

ANNEX IV

**to the Commission Implementing Decision on the financing
of the annual action plan in favour of the Republic of Serbia for 2021**

ACTION DOCUMENT “EU FOR ENABLING A MORE RESPONSIVE HEALTHCARE SYSTEM”

1. SYNOPSIS

1.1. Action Summary Table

Title	Annual Action Plan in favour of the Republic of Serbia for 2021 Action Document for Enabling a More Responsive Healthcare System			
OPSYS number	CRIS 2021/043-652			
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)			
Team Europe Initiative	No			
Zone benefiting from the action	The action shall be carried out in the Republic of Serbia			
Programming document	IPA III Programming Framework			
PRIORITY AREAS AND SECTOR INFORMATION				
Window and thematic priority	Window 4: Competitiveness and Inclusive Growth Thematic priority 1: Education, employment, social protection and inclusion policies, and health			
Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 3: Ensure healthy lives and promote well-being for all at all ages.			
DAC code(s)	Main DAC code – 120			
Main Delivery Channel @	Government of the Republic of Serbia			
Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers @	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal markers	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
Amounts concerned	Budget line: 15.020201.02 Total cost: EUR12 000 000.00 Total EU contribution : EUR 12 000 000.00			
MANAGEMENT AND IMPLEMENTATION				
Type of financing and method(s) of implementation	Project Modality Indirect management with the United Nations Development Programme in cooperation with the World Health Organisation.			
Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans	- Investing in Human Capital			
Final Date for conclusion of Financing Agreement	At the latest by 31 December 2022			
Final date for concluding contribution / delegation	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation			

agreements, procurement and grant contracts	
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Action

This Action will provide a crucial contribution to enhancing the resilience and further reform of healthcare, contributing to social inclusion and cohesive development. This will be achieved through investing in structures for detecting and responding to epidemiological hazards, developing capacities of healthcare institutions at all levels of care provision.

2. RATIONALE

2.1. Context Analysis

The outbreak of the COVID-19 pandemic severely impacted both the European Union and the enlargement region, placing immense emphasis on the need for stronger health systems to mitigate this and future crises as well as on the need to work together at the local, national, regional and EU-wide levels towards better response. Coherent, sector-wide resilience was made apparent as a need for further investment during the crisis with the connections between decision-makers requiring development, given the great interdependency of healthcare provision and other systems comprising Thematic Priority 1 and the need to strengthen response capacities for all systems to ensure better outcomes overall.

With regard to PFM reform, progress was achieved in all five reform pillars, although limited opportunities for new employment and outflow of staff are a debilitating factor. Public expenditure planning and budgeting were focused on for developing multi-year program budgeting with improved performance reporting and public investment planning. Public debt management saw significant results before the pandemic and reforms are to continue beyond 2021.

Legislative and strategic conditions for further development of public procurement have been established through new laws, while a new public procurement portal contributes to digitising public procurement. Establishment of accrual accounting is a long-term objective until 2030. The capacities of AFCOS and budget inspection have been strengthened by improving the legal framework and methodology. Efforts on internal financial control in the public sector, have improved the legal framework, which further develops provisions prescribed in the Budget System Law. Further improvement of the coverage and quality of external audits was achieved by applying manuals and guidelines aligned with the ISSAI standards. The State Audit Institution continued to increase its impact, monitor the implementation of recommendations and improve relations with key stakeholders.

2.2. Problem analysis by areas of support

AREA OF SUPPORT #1: A Resilient and Responsive Public Health System

- Short problem analysis

Serbia is moderately prepared in the area of health protection. In the coming year, Serbia should strengthen the overall managerial capacity, human resources and financial sustainability of the National Health Insurance Fund. Legislation in the area of public health is partly aligned with the EU *acquis*. The national plan for human resources in the health sector has still not been implemented, while the number of physicians leaving the country still remains high. The EU-funded centralised electronic health record system is still not used and compliance with EU health indicators is not yet ensured. On serious cross-border health threats including communicable diseases, the surveillance and response capacity remains limited and needs to be modernised. A centralised health information and communication system has yet to be implemented. Harmonising Serbian legislation with the Directive on the application of patients' rights in cross-border healthcare has yet to be completed. An e-health unit at the Ministry of Health should be established to coordinate the complex activities involved in setting up a comprehensive health information system at all levels of care. Additional work is needed on surveillance of anti-microbial resistance, quality control, and standardisation of laboratories.

The direct impact of the COVID-19 outbreak to Serbia on the health system and the provision of health services, as well as the indirect effects of the pandemic exacerbating chronic conditions, mental health, domestic violence, interpersonal violence, diet, have shown that if the health system does not respond adequately, consequences can be severe and far-reaching, affecting systems beyond healthcare. Capacities for monitoring International Health Regulations (2005) implementation and integrated all-hazards approaches of the WHO require enhancement. Intra-sectoral, vertical and horizontal work is not on a satisfactory level. Developing guidelines for alignment with the relevant practices of the EU, and notably with the European Centre for Disease Prevention and Control (ECDC), for preparedness and response to public health threats at all levels is necessary. The outbreak of COVID-19 had shown a necessity to improve capacities for dealing with health hazards, thus improving the protection level of population and country. The development and implementation of the Disaster Risk Register for Health is required for better monitoring, early warning and response.

- *Description of main stakeholders;*

The Ministry of Health is the main stakeholder in the health sector. The National Institute of Public Health “Dr Milan Jovanovic Batut” is responsible for epidemiological monitoring of diseases and informing the public, issuing guidelines and standard operating procedures to health institutions and others responding to emergencies. The Belgrade University Clinic for Infectious and Tropical Diseases is the referral institution for public health threats due to infectious agents, with contribution from secondary and tertiary health institutions with their own infectious disease departments and the network of 25 institutes of public health. The Sector for Emergency Situations (MoI) is responsible for maintaining and improving preventive action and response to various forms of disasters. The Republic Geodetical Agency develops and maintains the Disaster Risk Register that includes data from various institutions in the field of health care and from other important governmental institutions contributing to healthcare.

- *Complementarity with national strategies.*

The Action will contribute to the health sector achieving national policy objectives contained in a number of documents.¹ The most prominent contribution to the Public Health Strategy are related to Objective 3 – Preventing and Countering Disease and Health Risks. The proposed Action especially contributes to Specific Objectives 3.1 (Enhancing Epidemiological Surveillance for Disease, Injury, and Health Risks) and 3.2 (Enhancing system performance on early detection and countering of epidemics). The Action is linked with the National Strategy for Protection and Rescue in Emergency Situations (2011) objective to improve functional cooperation between protection and rescue system subjects, i.e. to strengthen capacities of healthcare institutions in charge of first response in situations of spreading communicable diseases and reacting in emergency situations. It is in line with Serbia’s National Disaster Risk Management Program (NDRMP) supporting the Government of Serbia to build a comprehensive program for disaster resilience.

2.3. Relevance and complementarity with strategies supported by key national stakeholders

The Action is addressing the need to develop effective, efficient and sustainable organisational structures for preparedness and response to major threats of different nature at all levels of health care. In the area of health, increasing the number of fully operationalised Biosafety Level 3/2 laboratories / Surveillance laboratories in Serbia will ensure faster and better response to crises. Further efforts are needed in this area in establishing and maintaining the technical infrastructure for access and use of data from the Risk Register, following regulations governing the area of national geospatial data infrastructure. By enhancing the capacities of medical professionals at all levels of health care for reaction and response in case of emergency, by equipping infectious disease clinics/infectious disease hospital departments for detection, reaction and response in case of emergency, by training sanitary inspectors for detection, risk assessment and reaction in case of health emergency, as well as professionals for psycho-social support for groups affected by public health crisis and emergency, Serbia will enhance capacities related to communicable diseases and reacting in emergency situations.

In view of moving further towards a sector approach, the interventions under this Action have been selected based on their relevance and their contribution to national sector strategies as well their link to accession negotiations. The national sub-sector strategies relevant for the Action and identified under Section 2.2 include the requirements of the Law on the Planning System² and are partly aligned with the relevant accompanying regulations³. The consultation process preparing

¹ Public Health Strategy 2018-2026, Action plan for improvement of communicable diseases surveillance and response system in Serbia 2017-2020, The program of the Health sector response to crisis and emergency situations in the Republic of Serbia, National CBRN defence plan, Strategy on Development of Mental Health Protection, National program for Health and Environment

² “Official Gazette”, No. 30/18.

³ Regulation on the Methodology of Public Policy Management, Impact Analysis of Public Policies and Regulations, and the content of individual public policy documents³, Regulation on Mid-Term planning³ as well as the Regulation on compulsory elements of the Development Plan of the Autonomous Province and Local Self-Government Units³

strategies was conducted through inter-institutional and coordination bodies, with participation of a wide range of stakeholders. The strategic documents have an analytical base for identified objectives, priorities and measures, defined monitoring frameworks with deadlines and indicators of progress and competent implementing institutions. Most strategies have defined their monitoring and reporting mechanisms and are part of the Unified Information System⁴ making this process mandatory. In addition, working groups or working bodies have been established to coordinate implementation of policies under each relevant strategy. In terms of sector donor coordination, the Sector Working Groups (SWGs) continue their role in programming and coordination of international development assistance, especially IPA, and providing the basis for implementing a sector approach.

2.4. Relevance and complementarity with EU policy and EU and other donors' assistance

The Action is addressing the issues from the **Commission 2021 Serbia Report**⁵ by developing surveillance and response capacity on serious cross-border health threats including communicable diseases, and a centralised health information and communication system. Improvements of capacities are to meet European and international standards, guidelines and generally accepted practices of the European Centre for Disease Prevention and Control and of the Health Security Committee. This Action will create better environment for improving collaboration with the ECDC in Serbia.

The Economic Reform Programme 2021-2023 (ERP)⁶ states that the social component of the budget will be enhanced by larger allocations to health. However, due to the pandemic, it is evident that Serbia will need more support to match Government pledges in strengthening the system of emergency response in healthcare and other systems.

The Western Balkans Strategy⁷ recognises healthcare as one of the priority areas of the EU pre-accession support. It is specifically mentioned in the Flagship Initiative 3: **to enhance socio economic development** with more focus on employment and social policies, and increased financial assistance to support the social sector, **in particular for health**. The Action is in line with the Strategy as it will create a strong, sustainable and resilient healthcare system able to respond to unforeseen emergency situations.

The proposed intervention is in line with findings from **Economic and Investment Plan for the Western Balkans**⁸, as it is in line with the EU objectives to support evidence-based policies and reforms to address the main challenges of education in terms of governance, financing, quality, equality and relevance, with a focus on adapting education to digital transformation and to knowledge-based economies.

The proposed intervention aims at raising the capacities of governmental, non-governmental, and private actors in the area of labour and employment relations in the Republic of Serbia and enhancing structures and processes to meet EU standards, in line with the objectives defined in the **National Programme for Adoption of EU Acquis 2018-2021 (NPAA)**. The action is directly linked to progress in Chapters 18, 19, 26, and 28.

Achieving the Action's goals will also prepare Serbia to participate effectively in **the European Centre for Disease Prevention and Control, the Health Security Committee, and the EU Civil Protection Mechanism** in accordance with International Health Regulation (NPAA 2018-2021). Specifically, the intervention will scale up the capacities of different institutions in the area of surveillance, early warning, prevention, risk reduction and management of national and global health risks, as well as biosafety and control of communicable diseases and other specific health issues, inspection control and financing (Action plan to improve public health preparedness and response in the WHO European Region 2018–2023, International Health Regulations (IHR) (2005), The WHO European health policy framework, Health 2020, Europe 2030).

The intervention will contribute to targets of the 2030 Sustainable Development Agenda including the following: building the resilience of the poor and their exposure to risks (target 1.5), strengthening capacities for early warning, risk reduction and management of national and global health risks (3.d).

⁴ the Unified Information System is a system for monitoring and reporting on achieved public policy objectives as well as monitoring the achieved values of public performance indicators. It enables the establishment of a unique link between policy content, medium-term plans of budget users responsible for policies and their financial plans

⁵ Strasbourg, 19.10.2021 SWD(2021) 288 final - Serbia 2021 Report Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2021 Communication on EU Enlargement Policy

⁶ <https://www.mfin.gov.rs/en/documents/economic-reform-program-erp/>

⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Enhancing the accession process -A credible EU perspective for the Western Balkans (5.2.2020 COM(2020) 57).

⁸ 14. Brussels, 6.10.2020 COM(2020) 641 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - An Economic and Investment Plan for the Western Balkans{SWD(2020)223final}⁹ Strategic Country Level Evaluation of Serbia and Annex to the final report, November 2020,

The Action follows the Sendai Framework for Disaster Risk Reduction 2015-2030, achieving the set goal of preventing new and reducing existing disaster risk through the implementation of health measures within an integrated and inclusive national system, and increasing preparedness for response and recovery and thus strengthening resilience.

2.5. Lessons learned and links with previous financial assistance

The **Strategic, country-level evaluation of the European Union's cooperation with Serbia over the period 2012-2018**⁹ noted that better efficiency is achieved with increased ownership by the GoS and that political commitment comes out as the leading contextual factor contributing to, and constraining, the achievement of goals in EU-supported actions. Where there is broad agreement on the reforms to be taken, such as in education or public administration, political support makes a positive contribution. In October 2018, Serbia has conducted the Joint External Evaluation (JEE) to objectively and comprehensively assess its capacities to fully implement the International Health Regulations (IHR), using WHO methodology. Two processes (self-assessment and external evaluation) had enabled a consensus on the final ratings of Serbian capacities to prevent, detect, adequately respond and quickly recover from public health emergencies. JEE examined 19 technical areas, from general ones (legislation and financing) to very specific ones (laboratory capacity, surveillance on all kinds of public health threats, SOPs for emergency response, zoonotic diseases, food safety, risk communication, Points of Entry, immunisation, chemical and radio nuclear incidence management, etc.). Based on JEE findings and recommendations, Serbian authorities, in cooperation with the WHO, have drafted the National Action Plan for Health Security (NAPHS), which prioritises listed gaps, identifying intended outcomes, outputs, and particular activities to address those gaps and strengthen Serbian IHR capacities. Based on this, key stakeholders can **start strengthening preparedness for all kinds of health emergencies**.

3. DESCRIPTION OF THE ACTION – 4 pages max (w/o LFM)

3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) (this section **must** be included in the taps of the financing agreement)

If Serbia improves the capacities of the health care system for reaction in emergencies in line with the EU (Decision 1082/2013/EU on serious cross-border threats to health) and international standards (IHR(2005)), and ensures political and financial commitments to develop and maintain implementation of these standards as present, as well as if governance for multi-sectoral IHR implementation is improved then this intervention will contribute to the improved planning and response capacities of crucial systems of social inclusion, health, employment, social protection, and education in times of crisis..

3.2. Indicative type of activities

Output 1.1(Improved planning and response capacities of health system in times of crisis)related to outcome 1 includes following activities:

- development of procedures for the public healthcare system response to emergencies at national and local level
 - alignment with and capacity building for application of quality standards in microbiology, virology, molecular biology, as well as the application of relevant epidemiological guidelines on monitoring and reporting.
 - updating the disaster risk register for public health
 - based on assessment of needs and priorities, further development and deployment of the e-health system delivered by the EU and WHO in 2015
 - public health emergency management training for health system employees
 - training of sanitary inspectors on detection of public health threats, risk assessment and response in public health emergencies
 - based on assessment of needs, provision of equipment for primary and secondary healthcare centres/facilities for the detection of infectious agents, and an adequate response to such threats, as well as for the and infectious disease clinics/hospital departments for the detection of infectious agents, and response in emergencies, such as laboratory and ICT equipment and communication technology,
 - establishment of biosafety level 2 and 3 laboratories in line with assessment of needs and priorities as foreseen in the Roadmap for the “Improving of microbiology diagnostic system quality” in the country developed by the relevant EU-funded twinning project,
 - training of the professionals for psycho-social support for groups affected by public health crisis and emergency
 - tailor-made raising awareness events and campaigns for the general public on how to react in a health emergency.
- All activities will be implemented in indirect management by entrusting implementation tasks to UNDP.

⁹ Strategic Country Level Evaluation of Serbia and Annex to the final report, November 2020,

3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Risk 1: Delays in finalisation of procedures relating to obtaining permits for (re)construction of laboratories and primary health care centres/facilities for detection and response in case of emergency.	L	The relevant IPH and health centres appointed staff to deal with permitting procedure.
Risk 2: Outflow of qualified medical staff	M	The Government adopted Strategy for Economic Migration and develops concrete interventions/incentives in order to retain qualified medical staff.
Assumptions (to be reflected in the Logical Framework Matrix above) – grouped by outputs and outcomes		
Outcome 1		
<ul style="list-style-type: none"> - Institutions crucial to the HRSD sector remain aware of the need to plan and implement response measures to crises - Decision makers in individual intuitions remain committed to communal approaches to crisis response 		

3.4. Mainstreaming

How does this Action contribute to Gender Equality and Women’s and Girls’ Empowerment (in line with the EU gender equality strategy 2020-2025)?

The action is focused on development and implementation of EU standards and EU *acquis* in the area of health and is in line with the EU accession agenda of the Republic of Serbia. The Republic of Serbia adopted a National Strategy for Gender Equality 2016 – 2020, as the main strategic document for promotion of gender equality in the Republic of Serbia. At this moment, the gender equality strategic and legal framework is being updated in line with the EU standards, following the evaluation of the implementation of existing policies and practice. The institutions are committed to system-wide gender mainstreaming in the policy adoption, implementation and monitoring processes. Additionally, in line with the new EU Gender Action Plan III, the design of all external EU-funded programmes will apply three minimum standards: 1. conducting and using updated gender analyses to inform decision-making on future action and integrating these into all relevant dialogues, policies, strategies, programmes and operations; 2. applying gender-sensitive and sex-disaggregated indicators and statistics to monitoring and evaluation; 3. giving robust reasons, based on the findings of the gender analysis, to substantiate any action deemed not to contribute to gender equality. In the implementation of the action, as a minimum the following activities will be implemented: all statistical data that will be used and collected during the intervention will be gender and age desegregated, engage in social dialogue, organise citizens’ engagement and gender sensitive consultations within the implementation of activities (as appropriate), promotional and informative campaigns at all levels will be organizedorganised as convenient. In this context, any promotional materials that will be used will include visual promotion of gender equality and acceptance of differences i.e. to avoid gender stereotypes, hate speech towards vulnerable groups, ensure equal participation of women and men in all capacity building activities, as well as ensure equal participation of persons belonging to vulnerable groups (as appropriate); use available or develop sector specific gender and diversity analysis for the priority areas of intervention.

How does this Action address Environment and Climate change?

While the actions does not address environmental nor climate issues, sustainability considerations shall be considered integrated during the implementation of the action. To this extent, environmental standards will be considered for the purchase of materials and equipment (greening of procurement) and measures for the correct and sustainable disposal of waste and hazardous material will be introduced

How does this Action address the Rights Based Approach?

Equal opportunity is integrated in the Constitution provisions, stating that the state shall guarantee the equality of women and men and shall develop the policy of equal opportunities. The protection of gender equality is also regulated in the Law on Gender Equality and the Law on the Prohibition of Discrimination. The action is providing support in the implementation of gender equality standards, development of gender and diversity sensitive and responsive system.

How does this Action promote the systematic engagement with Civil Society?

The Ministry for Human and Minority Rights and Social Dialogue is the main institutional mechanism to support the dialogue between the Government, civil society, and other stakeholders.-Additionally, the Socio-economic council of

Serbia, representing the state, employers and employees, will be used as a mechanism to secure dialogue and reach a consensus in the implementation of proposed activities, mainly the ones related to adjustments of the labour and employment standards in Serbia. As the intervention is part of EU Serbia negotiation agenda, the National Convention on the European Union (NCEU) will be used as a platform to discuss reform in the sectors and follow up on all of the activities related to EU *acquis*. The Ministry of European Integration as the leading institution in charge for coordination of the accession process and international development assistance has established coordination mechanism with civil society (SECO). Special focus of interaction with civil society and other non-state stakeholders should be to engage efforts to include diverse group of representatives, including women and members of vulnerable groups, ensuring different voices are heard for the targeted sector.

Others (such as Resilience and Conflict Sensitivity, Roma, people with disabilities and other vulnerable groups)

The intervention makes a clear contribution to increasing resilience of essential systems directly relevant to Thematic Priority 1. The enhancement of these systems contributes to better service provision to Roma, people with disabilities and other vulnerable groups, most prominently in times of crisis.

3.5. Conditions for implementation

N/A

1.1. Logical Framework for PROJECT MODALITY (3 levels of results / indicators / Baselines / Targets / Source of Data / Assumptions - no activities)

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines	Targets (2025)	Sources of data (1 per indicator)	Assumptions
Impact	To enhance the resilience, responsiveness and capacity for emergency management to serious national public health threats	Government spending for the implementation of the Law on Protection of the population from communicable diseases (Official Gazette RS no. 15/2016, 68/2020 and 136/2020, as well as the Law on Decreasing risks from catastrophes and the management of emergency situations (Official Gazette RS no. 87/2018) and the relevant bylaws stemming from these laws as pertaining to the health sector (EUR)		¹⁰	Ministry of Health	<i>Not applicable</i>
Outcome 1	Improved health care system for reaction in emergencies in line with EU and international standards	Number of health emergency protocols in line with EU standards and recommendations	1:	1:	MoH reports Project reports	Institutions crucial to the HRSD sector remain aware of the need to plan and implement response measures to crises Decision makers in individual intuitions remain committed to communal approaches to crisis response
Output 1.1 related to outcome 1		1: Number of fully operationalised Biosafety Level 3/2 laboratories / Surveillance laboratories in Serbia	1: 0 (2020)	1: 4 - at least regional Biosafety	Project Reports	Political and financial commitments to

¹⁰ To be completed in coordination with pending EU level targets of the same indicators.

	Improved planning and response capacities of health system in times of crisis	(Belgrade, Novi Sad, Niš, Kragujevac and other relevant health institutions)		Level 2 Surveillance laboratories in IPHs	Report on Implementation of Public Health Strategy	develop and maintain IHR (2005) implementation at both the regional, national, and sub national levels
		2: Percentage of institutions at the national and local level that apply the methodology for risk assessment by the end of 2025	2: 0% (2020)	2: 50%	Annual IHR/ECDC report	Governance for multisectoral IHR implementation improved through whole-of-government/society approaches
		3: Disaster Risk Register includes health related issues in Serbia	3: 0 (2020)	3: 100%	Official Gazette of the Republic of Serbia	
		4: Number of persons affected by the public health crisis benefiting from psycho-social support	4: 5.000	4: 7.000	Reports of the Authority responsible for risk management	
		5: Number of people reached through awareness raising activities	5: 0 (2020)	5: 500.000		

2. IMPLEMENTATION ARRANGEMENTS (this section **must** be included in the TAPs of the Financing Agreement)

2.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the Republic of Serbia.

2.2. Implementation modalities

This Action will be implemented by indirect management with the entrusted entity UNDP in partnership with WHO through a Contribution Agreement for Outcome 1.

4.3.1. Direct Management (Grants)

N/A

4.3.2. Direct Management (Prizes)

N/A

4.3.3. Direct Management (Procurement)

N/A

4.3.4. Indirect management with [an] entrusted entity[ies] (i.e. Member State Organisation, third donor country, EU specialised (traditional/regulatory) agency, international organisation)

Output 1.1 may be implemented in indirect management with the following organisation: United Nations Development Programme (UNDP) and World Health Organization (WHO), as a partner agency.

The United Nations Development Programme (UNDP) has been selected using the following criteria: extensive presence in the Republic of Serbia, relevance of past projects in the health sector and response to pandemic, special competences in the area of disaster risk reduction and resilience building activities, as well as proficiency for the procurement and management activities the planned intervention is to realise. Further details are presented in the remaining section.

The World Health Organization (WHO) has been selected as the directing and coordinating authority on international health within the United Nations system with core mandate to ensure the highest possible level of health, and with a mission to promote health, keep the world safe and serve the vulnerable, with measurable impact for people at country level, and relevance of past projects and initiatives. WHO has also unique competencies and experience in strengthening capacities and establishing functional preparedness and response system for health emergencies and health aspect of any kind of disasters and emergencies.

UNDP in partnership with WHO successfully realised **IPA 2013 funded project "Open Communities-Successful Communities"** supporting municipal resilience to the challenges of the manmade crisis including strengthening of the capacities of the healthcare institutions in charge of first response in situations of increased risk of spreading contagious diseases and reacting in emergency situations through procurement of equipment for prompt diagnosis and detection of communicable diseases and infrastructural upgrades.

Through the ongoing **IPA 2019 funded project "EU for Civil Protection and Disaster Resilience Strengthening in the Republic of Serbia"** UNDP is improving the Serbian capacity for disaster management sufficiently to establish a functioning system at national and local level, amongst other, by providing support to front-line health workers and institutions through the provision of ambulances and decontamination vehicles, protective equipment for biological and chemical incidents. Within the COVID-19 emergency response the UNDP effectively organised aerial transportation of more than 721 tons of protective equipment and medical devices from foreign markets. In partnership with leading emergency management institutions, UNDP is leading the establishment of IPA 2019 funded Disaster Risk Register as referenced above, interactive and interoperable system.

As a part of COVID 19 response, UNDP established innovative e-service for online registration for immunisation. At the moment, the UNDP is successfully implementing a COVID-19 vaccination campaign in partnership with WHO, UNICEF, National Institute of Public Health (NIPH) ‘Dr Milan Jovanovic Batut’ and the Ministry of Health.

UNDP, in cooperation with UNHCR, Social Inclusion and Poverty Reduction Unit of the Government of Serbia (SIPRU), and the Ministry of Public Administration, Local Self-Government, is implementing through ‘**Support to the Republic of Serbia for Implementing an Effective and Efficient COVID-19 Immunization Plan**’ project a vaccination campaign in Roma settlements related to informing and raising awareness on the importance of vaccination, and providing necessary infrastructure and equipment for applications in the field in cooperation with Office for E-government and Electronic Service.

UNDP, in partnership with UNICEF and cooperation with NIPH ‘Dr Milan Jovanovic Batut’, is implementing ‘**Preventing and Responding to COVID-19 in At-risk areas**’ project funded by USAID and Germany focused on creating a more resilient socio-economic communities through sourcing and deploying new and innovative solutions for supplying healthcare service providers and caregivers.

The United Nations Development Programme (UNDP) is the EU pillar assessed organisation working in 170 countries and territories with national partners to strengthen national and subnational policies, legal and institutional systems and foster greater coherence of disaster risk reduction, acting under the old pillar assessment (pre-2012 FR) until a new pillar assessment is done, only for international organisations.

Since 2001, UNDP in Serbia has delivered more than USD 250 million in development assistance, whereby the Government of the Republic of Serbia has entrusted UNDP Serbia with over USD 60 million through Government co-financing initiatives over the years.

UNDP Serbia has been applying the **International Public Sector Accounting Standards (IPSAS)** since 2012, which is an independently developed financial reporting standards for the public sector.

UNDP Serbia applies the **Harmonised Approach to Cash Transfers (HACT)**, ensuring proper risk-based assessments of Implementing Partners in transferring cash to institutions.

With its long-standing commitment to transparency, UNDP began publishing its project data to the global standard of the International Aid Transparency Initiative (IATI) in 2011. UNDP's online portal, open.undp.org, allows open and comprehensive public access to data on more than 5,000 UNDP projects with over USD 5 billion project resources. Thanks to the efforts made by all parts of UNDP, UNDP has been ranked first on the Aid Transparency Index for the last two consecutive years.

In the previous 10 years WHO participated in several joint initiatives and implemented segments related to the improvement of the efficiency and quality of the health care in Serbia, including:

- 2012-2015 EU funded Project: “**Implementation of the Hospital Information System (HIS)**”;
- 2014 humanitarian response and later recovery and preparedness activities undertaken with the help of the Kingdom of Norway and CERF;
- Development of the **National Health Emergency Preparedness and Response Plan (NHEPRP)**, related contingency plans for most common hazards, as well as relevant SOPs;

- WHO Health Emergency Programme (WHE) Balkan Hub has been established and situated in Belgrade, following strategic activities on strengthening Serbian health system's capacities to prevent, early detect and rapidly and efficiently respond to health emergencies;
- Conducting Joint External Evaluation of Serbian capacities for the implementation of the International Health Regulation, where all gaps and needs for ensuring functional system for prevention, early detection of-, proper preparedness for- and rapid response to all kinds of health emergencies were identified.
- As COVID-19 lead agency outlined, coordinated, and oversaw the development of the **Country Preparedness and Response Plan (CPRP)** and has been co-leading the UNCT COVID-19 preparedness and response actions and supporting identifying the government's needs; and numerous online trainings and consultations with experts have been organised on COVID-19 case management, infection prevention and control, and laboratory testing, for representatives of the Ministry of Health and health care workers.

UNDP shall primarily be responsible for Disaster Risk Register Public Health Upgrade, Development of E-Health System, necessary infrastructure upgrades and procurement of laboratory and other equipment while WHO shall primarily be responsible for developing and ensuring application of quality standards for epidemiology, microbiology, virology and molecular biology. In addition, WHO will be responsible for development of procedures for health care system response to emergencies as well as for implementation of different trainings, including those regarding public health emergency management and psychosocial support for health care staff. Emergency Awareness Raising activities will be joint responsibility of both, UNDP and WHO. **The added value** of an UNDP and WHO partnership reflects in UNDP experience in disaster risk reduction, and operational capacities in emergency response, combined with WHO unique expertise in the health sector and their established role as policy drivers and promoters of world best health practices, not to mention its normative work.

4.3.5. Indirect management with an IPA III beneficiary

N/A

4.3.6. Contribution to <name of the relevant Regional Blending Facility/Platform>

N/A

4.3.7. Budgetary guarantees

N/A

1.1.1. Changes from indirect to direct management mode (and vice-versa) due to exceptional circumstances (one alternative second option)

N/A

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

4.5. Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in EUR
Output 1.1 Improved Republic of Serbia health care system capacities for reaction in emergencies in line with EU and international standards	12 000 000.00	N /A
Indirect management through a Contribution Agreement with UNDP - cf. section 4.3.4	12 000 000.00	N /A

Grants – total envelope under section 4.3.1	N /A	N /A
Procurement – total envelope under section 4.3.3 (including evaluation)	N /A	N /A
Indirect management with Republic of Serbia – total envelope under section 4.3.5	N /A	N /A
Evaluation, (cf. section 5.3)	will be covered by another decision	N /A
Audit/Expenditure verification(cf. section 6)	will be covered by another decision	N /A
Communication and visibility (cf. section 7)	N/A	N /A
Contingencies¹¹		N /A
Totals	12 000 000.00	N /A

4.6. Organisational set-up and responsibilities

Outcome 1, Output 1.1 – final beneficiary and main coordinator is the Ministry of Health. End recipients are the Ministry of Health, National Institute of Public Health “Dr Milan Jovanovic Batut”, Belgrade University Clinic for Infectious and Tropical Diseases, network of 25 institutes of public health. Additionally, stakeholders at national and sub-national level, as identified under Section 2.2. of this document, will benefit from the activities.

5. PERFORMANCE/RESULTS MONITORING AND REPORTING

5.1. Internal monitoring

A results-based monitoring system will be established by the entrusted entity (for Contribution agreements)/ by contractors (for service contracts) to generate data on the progress of the implementation on a regular basis. Data will be used for programme steering as well as for annual progress reporting. The Action’s logframe with its underlying indicators for specific objectives and outputs will be the basis for the monitoring system. The logframe will be used as management tool, allowing for adjustments and revisions at the output, activity and indicator level in order to effectively achieve the expected specific objective.

During project implementation, a variety of tools and methods will be applied to regularly assess both quantitative and qualitative progress indicators. This includes, among others, gender-disaggregated participation documentation, training evaluations, tracer studies, comparative and retrospective surveys as well as focus group discussions and stakeholder consultations. Data collection will be harmonised with national partners systems. Project Steering Committee (PSC) will be established for each contract, with relevant stakeholders included as members.

The following reports will be submitted:

1. **Inception Report** (after Inception Phase), summarising the outcomes of operational planning (including revision of the Logical Framework and the performance indicators, if needed), the structures for partner involvement and the PSC (composition, rules of procedure), any relevant changes in the priority sector, as well as the Communication and Visibility Strategy.

2. **Annual Reports**, recapitulating on the progress in line with project plan and indicators, documenting challenges and outlining the operational plan for the coming year.

¹¹ Consider that contracts where no financing agreement is concluded, contingencies have to be covered by individual and legal commitments by 31 December of N+1.

3. Final Report, including information on achievements of the Action in line with the indicators, and provide an outlook on measures undertaken to ensure sustainability of activities and results and further dissemination / up-scaling. Implementation of the Twinning contracts would follow the monitoring and reporting requirements in line with the valid Twinning manual.

In case of technical assistance contracts following reporting shall encompass Inception Report, Semi-annual Progress Reports and Final Report.

5.2. Roles & responsibilities for data collection, analysis & reporting

The performance and result monitoring arrangements will be finalised once the IPA III Implementing Regulation is adopted and the Framework Agreement between the Republic of Serbia and the European Commission on the arrangements for implementation of Union financial assistance to the Republic of Serbia under the Instrument for Pre-Accession Assistance (IPA III) is signed.

In case the arrangements remain the same as during the IPA II period, the overall progress will be monitored through participation of various stakeholders, such as EC/EUD, NIPAC, NIPAC TS/ BCPME, NAO, NAO SO, NF, Contracting Authority- CFCU, Final Beneficiaries, AA, and other institutions and civil society organisations. More precisely, monitoring will be done through:

- **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 Beneficiary's own monitoring**: IPA monitoring process is organised and led by the NIPAC, supported by the NIPAC TS/ BCPME. NIPAC is the main interlocutor between the Serbian government and the European Commission regarding strategic planning, co-ordination of programming, monitoring of implementation, evaluation and reporting on the overall IPA assistance. NIPAC monitors the process of programming, preparation and implementation, as well as the sustainability and effects of programmes, aiming to improve these processes, ensure timely identification, remedying and alleviation of potential issues in the process of programming and implementation of Actions. Through the support of the NIPAC TS/ BCPME, the NIPAC prepares regular monitoring reports for the Government and the EC based on the reports drawn up by the institutions responsible for implementation. It reports on the formulation of Action, the fulfilment of preconditions for the initiation of public procurement procedures, the implementation of Action, its sustainability and effects, and organises the process of evaluation.

- **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 that are considered riskier.

- **Joint monitoring by DG NEAR and the IPA Beneficiary**: the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly (at least once a year) monitored by the IPA Monitoring Committee. It will be supported by Sectoral Monitoring 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.

5.3. Evaluation

Having regard to the importance of the action, a(n) mid-term, final or ex-post evaluation(s) will be carried out for this action or its components via independent consultants, contracted by the Commission or via an implementing partner.

The midterm evaluation will be carried out for learning purposes, in particular with respect to the intention to launch a second phase of the action.

The final or ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that that Serbia needs lessons learned for future use of EU funding.

The Commission shall inform the implementing partner at least 6 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

6. AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing Decision.

7. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegation. The European Commission and the EU Delegation should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

The engagement of the selected international organisation as an implementing partner will allow for increased synergy in measures related to making the Action more visible, given the capacities of the partner to effectively communicate its presence and activities to various segments of the Serbian population in the past. In addition, Output 2, given its scope and intended results, will make contact with a wide circle of institutions within the national system, providing ground for effective and widespread communication of EU support in this matter. Likewise, the immense reach of Output 3, especially given that it targets assistance benefiting high schools students, a crucial demographic for visibility efforts, will contribute greatly to overall visibility effects.

If the Action includes Union programmes, visibility and communication measures shall be implemented in accordance with the EU communication and visibility requirements in force and the specific rules of each Union programme. The relevant programme managing entity shall be responsible for monitoring the visibility and communication activities. The European Commission and the EU Delegation should be fully informed of the planning and implementation of the specific visibility and communication activities.

8. SUSTAINABILITY

For Output 1, the institution of Level 2 and Level 3 laboratories, along with the enhancement of equipment and personnel capacities at the primary, secondary, and tertiary levels of care, will help complete a health care system reform measure long in the making and within a system ready to make this addition sustainable. The Action Plan of the corresponding to the Public Health Strategy 2018-2026 has set out and already achieved a number of connected measures related to enhancing epidemiological security and elevating related capacities of medical professionals, helping ensure a sustainable system overall if it is supplemented by the support envisaged by the Action.