports</p>	<p>Continuous support of the GoS to European Integration process;</p>
<p>Result 11 - PPF</p> <p>Financially viable projects for financing by EU pre-accession/accession assistance (and possibly by IFIs and/or other donors) are developed and ready for implementation.</p>	<p>Number of major infrastructure projects from Single Project Pipeline prepared and ready to tender by 2020.</p>	<p>MoF reports</p>	<p>Methodology for prioritisation and selection of infrastructure projects widely and accurately followed by national institutions in the course of investments' preparation. The National Investment Committee identifies pipelines of projects.</p>

DESCRIPTION OF ACTIVITIES

Result 1 - Legal aid, assistance and dissemination of information necessary for ensuring the protection and exercising of rights of IDPs, refugees from the wars of the 1990s and returnees under Readmission Agreements provided, with a special emphasis on property rights, non/discrimination, health, education, employment and social welfare, in accordance with the highest professional standards in an accurate and timely fashion.

Activity 1.1 Offices for the provision of legal aid/assistance established - Having in mind inability of the population in question to accomplish their rights, in particular property rights, due to displacement and lack of financial means, lengthy/inefficient procedures, this activity will foresee the establishment of several legal aid/assistance offices on the territory of Central Serbia with the aim of providing relevant information and legal aid/assistance to target population. Central office should be established in Belgrade and satellite offices should be established in areas with high concentrations of IDPs/refugees and returnees within Serbia proper. In order to secure timely, accurate and adequate representation of IDPs before relevant judiciary institutions in Kosovo* and proper communication, finding a mode for cooperation with the courts and other administrative institutions in Kosovo is also mandatory.

Activity 1.2 Representation before the relevant institutions (administrative or judicial bodies) in the place of previous residence and assistance in collecting of documents for IDPs, refugees and returnees under Readmission Agreements - The goal of this activity is to employ legal officers competent for direct representation, with a proficient knowledge of relevant legislation and judiciary system and with experience in providing free legal aid to IDPs, refugees and returnees upon Readmission Agreements (especially Roma). Besides undertaking and representing the newly submitted cases, these legal officers are expected to continue to represent parties whose cases are opened before relevant judiciary institutions in the course of the previous projects. Cases of returnees under Readmission Agreements are mostly covering the cases of obtaining documents before institutions of Serbia (in some cases from EU countries of their previous residence as well) and provision of legal assistance before administrative bodies of the Republic of Serbia.

Activity 1.3 Proper management of the Project database - Having in mind complexity of the legal cases and sensitive position of target groups, it is necessary to update and manage a well-structured and precise database of legal cases (including contact information of clients, legal nature of the cases, progress/stage in case processing, outcome of the cases etc.). This database shall include and upgrade the register of legal cases opened in the course of previous legal aid/assistance projects.

Activity 1.4 Capacity building of the engaged legal officers - This activity should enable the engaged legal officers to upgrade their knowledge and skills for coping with specific legal problems of the target population.

Activity 1.5 Promo campaign and dissemination of information - In order to provide the beneficiaries with relevant and timely information about their rights and the services, the presentation of the Project's activities will be conducted through different types of promo activities. Special attention should be committed to dissemination of information through local and social media.

Result 2 - Successful preparation, contracting and implementation of EU funded projects under indirect management system of EU pre-accession assistance

Activity 2.1 - Strengthening administrative capacity (NAO SO, NF, AFCOS) within the system for indirect management of EU pre-accession assistance for efficient and effective implementation of internal control criteria - This activity will provide support to the improvement of the legal framework so as to enable responsible authorities and structures to fulfil their functions. The action will support the capacity of the Managing structure (NAO SO and NF) for sound financial management and control (advisory support, mentoring and on the job trainings). It will also provide support for further optimization of operational procedures within indirect management of IPA II. It will enhance AFCOS operational capacities. The activities will help address the recommendations and findings arising from

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

audit reports regarding the improvement of the system functioning. Finally, support will focus on improving quality of the professional training programs for employees in the bodies, ensuring that training programs are comprehensive and of high quality and that they are quickly adaptable to new needs and new employees, while also focusing on strengthening of own capacities of these bodies for conducting future trainings.

Activity 2.2 - Further strengthening of administrative capacity (CA, final beneficiary) within the system for indirect management of EU pre-accession assistance for the effective and efficient implementation of the program of IPA II in order to increase the absorption of the IPA funds - This action will lead to the enhancing of the capacities of Final Beneficiaries for preparation, appraisal and management of EU financed projects. This involves providing support to Final Beneficiaries for timely preparation of quality tender documentation (such as ToRs, BoQs, TSs, TwFs, Budget Justifications, needs analyses, etc.). The action will provide assistance to the CA for more efficient public procurement process, to improve contracting and monitoring through legal assistance in the preparation of the contract; to further develop the accounting system, improve transparency and publicity, improve the professional capacity of the CA employees, and improve filing of documentation in accordance with EU rules.

Result 3 - Developing efficient and sustainable statistical systems in line with European Statistical System

Activity 3.1: Setting up and conduction of Farm Structure Survey and dissemination of the results- The implementation of this action will enable the harmonization of the statistics of agriculture with the standards of the European Statistical System, by implementing the farm structure statistics (FSS). The Development Strategy of Agricultural Statistics planned to carry out the FSS in 2017 or 2018. The interventions to be undertaken imply:

- Preparatory activities for the conduction of survey, such as preparation of organizational and methodological tools;
- Fieldwork (data collection), i.e. organisation and carrying out of the survey;
- Post-survey activities, meaning processing, dissemination and analysis of the results.

Statistical indicators to be obtained in this area relate to utilized agricultural land by categories of use, number of livestock by species and categories, labour force and other gainful activities of the holding, support to rural development, use of fertilizers, tillage and maintenance of land. The action will enable the updating of the Statistical Farm Register, provision of data on typology of agriculture holdings for managing of FADN by Ministry of Agriculture and Environment, identifying a number of indicators necessary for the determination of criteria for subsidy payments to agriculture holdings and the updating of the agricultural policy in accordance with obtained data.

Activity 3.2: Improvement of National Accounts - The strategic objective in macroeconomic statistics is the further harmonization of the System of National Accounts (SNA) with international standards. The activities to be undertaken under this action relate to harmonizing Supply Use Tables (SUT) / Input-Output (I/O) tables with Non-financial sector accounts. This means the launching of a sample input-output survey for updating existing technical coefficients needed for compilation of SUT. The activity will produce direct outputs such as reconciliation of GDP obtained with different approaches as well as between SUT and Non-financial sector accounts and compliance with ESA 2010 Transmission Programme, in terms of number of tables and period covered.

The action also implies the further development of Regional accounts according to the Nomenclature of Statistical Territorial Units (NUTS). NUTS have three hierarchical levels of statistical regionalization. This action will relate to small areas (municipalities and cities) estimates of economic indicators such as GVA, Disposable income of households, Gross capital formation and employment and reconciliation with NUTS 3 and NUTS 2 estimates. Ministry of Economy and the Development Agency of Serbia are the leading institutions that will benefit from this action. Also, improvement of Government Finance Statistics (GFS), including Excessive Deficit Procedure (EDP) reporting will be undertaken under this action.

Activity 3.3: Support for improvement of Business Statistics, particularly tourism - The main fields of the action relates to modernization (or introduction) of the methods of data collection in the field of tourism (demand side tourism pilot surveys and foreign tourists' expenditures).

Intended harmonization of tourism statistics by SORS in line with the EU standards, assessment of current situation of tourism statistics, improvement of existing practice and introduction of new surveys providing missing data is essential.

In this respect, the following activities are planned: *i*) Preparation (or improvements) of the methodologies and all necessary instruments for conduction of (pilot) surveys in the field of tourism (demand side - inbound tourism statistics); *ii*) Conducting the (pilot) surveys – fieldworks; activities on the analysis of obtained data through the pilot surveys and preparation of the final surveys instruments; consultations with the users, etc.

This will secure preparation of new or improved indicators in Serbian statistical system, in order to be in line with *acquis*, in the above fields.

Result 4 - Improved veterinary services for reinforcement of animal welfare

Activity 4.1 - Improvement of veterinary services for reinforcement of animal welfare - The assistance should be twofold: first, the overall system for animal welfare will be aligned (through adoption of the new amendments of Law on animal welfare and updating new rulebooks) with new regulations to be adopted on the EU level. Activities include revision of administrative framework and capacities for animal welfare. Secondly, the effective implementation of the animal welfare regulation requires the awareness and information needs of stakeholders. Large-scale campaigns will be prepared to address different needs of different target audiences. While veterinary services will be directly involved in the training for the new legislations relevant for their daily scope of work, welfare related awareness of transporters of animals, slaughter persons and scientific society will require completely different approach. Stray dog management will be addressed by this action based on the Animal Health Organisation (OIE) specific guidelines on stray dog population. This foresees the development of a long term strategy and action plan, establishing education and training system and related public awareness campaigns on the responsible pet ownership. Non-exhaustive list of indicative outputs to be achieved by the Activity 8.1:

- Support for reinforcement of animal health standards, animal diseases control policy, application of animal disease status for herds, zones and whole country
- Support to implementation of animal welfare standards in line with EU legislation
- Further improvement on biosecurity on pig holding, as support for sustainable animal health and welfare policy

Result 5 - Improved road safety

Activity 5.1 – Improvement of the efficiency of the road safety system on national and local levels and implementation of the Directive 2008/96/EC - The activity will support the establishment of a new and the improvement of existing databases; implementation of trainings and capacity building of employees in the field of traffic safety, establishment of benchmarking of the performance of the institutions in the field of road safety; monitoring the degree of injuries in road accidents in accordance with the requirements of the European Commission (introduction of MAIS3+ scale of injury); electronic data exchange among medical institutions, the traffic police and the Road Traffic Safety Agency. Finally the activity will support the establishing and implementation of the road safety tools like as: Road Safety Audit, Inspection, Black Spot Management, Risk Mapping and Road Safety Impact Assessment.

Result 6 – Continued support in implementation of Chapter 27 in the area of nature protection

Activity 6.1 - Further support to identification of NATURA 2000 sites and establishment of management system for those sites: The action will primarily advance the completion of the identification of future potential NATURA 2000 sites and support other relevant work pertaining to the implementation of the EU nature directives through training and hands on assistance. This will entail support to the collection and mapping of additional habitats and species data through inventories using desk appraisal and countrywide field surveys. Data entry, processing and mapping will be facilitated by an upgrade of the existing Natura 2000 database to an information system through development of additional application software and assurance of appropriate broadband connections. The beneficiary will be assisted with stakeholder consultation and the wider public participation process pertaining to site selection for future designation. Assistance will also cover the development of a concept and legal

base for managing protected areas in line with EU nature directives and the preparation of specific management plans on a pilot basis for selected potential SPA and pSCI sites; support will be extended to assist with the implementation of Appropriate Assessment of projects affecting protected areas and its harmonisation with SEA and EIA procedures. The aforesaid work will be underpinned by further alignment of Serbian Nature Protection legislation with the EU nature directives including the developing of legal acts for designation of future NATURA 2000 sites.

Result 7 - Strengthened administrative capacities for gender equality and significant progress achieved in implementation of EU and national gender equality commitments through gender mainstreaming

Activity 7.1 – Support to establishing all administrative and technical conditions necessary for sound implementation of Strategy and National Action Plan for Gender Equality and oversight of EU Gender Equality acquis across sectors - The Activity will strengthen the institutional capacities of the Coordination Body for Gender Equality by ensuring that administrative structures, adequate and well-trained staff and management systems are being put in place. That will include support to the organizational development and human resources of the Coordination Body for Gender Equality; organisation of targeted capacity building activities; provision of technical assistance in the evaluation of the National Action Plan and development of the Plan for 2019-2020; production of visibility materials, communication products and organization of conferences and provision of equipment and software.

Efforts will be invested in supporting the Coordination Body for Gender Equality to establish and formalize procedures of horizontal and vertical coordination with line ministries through gender focal points, and with the provincial and local gender equality bodies. This will be done through assistance in drafting decisions and regulations that stipulate models of coordination, communication and reporting of all government levels in the area of gender equality and support to the efficient communication and reporting. The Activity will support capacity development of civil servants for gender responsive governance. Focus will be placed on establishing the national reporting and monitoring system for the National Action Plan. The Activity will facilitate the establishment of the national dialogue mechanisms with women's organizations, CSOs, parliament, academia, gender experts, media and development partners to serve as the advocacy platform and for the exchange of knowledge.

Activity 7.2 – Support to mainstreaming a gender perspective in development of national policy and strategic framework, programming of national and EU funds as well as implementation and monitoring of programmes and projects - The Activity will provide a systematic capacity development, including trainings for structures involved in management of EU funds and will ensure that facts are available to key decision making bodies, through provision of technical guidance and support in gender analysis of selected sector documents and translation of identified gender equality priorities into actions in the relevant multiannual and annual programming documents. Focus will be on supporting capacity development of SEIO (NIPAC TS/BCPME) and authorized applicants involved in programming and the implementation of EU funds.

Serbian European Integration Office (SEIO) will be supported in establishment and functioning of the quality assurance and internal review process for gender mainstreaming in programming of EU funds. Additionally, SEIO will be supported in revising the relevant documents and procedures in line the requirements from the Regulation (EU) 1303/2013 and Commission guidelines on ex-ante conditionalities. Furthermore, technical support will be provided for meeting gender equality requirements in Government of Serbia's Periodic Communications related to international and EU reporting.

Activity 7.3 – Support to the implementation of activities from the NAP for GE addressing inequalities between women and men (objective 2 of the NAP for GE) - The Activity will contribute to the implementation of specific measures contributing to the empowerment of women at the labour market, women entrepreneurship and the empowerment of rural women, through awarding of at least 30 grants to women's civil society organisation. This will be achieved through provision of technical assistance for ensuring that proper management and administration of grants and social inclusion mix packages is in place and will include design and delivery of training programmes to local applicants/potential

grantees. Capacities of women's CSOs for implementation of awarded projects will be increased through organization of trainings and provision of technical assistance.

Result 8 – Position of Roma in local communities strengthened through implementation of prioritized strategic measures envisaged within the Strategy for Social Inclusion of Roma for the period 2016-2025

Activity 8.1.: Establishment/improvement of local strategic, financial and institutional mechanisms for planning and implementation of local Roma inclusion measures and increased awareness and knowledge on Roma inclusion at local level - This activity builds upon the results of IPA 2012 and closely aligns with the support planned in the scope of IPA 2013. Technical support will be provided to at least 20 LSGs in development of new or improvement of existing Roma Inclusion Local Action Plans (LAPs) and in budgeting of Roma inclusion measures. Special attention will be given to securing highly participative and inclusive policy making and budgeting. To that aim, Local Self Government (LSGs) Assemblies will be supported to form local multi-sector body for coordination of Roma inclusion policies. This approach shall be piloted on the sample of 10 LSGs. Additionally, at least 20 Joint Monitoring Units (JMUs) from group of JMUs established within previous IPA interventions will be technically equipped and will receive capacity building (training and workshops) to increase their impact, improve inter-sector cooperation and further develop their scope of work.

The Establishment of new JMUs in 10 additional LSGs will be supported in a comprehensive manner, including the introductory training (mentoring), equipping (e.g. vehicles and IT) and provision of technical assistance for development, implementation and monitoring of JMUs' annual operational plans. In order to implement their annual plans, JMUs will be further enabled to work with Roma settlements on a regular basis. They will be provided with additional tools in the implementation of integrated and holistic approach on the ground motivating institutions represented in JMUs to assist each other.

Activity 8.2: Support to the implementation of local measures for Roma Inclusion. - Within this activity LSGs will be provided financial support (through a Grant Scheme) to tackle a variety of issues defined through relevant national Strategy, LAPs for Roma inclusion or other local strategic/action planning documents addressing Roma issues. The exact selection and scope of thematic priorities for the Grant scheme will be defined at the time of preparation of the guidelines and will be based on the choice of existing strategic measures.

Activity 8.3: Preparation of urban plans and technical documentation - The activity aims to provide further support to LSGs in the field of spatial regularisation of informal Roma settlements. This activity will support the creation of urban planning and regulatory frameworks for sustainable housing conditions of Roma communities in selected municipalities. Also, where possible, technical documentation for upgrading of communal infrastructure on the level of community (neighbourhood) will be prepared. Systematic legal advisory support will be provided at local level in terms of counselling for necessary steps for legalisation of housing units. Also, a manual for legalisation of illegal constructions/houses will be prepared, including all the necessary steps for fulfilling the administrative procedures regarding legalisation. This activity is also aimed at raising awareness on the importance of regularisation and legalisation procedures. In addition, capacities of municipality institutions and CSOs will be built in the area of management of spatial regularisation issues.

Result 9: Capacity of National institutions for implementation of EU requirements in energy policy strengthened and EU Acquis implemented.

a- Study on modalities to include electricity from RES into the distribution network and smart grids.

Activity 9.1: Review of existing rules relating to the connection and dispatching of the power plants that use renewable energy. - Initial activities will be focused on the analysis of the current situation with regard to existing technical rules of connection of new small power plants to the distribution network. Existing technical rules and dispatching order will be analyzed per type of power plant. The aim will be to identify all the shortcomings of the existing regulations.

Activity 9.2: Implementation of the requirements of the EC Directive 2009/28 - Building on the previous activity, through this activity new rules for connection of small power plants in the functioning of the distribution system should be drafted, leading to the implementation of the requirements of the

EC Directive 2009/28. In addition, the activity should reduce the number of drop outs (outage) of small power plants from the network. Finally, it will enable the stable operation of small power plants and create conditions for increasing the production of electricity from renewable energy sources.

Activity 9.3: Consideration of the models of connecting small power plants on the distribution power grid.- Technical assistance will be necessary for considering different models of connecting small power plants on the distribution power grid, examining of issues which may occur during operation, control and supervision under normal conditions and under conditions of emergency. The TA will provide recommendations for the future development and investment in the distribution power grid related to connection of small power plants.

Activity 9.4: Training for the staff - Training plan for the staff from EPS, line Ministry and Energy Agency involved in activities related to connection of new facilities in the distribution network, will be prepared and implemented.

Activity 9.5: Visibility and presentation - Integral part of the project will be definition of visibility activities. These activities will be carried out in order to raise the profile of the project, increase awareness among various target audiences and to ensure successful communication of information about the project results that will be accomplished. Through development of visibility strategy communication objectives will be set up enabling successful identification of visibility activities.

b - Establishing and strengthening of capacities of the conformity assessment body

Activity 9.6: Market survey of product groups - Market surveillance of products should be conducted, which are covered by delegated acts of ELD and Eco-design Directive in force in Serbia at the moment of the project start, aiming to: identify percentage of the products which aren't labelled or marked as required by Serbian regulation; identify products with highest market sale volume in Serbia and propose types of products to be tested within the Project which are covered by these two directives.

Activity 9.7: Surveillance on the potential ELD and Eco-design conformity assessment bodies - Surveillance on the potential ELD and Eco-design conformity assessment bodies in Serbia which operate in the area of conformity assessment of electric and mechanical equipment in order to identify organizations/companies capable and willing to conduct total or partial conformity assessment testing of products identified through previous activity.

Activity 9.8: Public call for companies/organizations - Public call to conformity assessment bodies to participate on a project with existing and/or new accreditation interested to obtain status of ELD and Eco-design conformity assessment bodies.

Activity 9.9: Preparation of plans for sampling - Preparation of plans for sampling of previously selected products and issue public call for authorized ELD and Eco-design conformity assessment bodies to perform conformity assessment of selected products which will be financed through the Project.

Activity 9.10: Organization of trainings and TA for conformity assessment bodies - Provision of assistance and training for interested companies/organizations to become authorized ELD and Eco-design conformity assessment bodies through advise and trainings.

Activity 9.11: Testing of selected products - Testing of selected products by selected authorized ELD and Eco-design conformity assessment bodies financed through the Project.

Activity 9.12: Increasing of capacities of market inspection - Assessment of training needs of market inspection for visual control and control of following documentation for all listed product groups, developed training curriculum and training material including Manuel and implement necessary trainings.

Activity 9.13: Awareness campaign - Assessment of needs for awareness rising and informative actions towards final consumers, develop awareness rising plan and necessary awareness rising materials/campaigns and implement the plan.

Activity 9.14: Analyses and recommendations - Analysis of all previous results should be prepared and recommendation for further actions and yearly plan of sampling and testing for effective implementation of directives 2009/125/EC and 2010/30/EU

Result 10 - Negotiations and Policy Development Envelope - A prompt implementation of a number of accession related actions in the sectors covered by the EU acquis and policy dialogue with EU is ensured.

Activity 10. 1: Selection, prioritisation and implementation of the Actions for financing according to established criteria - The envelope will support implementation of needs and gap analyses, action plan drafting, strategy development, legal work, training, study tours, Serbia's participation in activities for the exchange of information, networking, participation in workshops, conferences and similar activities.

In order to facilitate programming of these funds, the NIPAC TS established the Working Group (WG) for the Management of Unallocated Funds within the Instrument for Pre-accession Assistance for the period 2007-2013 and 2014-2020. The role of the WG is to review the Actions proposed for financing and to adopt the list of prioritized Actions for financing under IPA unallocated funds. According to the guidelines of the WG the management of unallocated funds follows this procedure: (i) Potential beneficiaries present possible Actions to be funded to the SEIO, that is responsible to consolidate all proposals and present them to the WG²; (ii) Proposed Actions are reviewed and considered by the WG; (iii) On the basis of the predefined criteria, the WG shall define the priority list of the proposed Actions, programme year for allocation of funds and management mode of financing; (iv) List will be regularly updated based on the newly identified needs.

Selection and prioritisation of the Actions for financing will be done according to following criteria:

- 1) Linkage to the priorities defined within the ISP;
- 2) Significance for the completion of an on-going project, action or process;
- 3) Maturity (documentation readiness, conditions for start of the implementation – availability of funds for co-financing, capacities of beneficiaries and end recipients);
- 4) Proposal responds to an emergency (for example: floods, migration crises etc.),

Result 11 PPF - Financially viable projects for financing by EU pre-accession/accession assistance (and possibly by IFIs and/or other donors) are developed and ready for implementation.

Activity 11.1. Support to the preparation of technical documentation for infrastructure projects following the SPP - Following the results of the GAP assessments conducted in the context of the definition of the SPP it was identified that the costs attached to preparation of technical documentation vary depending on the type of the documents which needs to be produced and the indicative investment value. Provisional cost estimate for the preparatory services for the projects from the SPP is around 300 million euro. This proves the necessity for considerable inputs in the preparation of project documentation for the strategically relevant projects which would be financed through the EU funds solely or blended with IFI and/or other resources.

The commitment of the national authorities, in the written form, both on the central level and the local level (mayors of municipalities and directors of Public Utility Companies (PUCs) will be required prior to beginning the preparation of any project.

Having in mind the timeline when PPF would be operational, revision of the Methodology in terms of updating the strategic relevance criteria and consequential update of the SPP could be also required by the facility. Envisaged activities will be streamlined towards supporting NIPAC TS in planning and

² Members of the WG can propose Actions for funding as well

coordination of programming of IPA-funded interventions and IPA beneficiaries for EU funds programming and management.

Likewise, activities will be undertaken in updating of SPP including assessment of the existing documentation related to the newly identified investment projects, as well as to support line institutions in updating of all the instruments encompassed by the Methodology, such as: Project Identification Forms (PIFs), Strategic Relevance Assessments (SRAs), Gap Assessment Reports (GARs) and project passports. The continuation of capacity building of all relevant institutions/bodies, in order to incorporate experiences gained in earlier cycles of Methodology implementation is also envisaged.

RISKS

At the level of the entire Action, the following risks have been identified:

Risk	Mitigation measure
Relevant ministries and other beneficiaries are hesitant to commit the necessary human resources to the preparation of relevant documents such as tendering documents	SEIO and EUD should always take into consideration workload analyses of all significant implementing institutions.
The relevant ministries and other beneficiaries are lacking capacities to further develop the Actions into the project documentation required for contracting and implementation.	Continuous support by SEIO in development of the capacity of all institutions to prepare good quality documentation is a mitigating factor for this risk
Lack of political commitment and willingness to support the actions; including due to changes in the Governmental structures and lack of constant coordination and cooperation between main beneficiary institutions.	The role of SEIO and the negotiating structures and the policy dialogue in the context of EU accession should be used to mitigate this risk.
Inadequate staffing and high turnover rates in the public administration.	The implementation of the Public administration reform strategy, supported by the EU and other donors, including through an IPA 2015 SBS, is a mitigation factor for this risk.
Lack of willingness and capacities in ministries to engage in the inclusive and evidence-based approach in policy and legal development	The implementation of the Public administration reform strategy, supported by the EU and other donors, including through an IPA 2015 SBS, is a mitigation factor for this risk
Political pressure to adopt legislation in fast-track procedures without appropriate stakeholder involvement and evidence basis	Continuous political dialogue and implementation of the Public administration reform strategy, supported by the EU and other donors
A risk relates to the need to establish a system of efficient coordination among different donors to avoid inefficiencies in action implementation.	The Sector working groups established by SEIO are the forum for the mitigation of this risk. The implementation of measures within SEIO and the national institutions aimed at improving monitoring of the various activities, including donor activities, will also mitigate this risk.
Absorption capacities for available EU funds may be low.	During the previous years, various efforts have been undertaken by relevant national authorities in Serbia to enable a higher absorption of EU funds. Special attention should be assigned to setting up of each programmes comprehensive monitoring and evaluation systems, a careful targeting and preparation of programme potential beneficiaries and extensive

	training should be provided to programme administration and institutions involved.
Deficiency in making timely decision about Actions to be funded from unallocated funds.	SEIO, being Technical Secretariat to the WG for Management of Unallocated Funds will support work of the WG in making an assessment of proposed Action.
Failure to deliver building permits, formal legal permission and rights of ownership that delay the IPA project development process	PPF will ensure that there is a list of reserve projects for preparation. Immature projects can be replaced from the reserve list

More specifically in relation to targeted support, potential risks refer to:

Indirect Management System: Actual staffing and staffing plans do not reconcile with the Workload analysis; high staff turnover rate in the Serbian administration involved in management of pre-accession assistance; or vacancies are not filled in a timely manner.

Statistics: With regards to Farm Structure Survey and Business Statistics, main risks relate to coordination with other official statistics producers in view of integrating agricultural statistics. There may be a lack of a system for knowledge transfer within the SORS and an appropriate human resource policy to ensure more attractive career options for statisticians to slow down the rate of turnover.

Gender Equality: The Law on Gender Equality constituting the Coordination Body for Gender Equality as the permanent Government body mandated for the coordination of Government actions in the area of gender equality should be adopted, and the Office for Gender Equality should be established and operational prior to the implementation of this action.

Roma Inclusion: Having in mind the significant number of stakeholders included in the implementation of this intervention at all levels of government, there are potential risks of insufficient coordination of activities among the key actors, weak follow-up of the agreements reached during consultations, etc. These risks will be mitigated through operational consultation and working bodies which will be deployed in implementation of this intervention,

Energy: An important risk is the possibility of major changes in regulations that stimulate the production of electricity from renewable sources, as well as eventual significant increase in number of renewable energy sources for particular technology if the existing incentive measures (feed-in tariffs) increases significantly for that technology, before the study realization. It will be required that the planned study assesses these risks and defines mitigation measures. Another risk is connected to the possible lack of sufficient interest of existing conformity assessment bodies to participate in the activity and to obtain necessary accreditation to perform assessment under ELD and Eco-design directives. Risk should be overcome by possibility to include conformity assessment bodies which already operate in these areas.

CONDITIONS FOR IMPLEMENTATION

There are no specific conditions for the implementation of various activities envisaged under IPA 2016 EIF.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

This Action will be implemented and managed in accordance with the rules and procedures under Direct Management. An IMDA with the UN Women will lead to the achievement of the result 7.

The institutional arrangements for implementation of this Action under direct management include: Office for Kosovo and Metohija (Result 1); the Ministry of Finance (i.e. its organisational units performing the tasks of Management Structure (NAO SO and NF), CA, AFCOS, as well as other bodies involved in implementation of IPA programs) (Result 2); Statistical Office of the Republic of Serbia

(Result 3); the Ministry of Agriculture and Environmental Protection (Result 4); the Ministry of Construction, Transport and Infrastructure (Result 5); The Ministry of Agriculture and Environmental Protection (Result 6); Coordination Body for Gender Equality/Office for Gender Equality (Serbian European Integration Office for activity 7.2) (Result 7), the Ministry in charge of employment, labour, veteran and social policy (Result 8) and the Ministry of Energy (Result 9), NIPAC TS (SEIO) is responsible for the Negotiations and Policy Developments Envelope (result 10) and PPF (result 11) while end recipients of the assistances may be line ministries and other responsible public institutions.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

The activities under the result 1 - Legal aid, assistance and dissemination of information necessary for ensuring the protection and exercising of rights of IDPs, refugees and returnees under Readmission Agreements provided, with a special emphasis on property rights, non/discrimination, health, education, employment and social welfare, in accordance with the highest professional standards in an accurate and timely fashion will be implemented through one service contract.

The activities under the result 2 – Successful implementation of EU funded projects under indirect management system of EU pre-accession assistance, will be implemented through one service contract.

The activities under the result 3 - Developing efficient and sustainable statistical systems in line with European Statistical System will be implemented through one service contract and one direct grant to the SORS. The service contract is selected as the implementation modality due to the nature of the activities, which include activities such as the launching of sample surveys and others that would not be possible under other types of contracts (such as twinning). The Direct Grant will be provided to the SORS which shall be directly responsible for the implementation of the activity 3.1.: Setting up and conduction of Farm Structure Survey and dissemination of the results.

Pursuant to the Law on Official Statistics, the Statistical Office of the Republic of Serbia (SORS) is the mandated body for production and dissemination of data, thus representing the official statistics of the Republic of Serbia in the international statistical system. As such, SORS has a de jure monopoly in the subject matter of the contract (Art.128 FR/Art.190.1(c) RAP) and a de facto right and obligation to carry out the official statistics for the Republic of Serbia (specifically Census, National Accounts), playing its undoubtedly impartial role in all crucial statistical areas. The responsibility of SORS for leading the negotiations group on Chapter 18 – Statistics, and implementing the National Programme of Official Statistics for the period 2016 – 2020 is another key element in ensuring statistical results which are harmonized with the international standards, primarily those of the European Statistical System (ESS) and the European Union.

In terms of experience, and further to the successful conducting by SORS of the Agricultural Census funded under IPA 2011, the Farm structure survey is expected to ensure further impact and sustainability of results in the sector, in the long run. This experience, incl. also the Population Census and over 200 surveys per year, has been appreciated by EUROSTAT and proved by external monitoring. The solid network of instructors, interviewers and enumerators created for the fieldwork in the Agricultural and Population Census should replicate efficiency and economies of scale - a value added which will be lost by an alternative choice of contractor.

In term of operational capacity, SORS has extensive coordinating capacity of different interlocutors that are part of this activity, on national and municipal levels (e.g. Ministries, the National Bank of Serbia, the Pension and Disability Insurance, the Republican National Health Insurance Fund, the Institute of Public Health of Serbia, the National Employment Service which are all gathered under the Statistical Council of the RS). It also has sufficient sources of finance to co-finance and maintain its activity. Knowledge and capacity to follow the procedural rules on the use of vested financial resources shall be confirmed during the pre-contract negotiations process with the organisation.

Furthermore, the direct grant to the SORS has been selected as the implementation modality due to the fact that the results to be achieved under this contract did not constitute regular activities of the SORS until now, and are indeed reform oriented interventions and capacity building activities stemming from the specific requirements of the EU accession process. The intervention is based on the recommendations of EUROSTAT for further alignment with European Statistical System. In more detail, the EU Regulation (EC) No 1166/2008 of the European Parliament and of the Council on farm

structure surveys and the survey on agricultural production methods will be used as benchmark for this activity.

The activities under result 4 - Improved veterinary services for reinforcement of animal welfare will be implemented through one service contract.

The activities under result 5 - Improved road safety will be implemented through one service contract.

The activities under result 6 – Continued support to implementation of Chapter 27 in the area of nature protection will be implemented through one service contract.

The activities under result 7 – Strengthened administrative capacities for gender equality and significant progress achieved in implementation of EU and national gender equality commitments through gender mainstreaming will be implemented through IMDA with the UN Women. The results will be implemented in indirect management by entrusting budget implementation tasks to an identified entity according to Art. 58.1. C. ii, and 60 of the FR. This implementing body has to be able to rapidly mobilise efficient procurement and project management procedures as Serbia has limited expertise and specialised resources available in the field and needs support to raise its capacities. The Action will be implemented, among other activities, through the provision of grants through a grant scheme to civil society organisations which will act in terms of the implementation of the specific results of the action. At the same time, the entrusted Entity – UN Women has to ensure a visibility of the EU for the overall action. In order to ensure the best possible entity for this purpose, the EU Delegation in cooperation with SEIO and the national authorities has selected the UN Women mission through a comparative analysis of entities which are active in the region and the sector.

The activities under result 8 - Position of Roma in local communities strengthened through implementation of prioritised strategic measures envisaged within the Strategy for Social Inclusion of Roma for the period 2016-2025 - will be implemented through a direct grant to the Standing Conference of Towns and Municipalities and a grant scheme (GS).

The action will be implemented through a direct grant with SCTM. It was selected on the basis of the conditions related to actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals - pursuant to Art.128 FR/Art.190.1(f) RAP. SCTM is a unique association of LSGs in Serbia with three core functions: advocating member interests, capacity building and service delivery to its members and providing a platform for information collection and dissemination. It has a long-standing record in supporting LSGs in the area of human and minority rights, anti-discrimination and Roma inclusion issues. The key distinguishing feature of the SCTM is that it is the only such institution in Serbia which has the reach to all local level municipalities. Unlike governmental bodies dealing with Roma issues, or social inclusion issues, which have regulatory powers or oversight at a general and nationwide level, the SCTMs network of contacts with the local level, and breadth of experience and institutional knowledge on the specific legislation, rulebooks and bylaws which concern the local level in general, and specific municipalities in particular is the single greatest advantage point for implementing this action.

The implementation of Exchange 1, 3 and 4 Programmes, where SCTM implemented four Grant Schemes totalling EUR 18,700,000, revealed other valuable competencies. The sector focus groups (SFG) established under Exchange 4 as a new coordination mechanism which has proven valuable in the coordination between line institutions. SCTM is also recognised as major partner in the implementation of the Strategy of Professional Development of LSG Employees, having supported the implementation of key LSG reforms in the areas related to the current contract. Finally, SCTM plays an important role in keeping continuous policy dialogue between the central and local levels which significantly increases and has a multiplication effect on the quality, dynamics and scale of reforms on the ground.

The above very positive experience provides an obvious advantage and calls for identifying SCTM as implementer of the current action through a direct grant. The selection of SCTM is further supported by its operational & financial capacity to implement the action. The organisation has stable and sufficient sources of finance to maintain their activity, and the necessary management and coordination capacity to successfully complete the action. The joint Project Working Group (PWG) to be established with the

key stakeholders and counterparts for Roma inclusion will ensure vertical coordination and a close follow-up of the dynamics and developments in the implementation of the subject intervention. The reputation and accountability of the SCTM as the actor in the local Roma inclusion policy, as well as the highly relevant competences and capacities of this organisation in the areas concerned with the present intervention, provide an important assurance for quality implementation of the envisaged activities and for achieving the expected results. By determining the SCTM as the implementing partner, a strong guarantee and an added value is seen in addressing one of the core weaknesses of implementing comprehensive Roma inclusion measures, i.e. the relative passivity and underdeveloped capacities of LSG administration to optimise and continuously exploit the initiated local Roma inclusion mechanisms and to nourish the partnerships with the CSOs and intensive networking with other local stakeholders in these endeavours.

The competent Ministry in charge of labour, employment, veteran and social affairs is the main coordinating institution and as such will chair the Steering Committee and Project Working Group (PWG) meetings and provide main policy directions for the implementation of this part of IPA 2016 Action.

Result 9: Capacity of National institutions for implementation of EU requirements in energy policy strengthened and EU Acquis in the field of energy efficiency and renewable energy sources implemented will be implemented through two service contracts (one for activities 9.1 – 9.5, and the other for the activities 9.6 to 9.14).

Result 10, Negotiations and Policy Developments Envelope, will be implemented through several service contracts and other types of assistance in accordance with PRAG rules. Activities will be implemented in line with Guidelines for Work of the Working Group for Management of Unallocated Funds. Members of the WG are officially appointed representatives of the following institutions: Delegation of the European Union to the Republic of Serbia, Ministry of Finance (Sector for Managing EU Funds and Central Contracting and Financing Unit) and Serbian European Integration Office (NIPAC TS).

Result 11, PPF, will be implemented through a service contract.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

Monitoring the progress of the implementation of this Action will be done in accordance with the rules and procedures for monitoring under the direct management. The overall progress will be monitored by means of several sources: Result Orientated Monitoring (ROM) system (led by DG NEAR): This will provide, as necessary and required, an independent assessment of the on-going or ex-post performance of the action.

IPA II Beneficiaries' own monitoring: IPA II monitoring process is organised and led by the National IPA Coordinator (NIPAC/ Serbian European Integration Office (SEIO). NIPAC monitors the process of programming, preparation and implementation as well as the sustainability and effects of the action. The process aims at increasing the performance in the field of monitoring and evaluation, and improving ownership in achieving the objectives, results, outcomes and impact set out in the strategic documents. Under the Direct Management procedures, monitoring and evaluation of actions will be carried out by means of Reports stipulated in the IPA II Implementing Regulation. Self-monitoring performed by the EU Delegation: This is part of the annual assurance strategy process and is done based on the ex-ante risk assessment of actions/contracts considered riskier.

Joint monitoring by DG NEAR and the IPA II Beneficiaries: The compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly (at least once a year) monitored by an IPA II Monitoring committee. It will be supported by Sectoral Monitoring steering committees which will ensure monitoring process at sector level. The results of monitoring will be used in the policy-making process to propose programme adjustments and corrective actions.

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In

case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement.

INDICATOR MEASUREMENT

Indicator	Baseline (value + year)	Target 2020 (3)	Final Target (2025)	Source of information
Rate of transposition of the EU acquis measured by the % of the NPAA implemented	63% (period of implementation from August 2014 to December 2015)	80%	100%	Government reports and reports of the Negotiating team EU progress report
Speed of progress on the negotiation of a number of acquis negotiation chapters.	Four negotiation chapters opened (2016)	Negotiations progressing according to schedule for all negotiation chapters	Negotiations progressing according to schedule for all negotiation chapters	Negotiation reports, mid-term evaluations, benchmark evaluations
Ratio between opened legal aid/assistance cases, including cases inherited from the previous legal aid project, and closed legal aid/assistance cases	33% (2015)	45%	n/a	Contractor Assessment Form Final report of the Contractor Progress reports Interim and Final reports Monitoring reports Legal cases database Steering Committee minutes Project surveys
Increased number of new cases and number of requests for legal assistance	0 (2015)	2000	2000 (2019)	
Timeliness of the entrustment for managements of IPA	Entrustment of the programme for IPA 2015, (adopted CD in IV quarter of 2015) is, not achieved by July 2016 (2016 baseline)	Timely achievement of accreditation	Waiver of ex ante controls	Audit mission report (EC, Audit Authority)
Degree of statistical compliance (Eurostat) (beneficiaries' data validated and published by the European Commission measured in % whereas 0 (Worst) - 100 (Best) achieved by 2020.	30-35 % (2012)	90 – 95 %	n/a	Eurostat
Degree of compliance with European statistical system in the areas of national accounts, business statistics and harmonisation in agriculture statistics	Good progress (2012)	High compliance level	High compliance level	EC Progress reports
Degree of alignment of the Law on animal	Partial alignment	Partial alignment	Full alignment	Project Reports

welfare with EU standards	(2018)			EC Annual reports Official Gazette FVO Reports
Adoption of the Strategy on management of stray dogs population	Partial alignment	Full alignment	Full alignment	Project Reports Official Gazette
Degree of establishment of performance benchmarking of institutions in the field of road safety	Performance benchmarking of all institutions not yet established in 2016	Benchmarking of institutions in the field of road safety is established	Benchmarking of institutions in the field of road safety is established (2020)	Benchmarking reports
MAIS3+ scale of injury is introduced in the timeframe of the AD	MAIS3+ scale not yet introduced (2016)	MAIS3+ scale is introduced	MAIS3+ scale is introduced (2020)	Traffic safety agency reports
Electronic data exchange among medical institutions, the traffic police and the Road Traffic Safety Agency	Data exchange not operational yet (2016)	Data exchange operational (pilot phases)	Data exchange take place regularly	Traffic safety agency reports
Percentage of pSCIs identified	0% (2015)	80%	100%	Project progress report
Percentage of SPAs identified	0% (2015)	80%	100%	Project progress report
Degree of establishment of the national monitoring and reporting system for gender equality established	non-existent (2016)	Established	Fully operational	Activity implementation reports Annual Reports on implementation of the National Strategy for Gender Equality 2016-2020
Degree of internal review and quality assurance process for gender mainstreaming of EU assistance introduced	non-existent (2015)	Established	Fully operational	Activity implementation reports Annual Reports on implementation of the National Strategy for Gender Equality 2016-2020 Relevant procedures/guidance/formats produced
Number of local action plans for Roma Inclusion adopted and implemented by 2020.	21 (2016)	27 ⁱ	27 (2020)	

Number of joint mobile units (JMUs) established and equipped in LSGs.	20 (2015)	50 ⁱⁱ	50 (2020)	EC Progress Reports Interim and Final reports
Number of sub-standardized Roma settlements supported in meeting conditions for sustainable housing and improved living	n/a (2016)	10	10 (2020)	Monitoring reports Annual Reports on implementation of the Strategy for Social Inclusion of Roma for the period 2016-2025
Number of hours out of operation due to outages in distribution grid SAIDI and SAIFI indicators ⁱⁱⁱ	Weekly average number of power interruption longer than 3 minutes: 203 (2015) SAIDI: 937 SAIFI: 10.07 (2015)	Weekly average number of power interruption longer than 3 minutes: 165 SAIDI: 674 SAIFI: 6.35	Weekly average number of power interruption longer than 3 minutes: 120 SAIDI: 554 SAIFI: 5.95	Reliability reports containing average weekly number of outages and year to date SAIDI and SAIFI indicators for the distribution grid or its parts where most of RES are connected.
Decreased number of nonconforming products and customer remarks (Monitoring report on implementation of energy efficiency technical regulation)	non-existent (2015)	Established. Decreased number of nonconforming products and customer remarks	Established. Decreased number of nonconforming products and customer remarks (-50%)	Annual Report on market inspection of Ministry responsible for trade
Improved capacities of specific national institutions implementing selected NPE actions for the achievement of NPAA priorities	No institutions supported in 2016	At least 5 institutions supported by 2020	5 (2020)	
Number of major infrastructure projects from Single Project Pipeline prepared and ready to tender by 2020	0	6	6 (2020)	Reports on the implementation of the Action

5. SECTOR APPROACH ASSESSMENT

The activities under this Action belong to several sectors and as such have been identified by relevant sector working groups and presented in relevant national documents covering the programming period 2015-17.

6. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

The Action, as being focused on implementing specific and urgent needs emerging from European Integration process, represents the tool that will mainstream and provide an effective guide to all actors, to better implement gender mainstreaming and thereby better serve the needs of citizens, both women and men.

Furthermore, one specific Result of the proposed Action is designed particularly to support administrative structures and their capacities for sound implementation and oversight of EU Gender Equality *acquis* across sectors. In particular through this Action it shall be ensured establishment of well-functioning gender mainstreaming mechanism which shall ensure establishment and strengthening of both horizontal and vertical coordination mechanisms and capacities among relevant actors at national, provincial and local levels in order to secure implementation of Gender Equality *acquis*.

EQUAL OPPORTUNITIES

A number of the results under this action target specifically the implementation of the principle of equal opportunities. This includes the specific results related to the provision of equal legal opportunities to IDPs, refugees and returnees under the Result 1, the provision of equal opportunities in relation to access to rights and support to Roma, through the Result 8.

Equal opportunities will be also secured through appropriate information and publicity material, in the design of activities and accessibility to the opportunities they offer. The different project implementation structures will ensure the observance of the principles of equal opportunities and non-discrimination.

Enforcement of those principles is likewise ensured through specific administrative procedures applied in accordance with the Law on non-discrimination.

MINORITIES AND VULNERABLE GROUPS

The Action targets a number of minority and vulnerable groups. The Roma national minority is the key beneficiary of the Result 10, which will enhance their access to rights and opportunities at the local level, and will explicitly work toward the implementation of national strategic documents enhancing their position. The result 7 tackles gender quality, and the need for its streamlining across a number of sectors. The result 1 aims to improve the conditions in Serbia for migrants, including IDPs, refugees, returnees, asylum seekers illegal and legal migrants. The application of the national policy and strategic documents and the best EU standards and practices in the promotion and protection of the rights of the minority and vulnerable groups will be ensured in all aspects of the preparation and implementation of this action.

Furthermore, the Action will, through the unallocated envelope, support the further alignment of the Serbian legislation to the EU standards and relevant *acquis*, in a number of sectors. The unallocated is used for priorities related to accession negotiations. Having in mind the demands of enlargement, which concern not only stability and prosperity, but also democratic values, articulated in Copenhagen political criteria for membership, the Action, through its Negotiations and Policy Developments Envelope, shall spread the message that compliance with basic democratic standards is more than a condition for entry; it is a condition of membership. Also, since one part of the Action will be implemented through this envelope, there is possibility to support activities that directly deal with minorities and vulnerable groups.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

The cooperation with Civil Society Organisations (CSOs) is facilitated by the Government's commitment as part of its European Agenda. Regarding mechanisms for dialogue, two official mechanisms exist: (i) Office for Cooperation with Civil Society; and (ii) Sectorial Civil Society Organisations - SEKO for the processes of IPA programming. Both are examples of good practices in terms of CSO representation in general.

The Government Office for Cooperation with Civil Society is the main institutional mechanism for the support of developing the dialogue between the Government and CSOs through offering support to its institutions in understanding and recognizing the role of CSOs in policy shaping and decision making processes.

Office for Cooperation with Civil Society also established the mechanism that allows involvement of CSOs in negotiations on the accession of the Republic of Serbia to the European Union. During 2013 and 2014, Office for Cooperation with Civil Society in cooperation with the Negotiating team for the accession and relevant institutions for different negotiation chapters included CSOs in negotiations. CSO participation in this process so far included monitoring of explanatory screenings, participation in the preparation of the bilateral screening for some negotiating chapters and participation in briefing meetings that followed bilateral screenings.

In addition, NIPAC TS - SEIO established a consultation mechanism with the civil society organization (CSOs) This mechanism is based on the consultative process with Sectorial Civil Society Organizations (SECOs) and serves as a platform that enables exchange of information and contribution of CSOs in relation to planning development assistance, particularly programming and monitoring of the Instrument for Pre-Accession Assistance (IPA).

The Platform for participation and monitoring the negotiation process with the EU, i.e. the National Convention on the European Union (NCEU) has also been established as a permanent body for thematically structured debate on Serbian accession into the European Union, between representatives of the governmental bodies, political parties, NGOs, experts, syndicates, private sector and representatives of professional organizations.

In particular CSOs will be included directly into the implementation of a number of actions within this AD. They will be beneficiaries of the grants under the gender and the Roma components. Activity 8.2 in the Roma action is the provision of support to the implementation of local measures for Roma Inclusion. Within this activity LSGs will be provided financial support (through a Grant Scheme) to tackle a variety of issues defined through relevant national Strategy, LAPs for Roma inclusion or other local strategic/action planning documents addressing Roma issues. Furthermore, the Activity 7.3 – Support to the implementation of activities from the NAP for GE addressing inequalities between women and men will contribute to the implementation of specific measures contributing to the empowerment of women at the labour market, women entrepreneurship and the empowerment of rural women, through awarding of at least 30 grants to women's civil society organisation. Capacities of women's CSOs for implementation of awarded projects will be increased through organization of trainings and provision of technical assistance.

As regards activity 6.1 CSOs will take active part in contributing data required to prepare the designation of future Natura 2000 sites. They will also be actively participating in the for a that will decide on designation of future potential Natura 2000 sites.

Communication and cooperation with civil society is in particular relevant to the achievement of the results related to IDPs and returnees, road traffic safety, environment and energy efficiency. A number of active CSOs have been working within these areas, and their knowledge, lessons learned and practical experiences from the field are valuable sources of information for the design and implementation of the activities in the respective sectors. Furthermore, they serve as an important platform to check the progress against the real needs on the ground. For this reason, the communication and coordination with the CSOs will be an integral feature of the contract in these areas.

Specific attention will be paid in the framework of this action to ensure that civil society and other non-state stakeholders are consulted in the right time of the legislative and policy-making process and that the decision-makers are informed about the outcomes of the consultations.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Activities envisaged under this AD focus on a number of environmental issues. The specific results of the action seek to enhance the alignment of Serbia's legislation, institutional structures, and degree of implementation of the EU acquis and standards, in particular related to, nature protection and in the energy sector. Developing efficient and sustainable statistical systems in line with European Statistical System will amongst others allow for data collection on the total amount of fertilizers used at the farm level with a direct link to the farm structure and crops. This information may be used in the development of strategies to curb nutrient pollution of ground and surface water in sensitive areas. This is relevant since agriculture is contributing significantly to nutrient pollution of Serbian waters. . Whilst no specific climate change mitigation or adaptation actions are envisaged, the AD supports a strong focus on acquis alignment in the area of energy efficiency and promotion of the use of energy from renewable resources. These two areas of energy policy are the corner stones of Serbia's intended commitment to reduce greenhouse gas emissions by 9.8% by the year 2030 compared to 1990 levels..

7. SUSTAINABILITY

The action will produce sustainable results in the short run since it is designed to support the already existing beneficiary institutions and structures that are already in place, but which require additional assistance in the complex process of the harmonisation with Acquis and for the preparation for negotiations. This process is a key political priority to the Serbian Government, and the resources and attention of the national authorities are strongly geared toward achieving the steps needed for the opening and closing of the negotiation chapters, and for the achievement of all benchmarks in the process of EU accession negotiations. All of the capacities developed through this project will be used in the future period for the further alignment as part of the accession, and they will be a crucial resource for the EU integration. Sustainability is also envisaged in the fact that the support for legislative alignment results in adoption of the laws, by-laws, plans and policy documents by the Parliament, Government or governmental bodies, ensuring that these are part of the system, and not ad hoc interventions.

EIF shall prepare adequate Actions for IPA II funding in order to strengthen the institutions and administrative capacity for the full application of the EU acquis in Serbia and will therefore improve the effectiveness of Serbia's preparations for EU accession. It will also help in strengthening the capacity of institutions responsible for management of IPA II assistance.

This action will ensure that all policies and legislation will be developed according to the better regulation approach, which ensures inclusive and evidence-based policy and legislative development. The increased focus on the quality of the legislative and policy-making process will help to ensure that adopted policies and laws can be better implemented. Also, institution-building under this action will respect effective lines of accountability between institutions (agencies and parent institutions), therefore avoiding any possible fragmentation of administration.

In case of Negotiations and Policy Developments Envelope, the sustainability has to be monitored through sub-actions, since the envelope itself is not using any funds or implementing any actions. The sustainability of envelope has been ensured in the past through the successful implementation of sub-actions and through the achievement of envelope purposes and results of individual sub-actions.

In the specific case of the PPF, the facility will support selected projects from the Single Project Pipeline. The Methodology for Prioritisation and Selection of Infrastructure Projects has been adopted by the Government, and the project will also serve to further update it in accordance with new lessons learned and best practices accumulated from the previous facility rounds. It is important to note that this Methodology is being considered for the incorporation in the new regulatory solution to be generally applicable to all the sectors and all the types of investment projects, in the context of the future by-law on classification of capital investments (the by-law is obligatory in accordance with the Budget System Law). In addition, in order to ensure sustainability and subsequent usage of project documentation, requirements of the Law on Planning and Construction, as well as the best EU standards in infrastructure projects' development will be followed.

Consolidation of the SPP is in the core of the new initiative promoted by EC among all the Western Balkans countries – on establishment of the National Investment Committee (NIC). NIC should serve

as the platform for all the donors and IFIs to express their agreement on prioritisation and possible financing arrangements for specific projects or parts of projects (preparation or implementation).

Trainings and training materials provided through this Action, will make an integral part of the annual training plans of the Human Resources Management Service and will be uploaded and available at all times on the SEIO web site (via link).

8. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the IPA II beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.

ⁱ It has been taken into consideration that by the end of year 2019, 15 currently existing LAPs will expire. This is therefore conservative projection calculating the 10 LAPs to be supported by the project and the projection of a number of LAPs individually developed/revised by LSGs.

ⁱⁱ Targeted number of JMUs (50) within this indicator includes 20 already established JMUs, 20 JMUs to be established with IPA 2013 support and 10 JMUs to be established in the scope of IPA 2016 Action.

ⁱⁱⁱ SAIDI is defined as the average duration of interruptions for customers served during a specified time period
SAIFI is defined as the average number of times that a customer's power is interrupted during a specified time period