

The European Union's IPA Programme for Serbia

**INTERIM / STRATEGIC EVALUATION OF EU IPA
PRE-ACCESSION ASSISTANCE TO SERBIA**

2010/231827

FINAL REPORT

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LIST OF ABBREVIATIONS

Acronym	Description
AFIS	Automatic Fingerprint Identification System
AP	Accession Partnership
BC	Beneficiary Country
BiH	Bosnia and Herzegovina
BIP	Border Inspection Point
CAO	Competent Accrediting Officer
CADSES	Central Adriatic, Danubian and South Eastern European Space
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CAO	Competent Accrediting Officer
CBC	Cross Border Co-operation
CC	Candidate Country
CEFTA	Central Europe Free Trade Agreement
CFCU	Central Finance and Contracts Unit
CHU	Central Harmonisation Unit
CIDA	Canadian International Development Agency
CIPS	Citizen Information Protection System
CoE	Council of Europe
CoM	Council of Ministers
CSP	Country Strategy Paper
CSA	Civil Service Agency
CSO	Civil Society Organisation
CPA	Civil Protection Authority
DEI	Directorate for European Integration
DEP	Directorate for Economic Planning
DCA	Department for Civil Aviation
DEU	Delegation of the European Union
DfID	Department for International Development
DG	General Directorates of the EC
DG AGRI	General Directorate for Agriculture and Rural Development
DG BUDGET	General Directorate for Budget
DG ELARG	General Directorate for Enlargement of the European Commission
DG REGIO	General Directorate for Regional Policy of the European Commission
DIS	Decentralised Implementation System
DPA	Dayton Peace Agreement
EA	Environment Agency
EAR	European Agency for Reconstruction
EBRD	European Bank for Reconstruction and development
EC	European Commission
ECD	European Commission Delegation
EEA	European Environment Agency
EF	Environment Fund
EI	Office of the Deputy Minister for European Integration
EIB	European Investment Bank
EICC	Euro Info Correspondence Centre
EIDHR	European Initiative for Democracy and Human Rights

Acronym	Description
EPPU	Economic Policy and Planning Unit
EQ	Evaluation Question
ERDF	European Regional Development Fund
ESDP	European Security and Defence Policy
ESF	European Social Fund
EU	European Union
EUPM	European Union Police Mission
EuropeAid	European Commission Cooperation Office
EUSR	European Union Special Representative
FA	Financing Agreement
FbiH	Federation of Bosnia and Herzegovina
FIFG	Financial Instrument for Fisheries Guidance
FDI	Foreign Direct Investment
FISCALIS	Community Programme for Improvement of the operation of taxation systems in the internal market
FRY	Federal Republic of Yugoslavia
FWA	Framework Agreement
FWC	Framework Contract
FSA	Food Safety Agency
FVO	Food and Veterinary Office
GA	Grant Agreement
GDP	Gross Domestic Product
GNP	Gross National Product
GRMS	Grant Resources Management System
GTZ	Deutsche Gesellschaft für technische Zusammenarbeit
HRD	Human Resources Development
IBM	Integrated Border Management
IA	Implementing Agencies
ICTY	International Criminal Tribunal for the former Yugoslavia
IDP	Internally Displaced Persons
IE	Interim Evaluation
IFI	International Financial Institutions
IOM	International Organisation for Migration
IPA	Instrument for Pre-Accession Assistance
IPA IR	Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing council Regulation (EC) No 1085/2008 establishing an instrument for pre-accession assistance (IPA)
IPA MC	IPA Monitoring Committee
IPARD	Instrument for Pre-Accession for Rural Development
IPR	Intellectual Property Rights
IPSA	Instrument for Pre-Accession Assistance for Rural Development
IR	Inception Report
ISWG	Inter-Sector Working Group
JC	Judgement Criteria
JHA	Justice and Home Affairs
JMC	Joint Monitoring Committee
KfW	Kreditanstalt für Wiederaufbau
LF	Logical Framework

Acronym	Description
LTE	Long Term Expert
M€	Million Euros
M & E	Monitoring & Evaluation
MFA	Macro-financial Assistance
MIFF	Multi-annual Indicative Financial Framework
MIPD	Multi-Annual Indicative Planning Document
MoE	Ministry of Economy
MoFin	Ministry of Finance
Mol	Ministry of Interior
MoLSG	Ministry of Local Self-Government
MSP NE	Municipal Support Programme for North East Serbia
NAC	National Aid Coordinator
NAO	National Authorising Officer
NGO	Non-Governmental Organisation
NIPAC	National IPA Co-ordinator
NP	National Programme (IPA)
NJRS	National Judicial Reform Strategy
NPI	National Programme for Integration
OECD	Organisation for Economic Cooperation and Development
OHR / EUSR	Office of the High Representative / European Union Special Representative
OSCE	Organisation for Security and Co-operation in Europe
OP	Operational Programme
OVI	Objectively Verifiable Indicator
PAR	Public Administrative Reform
PCC	Potential Candidate Country
PCM	Project Cycle Management
PF	Project Fiche
PPF	Project Preparation Facility
PRAG	Practical Guide and General Annexes (Related to Procurement)
PRSP	Poverty Reduction Strategy Paper
RDA	Regional Development Agency
RED	Regional Enterprise Development
ROM	Results Oriented Monitoring
RP	Regional Programme
SAA	Stabilisation and Association Agreement
Sap	Stabilisation and Association Process
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEE	South Eastern Europe
SEIO	Serbian European Integration Office
SIDA	Swedish International Development Agency
SME	Small and Medium Sized Enterprise
STE	Short Term Expert
SWAp	Sector-Wide Approach to Programming
TA	Technical Assistance
TIAB	Technical Assistance and Institution Building Component
TAEIX	Technical Assistance Information Exchange Office
TL	Team Leader

Acronym	Description
TNA	Training Needs Analysis
TS	Technical Specification
ToR	Terms of Reference
UK	United Kingdom of Great Britain
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
USAID	United States Assistance for International Development
VET	Vocational and Educational Training
WB	World Bank
WTO	World Trade Organisation

EXECUTIVE SUMMARY

SCOPE AND OBJECTIVES

The strategic/ interim evaluation of the IPA Component 1 for Serbia takes place in a larger frame, which includes similar exercises conducted in EU potential candidate countries in the Western Balkans.

The specific objectives of the present evaluation are twofold:

- a) Providing an assessment of the intervention logic of the IPA assistance, including the extent to which assistance is / should be programmed through a sector based approach. The programming documents are to be assessed to come to conclusions on the extent to which they are based on a balanced and comprehensive planning demonstrating how all accession requirements under the Copenhagen criteria will be met; for this objective, the evaluation is to take into consideration the intervention logic followed in the 2007-2009, 2008-10 and 2009-11 MIPDs.
- b) Providing a judgment on the performance of the provided assistance particularly as regards its relevance, efficiency, effectiveness, impact and sustainability; for this objective the evaluation is to cover the assistance deployed under 2007-2009 IPA National Programmes.

The evaluation process was, according to the ToRs, divided into four stages: a structuring phase, a data collection phase, an analysis of data phase and a formulation of judgement phase.

KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

1) Programming and intervention logic

An **ascending order of objectives** can be traced through the appropriate strategic documents, starting with the Enlargement Strategy, through the Stabilisation and Association Agreement (SAA) to the MIPDs. The **elaborate task of programming** in this way, **meets to a great extent the evaluation criteria**, and the required indicators. The development of the **MIPD** document within the successive years of IPA programming has been advancing to fully translate **objectives to a clear vision of specific and measurable results**.

Programming is effective and targets gaps in the needs of pre-accession objectives through rigorous and careful analysis of the requirements. **Projects are selected using a strong process** whereby **inter-sector working groups are informed of priorities and compliance guidelines** before selecting from a pool of project options. Selection and prioritisation uses DAC 5 evaluation criteria.

Assessment of **financing requirements of the MIFF is based on previous allocations** under the CARDS programme **rather than a rigorous assessment of accession needs**. As a result, **programmes are designed to fit the available budget** rather than the concept of the budget being designed to meet needs. The **mechanism for prioritisation and sequencing is robust and strongly implemented**.

The **harmonisation between IPA objectives and the beneficiary's policies is good** although some adjustment will be needed to co-ordinate with the planned sector based approach.

The **use of SMART indicators at the level of project fiches is identified as a weaker area** where indicators fall short of SMART (only 47% of projects can truly be said to use SMART indicators.) There is an opportunity to correct the defect during the inception phase, and this highlights a lack of feedback through the monitoring process to the programme designers and programme managers. More discipline in this area is needed.

The **Needs Assessment document is a good reference point for programming.** Also, this comprehensive document - even though **it is not so much a problem analysis as much as it is a consolidation of the 71 strategies** in place - still is a **valuable source of information and data** to assist programming of assistance. However, due to its comprehensiveness, it is not reader-friendly and as such may be left aside by donors and during the programming of assistance. The Document contains elaborated financial segment, whereby the costs of potential interventions take into account the future budgetary implications required for sustainability and these are included in the national budget.

The programming process can be **improved** by:

- ✓ **More focused MIPD using SMART indicators**, which give a clearer indication of what specifically, is needed to achieve its goals.
- ✓ **A sector wide approach within the MIPD**, harmonised with a sector wide approach within the needs assessment document and a genuine SWAp approach will lead to simplification of the project identification process and a more co-ordinated sense of direction from all stakeholders.
- ✓ **A more user friendly ISDACON database;**
- ✓ **Solving the staffing problems within the Ministry of Finance** will allow the gradual withdrawal of programming technical assistance.

2) Administrative and Monitoring Capacity

The Serbian government has **established administrative structures to manage the operation of a decentralised implementation system (DIS)**. Serbia is aiming at achieving all necessary requirements (according to the DIS Roadmap) for DIS accreditation by the end of 2011, but this is subject to a **major caveat regarding primarily human resources**.

As a result of centralised implementation system in Serbia, **monitoring of projects is carried out by the regional Results Oriented Monitoring Office (ROM)** technical assistance who report to the EU Delegation, while the EU Delegation itself also performs monitoring of projects and programmes. ROM reports are provided by the Delegation to NIPAC as an indicator of performance and where feedback from a beneficiary is that a project is problematic, and then intervention is applied. **The Needs Assessment document of the Republic of Serbia provides monitoring procedures based on economic indicators** and is divided by sectors, but there is no active participation in project monitoring at government level. Currently, **rules and procedures for monitoring are being developed and some pilot schemes have been initiated by the Government together with the DEU.**

While the administrative system is building up following the pace set out by the DIS Road map; **the monitoring segment needs to be strengthened, especially in terms of communication of monitoring results back to the Government.** The **reflection on monitoring results is low**, and the **monitoring reports are not being used to a large extent to provide feedback to ongoing assistance and improvements** in the relevant areas of focus of the reports.

Therefore, the following are the **key recommendations**:

- ✓ The **issue of staffing to run the Decentralised Implementation System should be addressed at the highest level** in order to ensure, not only that accreditation of the system is achieved according to the DIS Roadmap, but so that a gradual withdrawal of technical assistance can be achieved and that ownership can be transferred to the beneficiary. This is extremely important.
- ✓ **Further efforts should be invested in setting up strong monitoring system** within the Government of Serbia
- ✓ The **gradual transfer of responsibilities, especially in the area of monitoring, must be implemented** in order to create ownership of the project outcomes. The lack of human resources precludes the beneficiaries' involvement in monitoring of individual projects and this is left to the ROM technical assistance project.
- ✓ **All projects should be monitored within 2 months of starting, in order that the log-frame may be realigned** (if necessary) and that issues regarding achieving objectives and sustainability may be addressed as early as possible. Where there are issues regarding achieving objectives and sustainability, then these should be addressed strongly at a senior level.

3) Overview Mapping

There seems **no doubt that a sector-wide approach to programming will bring benefits in better co-ordination and more effective results** as well as helping to align Serbian Government objectives with EU objectives. **Sectoral policies are embedded into the beneficiary's policies and strategies** and the Needs Assessment Document focuses on a number of sectors. Inter-sector working groups are operational and effective in eight areas (among which are: Public Administrative Reform; Rule of Law; Infrastructure; Local, Regional and Rural Development; Economy and Human Resource Development). There are **71 individual strategies adopted by the Government**, which loosely address sectoral approach and which are used within the Government's budgeting process. Nevertheless, there are **three areas that have a strategic and institutional framework** that could qualify for sector wide approach. These are Public Administration Reform, Justice and Environment. These three sectors (in particular, the Justice sector) could set the scene for the gradual introduction of a wider range of sectors as resources allow. (Annex 8 of this document provides a more detailed picture of the existing sectoral structure and proposes an approach to conversion to a full sector-wide approach by using the information contained within the existing needs analysis and the 71 existing adopted Government Strategies).

The following are recommendations with regards to the Sector Wide Approach:

- ✓ **Progress should be made as rapidly as possible to widening the number of sectors** in accordance with the structure already proposed and thus ensuring that sectors are in accordance with the MIPD recommendation (above).
- ✓ **A full sectoral strategy should be developed for each sector** using full stakeholder involvement, but as an interim measure, strategies consisting simply of log frames could be constructed for each proposed sector. These would set out the overall strategic objectives for the sector along with expected results, activities and indicators.

4) Efficiency and Effectiveness

The **institutional and operational structure is in place to ensure effective implementation of financial assistance**, but it is desperately short of resources to carry out the task as required, especially in terms of staff. The problem described previously under “Administrative and Monitoring Capacity” applies in that **efficiency and effectiveness is compromised by lack of manpower**, since monitoring is a substantial factor in ensuring efficiency and effectiveness. Further to this, the **issue of capacity building of staff in relevant government departments in project cycle management and the development of project fiches also is a factor** for efficiency and effectiveness. The monitored projects score high on their relevance, but analysis of monitoring reports reveals that **the same projects that score poorly for efficiency and effectiveness are the ones that also score poorly for impact and sustainability**. This points to the matter of early monitoring so that correction can be handled at the highest level as early as possible.

The more focused approach to sector-wide elaboration of priorities and related funds is likely to **improve effectiveness and efficiency of assistance**.

Therefore, the main recommendations are the following:

- Continuously **focus on ensuring balance between cohesiveness of interventions and complexity of their structure**
- Monitoring reports provide meaningful **insights and comments** whose incorporation **may positively influence effectiveness and efficiency of interventions**, so their use is highly recommended.
- Government project development and monitoring capacities should be strengthened to allow for preparation and implementation of good quality projects serving the needs of the country.

5) Impact and Sustainability

In general, **it is possible to conclude that ongoing IPA financial assistance has contributed and is contributing to achieving the strategic objectives and priorities** linked to accession preparation. It is **difficult to measure the impact due to a certain vagueness of indicators and benchmarks at the level of the MIPDs and project fiches**. Programming is based on needs and gaps from previous years and selection is carried out in a diligent manner. The entire process of needs assessment could be refined and made more efficient with a greater sectoral approach (“(See recommendations under Section 3 – Overview Mapping)”).

There are indicators that absorption capacity at **beneficiary level clearly affects the impact and efficiency of programming and delivery, and may lead to projects** being rejected which are needed for achievement of overall accession goals. As an example, it is commented that the project proposals delivered by some line Ministries are of poor quality and require substantial re-work by the PPF, DACU and donors. Ownership by the ultimate beneficiary is lost and the beneficiary is unlikely to have the capacity for monitoring and sustainability. A good concept may therefore fail due to poor preparation, while a lesser project may succeed due to strong presentation.

Monitoring has revealed a relatively small portion of projects which appear to have issues of sustainability. The same projects also appear to have issues regarding the likelihood of achieving their stated objectives. While this group of projects is relatively small, it must be pointed out that the conclusions are drawn from ROM monitoring reports, which are delivered on average 216 days after the start of each project, instead of the general perception that projects are monitored within 2 months of starting. Only two projects have been monitored twice and this makes it difficult to gauge quality of projects currently being implemented.

The number of projects, which can be judged to have impact and sustainability issues is small, (5 projects out of 45 monitored projects) but the goal should be to work towards impact and sustainability for all projects. Of the five projects which have doubt over achievability and sustainability, it cannot be said for certain, but the fact that lack of sustainability has been identified by early monitoring missions would suggest that the sustainability issues could possibly have been identified at the project selection stage.

Greater ownership of the project by the beneficiary will improve sustainability and there is a trend towards stakeholder involvement.

While sustainability of projects is catered for in the state budget, there is evidence that the **Government is prepared to walk away from some projects after the donor funds are gone**, this fact should be identified during monitoring missions and addressed at the earliest opportunity.

Recommendations

- ✓ **Continuous efforts should be placed in development of Serbian leadership in programming** and implementation of assistance
- ✓ **Establishing a programme for ex-post monitoring of IPA interventions** to be conducted for projects belonging to sectors of high relevance for future programming and carrying it out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over would be desirable.
- ✓ **Systematically devoting enough time and efforts in securing not only the consent but also the firm commitment of all needed stakeholders** of any planned intervention and in formalizing this commitment before the project start is an imperative in the complex governmental and administrative framework Serbia
- ✓ **Monitoring should be carried out early in the project's life** (within 2 months of start) in order that the log frame may be re-aligned if necessary and so that sustainability issues may be addressed as early as possible.
- ✓ **Human resources should be made available within Government Institutions** to compensate for the phasing out of technical assistance in order to ensure sustainability of project through adequate monitoring.

SECTION 1: THE STRATEGIC/ INTERIM IPA ASSISTANCE EVALUATION

1.1. OBJECTIVES OF THE EVALUATION

This strategic/ interim evaluation of Serbia is carried out in parallel with evaluations for other countries of the Western Balkans. The evaluations related to BiH and to Serbia have been implemented under one single contract by one evaluation team while the evaluations related to Albania and Kosovo have been carried out through another contract involving another team of experts. This approach is linked with the EC intention to use the results of the four evaluations for a mid-term meta-evaluation of the IPA assistance. The whole process has been coordinated and harmonised by the DG Enlargement DG Enlargement Operational Audit and Evaluation Unit (E4).

This type of evaluation, the principle of which is started in the article 22 of the EC regulation establishing IPA, is, according to its ToRs aimed at providing findings, conclusions and recommendations to the EC for reviewing its approach on planning and programming assistance to IPA beneficiaries and for the preparation of the 2011-2013 MIPDs. The ToRs of the assignment underline the importance for the evaluators to fully take into consideration the fact that the IPA assistance is provided to assist beneficiaries in meeting a specific set of requirements, necessary for these countries to smoothly proceed towards meeting all criteria leading to accession to EU.

More specifically, the objectives of the present evaluation are twofold:

- a) Providing an assessment of the intervention logic of the IPA assistance to the concerned countries (in the case of the present evaluation, to Serbia), including the extent to which assistance is / should be programmed through a sector based approach. The programming documents are to be assessed to come to conclusions on the extent to which they are based on a balanced and comprehensive planning demonstrating how all accession requirements under the Copenhagen criteria will be met;
- b) Providing a judgment on the performance of the provided assistance particularly as regards its relevance, efficiency, effectiveness, impact and sustainability. This last judgment is to be based on two levels of sources of evidence and analysis, at programming level as well as at implementing level.

1.2. APPROACH AND METHODOLOGY

This evaluation is part of the FWC Commission 2007, lot 4. A single contract for both Serbia and BiH was awarded to IBF further to the request for offer n° 2010/231827 to perform this work.

The evaluation process was, according to the ToR s divided into four stages: a structuring phase, a data collection phase, an analysis of data phase and a formulation of judgement phase.¹

After a general briefing meeting held on 9th of April, 2010 in Brussels, the work was divided in specific activities to be implemented respectively in BiH and in Serbia. Two separate inception reports were therefore produced and two kick off meetings organised. For Serbia, the kick off meeting took place in Belgrade on the 26th of April, 2010. After approval of the inception reports, the field phase of the evaluation started and lasted until the 9th of June, 2010. Before the departure of the experts from their respective places of field work, a presentation of their preliminary findings was organised by the DEUs. For Serbia, it took place on the 9th of June, 2010 and was immediately followed by a joint presentation in Brussels DG Enlargement Operational Audit and Evaluation Unit on the 10th June 2010. After this event, the experts undertook the preparation of their respective final reports. Annexes 6 and 7 contain people interviewed and lists of documents/ sources consulted during the mission.

¹ See evaluation process and stages in annex 5 of the present report

The presentation of the findings, conclusions and recommendations of the main part of the present report follows the order defined in the ToR of the evaluation, which, in its paragraph 2.5. mention the required outputs, in relation to the answers made to the evaluation questions listed in paragraph 4.2. In response to the ToR requirements, the Evaluation Matrix has been developed with elaborated judgement criteria, which guided the evaluation process and assisted drawing conclusions and recommendations (for more information, please see Annex 1).

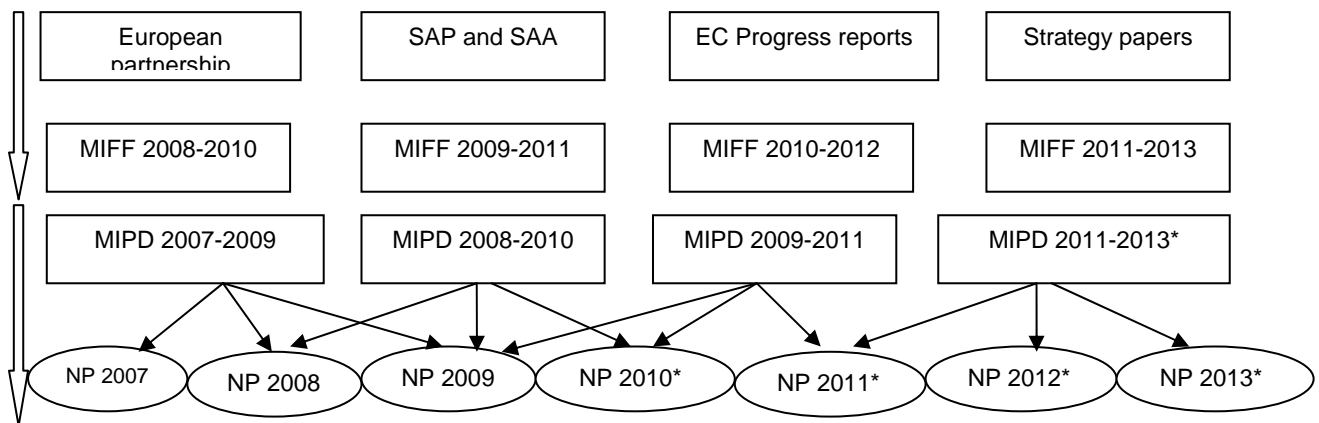
This interim Evaluation of the IPA Pre-accession assistance focuses on the one of its five components, namely the IPA-Component I (Technical Assistance & Institution Building, TAIB). The evaluation seeks to assess the EU IPA TAIB assistance in Bosnia and Herzegovina within five groups of questions, i.e. 1) the programming and intervention logic; 2) Administrative and monitoring capacity; 3) Overview mapping; 4) efficiency and effectiveness; and 5) Impact and sustainability. The following sections will present assessment and findings within each of these five groups.

SECTION 2: PROGRAMMING AND INTERVENTION LOGIC (QUESTION GROUPING 1)

The process of preparation and updating multi-annual and annual programmes for achieving the strategic goals is set out in the Council Regulation (EC) 1085/2006 establishing an Instrument for Pre-Accession (IPA), and further defined in Commission Regulation (EC) 718/2007 (the 'Implementing Regulation', IPA-IR), and relevant programming documents which are organised in a strategic hierarchy i.e. in a descending order of policy priority & planning timeframe.

The hierarchy of IPA-TAIB planning and programming documents is strictly followed in Serbia, as it is shown in Figure 1 below.

Figure 1: Strategic framework for IPA TAIB



Adapted from the DG enlargement programming guidelines version 2008

The **EU Enlargement Strategy**, **EU Progress Reports** that are prepared each year for the pre-accession countries, **European Partnership**, and **Multi-Annual Indicative Financial Framework (MIFF)** provide **political and strategic framework for each pre-accession state** and **make out the 'enlargement package'** of documents presented annually by the EC to the Council and the Parliament, and at the same time provide the road map for the pre-accession states.

The **Multi-Annual Indicative Planning Documents (MIPD)** are **country specific documents** that **provide more in depth priorities and strategic objectives in that country over a 3 year period** that are embedded in the country's context and are based on the strategic and political analysis. The **MIPD development process is led by the EC Headquarters (EC HQ)**, and is **envisaged as a participatory process** whereby **stakeholders in the beneficiary state**, along with participation and consultation from the Member states, **provide inputs in the prioritisation**. It is envisaged as a **rolling document that is reviewed annually**, while the 3 year period is extended by 1 year each time. Within the scope of this evaluation, 3 consecutive MIPDs were examined, while the drafting process for the MIPD 2011-2013 was underway at the time this Evaluation was conducted.

The **National programmes** are **further operationalisation of the MIFF financial allocations and MIPD priorities for IPA-TAIB**, and they are based on the projects prepared by beneficiary countries. Project preparation is therefore an integral part of IPA-TAIB programming. The National Programmes for the years 2007, 2008 and 2009 and associated project fiches were analysed as part of the evaluation.

The intervention and programming logic of the IPA TAIB in Serbia are assessed in the following section, which focuses on the issues of: setting of objectives; sequencing of projects; project selection/preparation and coordination with other donors.

Q.1. TO WHAT EXTENT ARE OBJECTIVES AT DIFFERENT LEVELS (STRATEGIC, MIPDs AND PROGRAMMES) CLEAR, MEASURABLE AND REALISTIC?

The **European Partnerships set the overarching framework for the EU integration process of Serbia**, which provide clear guidelines and benchmarks for fulfilment of requirements in this process. The **IPA Pre-accession assistance programming process dynamics, key stakeholders and their roles** are further **elaborated** in the **Action Plan for IPA Programming** of the Serbian government. This document provides reference framework for programming of assistance to be in line with the priorities defined in the European Partnership, MIPD, Stabilisation and Association Agreement, but also in line with the national strategic documents, such as the National programme for integration of Republic of Serbia in the EU (NPI).

These documents contain objectives which are broadly scoped according to their level in the hierarchy of objectives. For example, the **SAA provides a broad strategy addressing the bigger picture**, but at the same time, providing a clear and measurable illustration of what is meant by the expected results. At the level of the **SAA, the aims are very clear and the expected results are listed in a quantifiable and measurable way**. At this level, the **indicators can be said to be SMART** and provide clear vision of where the priorities and interventions should lead. There is a general understanding that the **SAA, as one form of a contract between the EU and the Government regarding EU accession, is the document which is meant to provide the benchmarks by which accession can be achieved** – which makes it understandable why the framework is so well defined.

Quality of MIPD Objectives

Each **MIPD defines the strategic objectives for IPA assistance in the 3-year planning period** it covers. According to EC guidelines, national MIPD strategic objectives should integrate the analyses and assessments made by higher programming documents and tailor them to the specific needs of that country. The MIPD thus presents priorities and objectives for a country in a given 3-year period. By their nature, the **objectives set out in MIPDs are rather broad**, but they are made operational by further elaboration of strategic choices and identifying priorities for specific actions over the three year period covered.

While the underlying aim of the IPA-TAIB assistance can be summarised as “Assisting Serbia in its EU accession process”; the strategic objectives in the MIPDs 2007-9 have undergone increased elaboration and strengthened focus throughout programming for MIPDs 2008-10, and 2009-11 (see Box 1 below). Generally, the MIPDs’ overall objectives outlined in the Box 1 below are further operationalised through the three priority axes in IPA-TAIB programming, in each MIPD document through: (1) Political Requirements; (2) Economic Requirements; (3) European Standards.

Box 1: MIPD Strategic Objectives

MIPD 2007-9
To support the country in the transition from the status of a potential candidate to a candidate country and through to membership of the European Union. IPA will support Serbia to meet the Accession Criteria by fulfilling the political, economic and acquis-related criteria for membership.
MIPD 2008-10

Support to Serbia for coping with the political requirements of the Stabilisation and Association Process, for further developing Serbia's socio-economic environment, and finally for complying with European Standards. Support will also be provided to put in place a Decentralised Implementation system to manage EC funds in the future.

MIPD 2009-11

IPA supports Serbia's efforts in the implementation of the National Programme for Integration but also other relevant horizontal, multi-sectoral strategies, such as the National Strategy for Economic Development, National Strategy of Regional Development, Needs Assessment for Development Assistance, the Poverty Reduction Strategy, and other relevant National Plans to the extent that these correspond to the EU integration process.

The MIPDs for 2007-9 and 2008-10 identify **25 priority objectives for IPA-TAIB** programming, the distribution of these according to priority axis is shown in Table 1 below, and their further elaboration is outlined further in the Annex 2. As it may be seen from the Table 1 below, there is a marked increase in the number of priority objectives in the **2009-11 MIPD to the total of 30 priority objectives**, with individual increase in each of the priority axis. The analysis of the MIPD documents shows that this is mainly due to recognised need for better focus and elaboration of priority objectives and also filling obvious gaps, e.g. under priority axis (1), objectives on empowerment of the youth and protection of cultural heritage are added. Similarly, under priority axis (2) objective on regional competitiveness is added; and finally under the priority axis (3), focus on Human Resource development was an addition. Overall, the analysis of the connection between the project fiches and the MIPD documents points towards the strong influence of the developed projects on the MIPD, which leads to further conclusion that the project development leads the MIPD development and not the vice versa.

Table 1 MIPD Priorities for IPA-TAIB Assistance

Priority Axis	MIPD 2007-9	MIPD 2008-10	MIPD 2009-11
	Number of Priority Objectives		
(1) Political Requirements / Criteria	9	9	12
(2) Economic requirements / Criteria	9	9	10
(3) European Standards / Obligations of Membership	7	7	8
Totals	25	25	30

In order to respond to the question of the quality of objectives of the MIPD, an analysis of the quality of the intervention logic used in the MIPDs based on the four assessment criteria as follows:

1. Linkage. The extent to which objectives are correctly positioned within the hierarchy of objectives e.g. does the achievement of a project purpose or an MIPD priority make a clear and detectable contribution towards achieving an overall objective (project) or strategic objective (MIPD).
2. Aim. The extent to which objectives give direction and are appropriately scoped and focused in relation to their position within the hierarchy of objectives.
3. Achievability. The likelihood that an objective will be achieved within a mid-term perspective.
4. Measurability. The extent to which the achievement of an objective could be measured (i.e. its potential for measurability) using SMART indicators.

The analysis took the strategic priority objectives of the successive MIPD documents and the Table 2 below provides the summary of the results, while the Annex 2 contains the full overview with assessment points.

Table 2: Assessment of IPA-TAIB Priority Objectives MIPDs 2007-9, 2008-10, 2009-11

Priority Axis	MIPD 2007-2009			MIPD 2008-2010			MIPD 2009-2011		
	Aim	Achievability	Measurability	Aim	Achievability	Measurability	Aim	Achievability	Measurability
Political Criteria	(<input checked="" type="checkbox"/> 2; <input checked="" type="checkbox"/> 7 <input checked="" type="checkbox"/>)	<input checked="" type="checkbox"/> 9	<input checked="" type="checkbox"/> 7; <input checked="" type="checkbox"/> 2	(<input checked="" type="checkbox"/> 1; <input checked="" type="checkbox"/> 8 <input checked="" type="checkbox"/>)	<input checked="" type="checkbox"/> 9	<input checked="" type="checkbox"/> 6; <input checked="" type="checkbox"/> 3	(<input checked="" type="checkbox"/> 2; <input checked="" type="checkbox"/> 10 <input checked="" type="checkbox"/>)	<input checked="" type="checkbox"/> 10; <input checked="" type="checkbox"/> 2	<input checked="" type="checkbox"/> 7; <input checked="" type="checkbox"/> 5
Economic Criteria	<input checked="" type="checkbox"/> 1; <input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 4; <input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 3; <input checked="" type="checkbox"/> 6	<input checked="" type="checkbox"/> 1; <input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 4; <input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 5; <input checked="" type="checkbox"/> 4	<input checked="" type="checkbox"/> 1; <input checked="" type="checkbox"/> 9	<input checked="" type="checkbox"/> 5; <input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 7; <input checked="" type="checkbox"/> 3
European Standards	<input checked="" type="checkbox"/> 4; <input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 7	<input checked="" type="checkbox"/> 6; <input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 4; <input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 7	<input checked="" type="checkbox"/> 6; <input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 5; <input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 7; <input checked="" type="checkbox"/> 1
Totals	<input checked="" type="checkbox"/> 7; <input checked="" type="checkbox"/> 18	<input checked="" type="checkbox"/> 20; <input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 16; <input checked="" type="checkbox"/> 9	<input checked="" type="checkbox"/> 6; <input checked="" type="checkbox"/> 19	<input checked="" type="checkbox"/> 20; <input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 15; <input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 8; <input checked="" type="checkbox"/> 22	<input checked="" type="checkbox"/> 23; <input checked="" type="checkbox"/> 7	<input checked="" type="checkbox"/> 21; <input checked="" type="checkbox"/> 9

* yes; no

While the linkage of the **objectives in all MIPDs is good**; according to the analysis of the strategic objectives, it is visible that the aims of the **objectives are rather diffused and very broad. The prospects for achievement of the objectives are also positive**, but with taking into account the fact that the achievability of the strategic objectives as set out in the MIPDs depends to large extent on the external political, socio-economic and technological factors driving the reforms in the country. The Box 2 gives an example of a broad strategic objective.

Box 2: Example of Broadly Scoped MIPD Priority Objective

<p>MIPD 2009-11 Priority Axis (1) Political Criterion</p> <p>Support Serbian youth in its quest to demonstrate and achieve its possibilities with the aim of improving individuals' own lives and the future of the country as such.</p>
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The analysis also indicates towards the conclusion that **objectives linked to wide reforms, such as improvement of economic or employment prospects are harder to measure**, and a lot of work is evident in successive MIPDs to **further elaborate the objectives** in order to bring more focus and to allow **measurability of intervention results**. Naturally, this is linked to the fact that the measurability of an objective is strongly influenced by its scope, as scope widens objectives become less coherent and it becomes more difficult to identify single indicators reflecting the state of the whole objective. Finally, it may be concluded that there is an evident **improvement in elaboration of more focused and measurable objectives in successive MIPDs**. However, it is also visible that some strategic objectives have been driven by individual projects, and not vice versa.

Project Fiches

The project fiches make a link between the European Partnership, The Stabilisation and Association Agreement, the Serbia annual Progress Reports, the relevant MIPD, the relevant National Strategies and National Sectoral Development Plans as well as various EU treaties. This is **diligent but somewhat excessive** since logically, if there is a clear hierarchy of objectives, then it should not be necessary to indicate how a particular project concept addresses each one individually, since they

would all be in alignment in the first place. In general, project fiches have elaborated objectives, that have strong link to wider MIPD objectives but they are further operationalised through individual intervention the project focuses on. Nevertheless, project fiches vary in quality of elaboration of objectives, while the successive national programs have evidence of improvement of the results framework of projects.

Needs Assessment of the Republic of Serbia

At the level of national strategies, **the Needs Assessment of the Republic of Serbia**, which is the overall reference document, **provides** (within its Annex 1) **a set of baseline values for monitoring aid effectiveness**. The **indicators** within this annex **can be classified as SMART**.

Findings

- ☒ The reference framework **objectives can be said to be SMART** and provide clear vision of where the priorities and interventions should lead.
- ☒ At the level of the **MIPD documents, the objectives are rather broad**, but each objective is made operational by further elaboration of strategic choices and specific actions over the three year period covered.
- ☒ They are visible **improvements in strengthening focus** of objectives and **increase in their SMARTness**.
- ☒ **Objectives** at the level of **project fiches may be generally said to be SMART**. However, there is different level of quality in different project fiches.

Q.2. TO WHAT EXTENT PLANNING AND PROGRAMMING PROVIDE ADEQUATE ASSESSMENT OF NEED (BOTH FINANCIAL AND TIME) TO MEET ALL ACCESSION REQUIREMENTS / STRATEGIC OBJECTIVES?

The guiding tool and reference point for programming is the country development strategy and the needs assessment providing data on potential priorities for development. **Serbia has a comprehensive and all encompassing “Needs Assessment” document** that covers all sectors of importance for the country development. This document is used as **the main reference in programming**, as it **sets out priority needs per sector at programme / project level** and **identifies the lead agency, the program / project budget and potential sources of financing** as well as the **time frame**. This document is a comprehensive document and a valiant effort to combine the requirements of some **71 separate strategies** into one single point or reference. In doing so, it draws primarily from:

- The National Strategy for Accession to the European Union;
- The National Integration Programme;
- The Sustainable Development Strategy;
- The Public Administration Reform Strategy;
- Priorities of the European Partnership
- Other Sector wide and inter-sector documents

The Needs Assessment document provides an estimate of expected project values along with expected sources of funding and co-financing along with the planned year of expenditure. This is provided sector by sector, and each planned project is under the authority of a line Ministry. The Needs Assessment carries overall estimates rather than a breakdown of financial, administrative and human resource costs, but **these are summarised from the original strategies, which contain detailed costing**. The costings are linked into the National Budget, which programmes forward expected expenditure commitments on a year by year basis and allows provision to ensure sustainability of any project.

The Serbian Government, especially its Development Aid Coordination Unit (DACU), works with all donors on presenting this document and establishing it as a main reference point in aid coordination and programming of assistance. This is very important as the state, thus, is in the position to channel funds to already developed priorities and projects of significance in different sectors. Also, in such way, the government ensures that highest priorities are met.

However, it is clear that the **comprehensiveness of the document makes it very difficult tool for use** by donors, who largely refrain from using it in their programming. **The document is prepared for a three-year period**, which requires **its renewing which is an enormous task**. Also, there is a strong possibility of projects passing through the system which are not aligned with needs due to the general lack of focus. Nevertheless, the **programming of IPA assistance in Serbia should continue referring to this Need Assessment Document** as a reference point.

Findings

- ☒ The **Needs Assessment** document is **a comprehensive and broad document**, but **provides a good reference point for programming**.
- ☒ The **Document contains elaborated financial segment**, whereby the costs of potential interventions take into account the future budgetary implications required for sustainability and these are included in the national budget.

Q.3. TO WHAT EXTENT ARE ANNUAL IPA COMPONENT 1 ALLOCATIONS (MIFFs) ADEQUATE IN RELATION TO THE STRATEGIC OBJECTIVES OF THE MIPDs?

The multi-annual indicative financial frameworks (MIFFs) constitute the second level in the IPA planning and programming framework, being at the articulating point between the policy level and the strategic programming level, the main instrument of which are the MIPDs. The main basis for the **decision about the level of annual allocations** for the candidates and potential candidate countries appears to be **mainly related to the previous levels of EU assistance**, namely the CARDS, already received by these countries in the previous period and **not necessarily to actual needs coming from European Integration process and socio-economic development requirements of the country**.

MIPDs

MIPDs are developed, taking into account the indicative allocations of the MIFFs and as a result, programmes are created to suit the amount of money available. This process is fast track, and currently, both project fiches and the MIPDs are prepared far in advance, and the programming is an ongoing activity within the relevant institutions. Besides applying indicative allocations set out by the MIFF, the operationalisation of funds is further facilitated by early preparation of project fiches in advance of the MIPD, which provides the basis of a mechanism for budget allocation. However, prioritisation of projects and areas of interventions must be done based on the MIFF, while the costs per MIPD objective are not established within the MIPD document. Because of this, it is not possible to evaluate the adequacy of annual allocations against the MIPD objectives.

Financial indications of needs prepared by Government of Serbia

The **Action Plan of DACU presents an Annual Budget Summary**, based on the Needs of the Republic of Serbia and this forms the basis of requests from donors etc. to finance the various projects that the Government wishes to fund.

The cost estimate² developed in the Annual Action Plan is targeted at individual sources of funds. Indications are available regarding the priorities of various donors, so provisional allocations of the source of funds are made, and donors are approached regarding their interest to support. Remaining needs are sourced through Government funds or are put on hold until funds are available.

Findings

- ☒ The assessment of the **MIFF allocations did not point towards shortages in allocations.**
- ☒ The **MIPD documents are based on MIFF allocations** and thus, the projects are developed based on the amount of funds available for the country.
- ☒ The **system of prioritisation and requesting from donors produces a natural selection mechanism** whereby projects are selected on merit and any, which are not funded, are possibly do not present immediate priority.

Q.4. TO WHAT EXTENT IS THE PROJECT SELECTION MECHANISM APPROPRIATE IN THE SENSE OF SELECTING THE MOST RELEVANT, EFFICIENT AND EFFECTIVE PROJECTS TO MEET STRATEGIC OBJECTIVES?

The MIFF and the MIPD set the strategic and financial framework for selection of project proposals, process which takes place within the annual programme preparation process. The MIPD document for the country sets out the priority objectives aiming at facilitating Serbia's EU accession aspirations, and their broad scope provides a wide range for operationalisation in the process of development individual project proposals. In line with the centrally managed IPA assistance in Serbia by the EU, the European Commission Headquarter (EC HQ) takes the final decision on project selection. The Development Aid Coordination Unit (DACU) leads the project selection process on the side of the Serbian Government, under the joint responsibility of the National IPA Coordinator (NIPAC) and the EU Delegation (EUD) in Republic of Serbia. At the same time, ECHQ is to a large degree involved at each stage of the process and there are regular programming missions from DG Enlargement to Serbia over the period in which annual programmes are being prepared, including project selection.

The **project selection mechanism locally is led by the DACU**, with support by a technical assistance project (Project Preparation Facility-PPF), which works in partnership with the DACU to ensure that the project selection mechanism is disciplined in selecting the most relevant, efficient and effective projects to meet strategic objectives. The **project selection process is clear, while the procedures are extremely robust.** The overview of the process is outlined in the diagram in Annex 4. As it may be seen from the Diagram in the Annex 4, project selection for IPA-TAIB in Serbia takes place according to number of well defined steps, starting with a request for project proposals sent from EUD to the Serbian Government. This request is accompanied by a timetable for the whole programming period which includes dates of planned EC-HQ programming missions and for final project fiche submission, these dates vary from year to year since they are determined by the dates on which the IPA Management Committee will consider the Financing Proposal for Serbia.

Once programming deadlines have been established, the DACU contacts line institutions and request them to submit project proposals for the annual IPA programme, and the request is accompanied with adequate formats and templates for projects. Line institutions are expected to develop project proposals that are in line with the Needs Assessment Document of the Republic of Serbia and the MIPD document. The DACU, by means of the PPF, provides line institutions with advice, training and technical assistance to support the preparation of project fiches and associated procurement documents.

² The cost estimates are based on information from donors on their future funding allocations in order to achieve a high level of predictability of development assistance.

Once submitted, the Project Evaluation Committee that is composed of representatives of the DACU, NIPAC and Serbian European Integration Office (SEIO) undertakes a quality assessment of project proposals using a standard quality control checklist and draw up a list of projects which are of acceptable quality and which are consistent with national priorities. The list drawn up by the DACU usually contains more projects than there is available funding for, and final review of projects happens at the level of the EUD / EC-HQ, which, together with the NIPAC finalises the list of projects to be included in the annual programme (the Box 3 provides the description of the steps in the project selection process during the 2010 planning round).

Box 3: The steps in the project selection process during the 2010 planning round

Step 1: Establishment of Planning Objectives

The MIPD, The EU Progress Report and the Needs Assessment of the Republic of Serbia are used as the basis of a Gap Assessment whereby the needs of Serbia are filtered and compared with existing projects and programmes (from all sources) to establish gaps which are not catered for, and to develop a series of planning objectives. During the most recent 2010 planning round, some 50 planning objectives were established from the Gap Assessment and these were appropriate to the five established sectors, to which the five inter-sector working groups had responsibility at the moment of development of the planning documents. A rule has been established that projects must meet the planning objectives in order to be finally selected, which contributes to the aim to have selected projects meet the needs of Serbia.

Step 2 – Call for Projects and the Development of Project Fiches

DACU calls line Ministries and other authorised project applicants (as defined in the Action Plan on Programming) to put forward project proposals which meet the planning objectives for their respective sectors and in the most recent planning round, some 70 projects were presented. Project fiches were prepared with logical frameworks and these were all deemed to be compliant with needs.

Step 3 – Project Fiches subjected to Stakeholder Scrutiny

All the developed project fiches that are submitted to the DACU are placed on the ISDACON database where they can be viewed by donors and other interested parties, while they are also presented to the Inter-Sector Working Groups for evaluation.

Step 4 – Prioritisation and Selection

The project fiches are subjected to scrutiny using DAC5 OSCE Evaluation Criteria (all forms checked and counted for 2010) and are prioritised and selected by the Evaluation Committee, which includes representatives of DACU, NIPAC and SEIO. In the last planning round, the 70 project fiches were reduced to 35 through the prioritisation and selection process. At this point, the process is assessed to be completely compliant with diligent selection procedures, and there is a full set of procedures and mechanisms for prioritisation and selection of projects.

Within the procedure lines, the List of selected fiches was delivered to the EU Delegation. Within this step in procedure, 10 additional projects were added, while most of other projects were modified. The reason for modification of the projects was explained to be due to a lack of compliancy with the objectives on most of the 45 resulting projects. Another reason for the change in procedures as explained by the EC Delegation and NIPAC is the following: needs changed due to the financial crisis and the modifications were in response to changing needs. At the same time, it has been pointed out

that the situation has also, among other things, been influenced by: a) The fact that the MIPD is now becoming out of date; b) the introduction of a Sector-Wide Approach (SWAp), and c) Concerns about absorption capacity related to the need for additional staff.

Changes in the procedures point towards certain flexibility in the project selection process, which is taking into account the changing needs in order to serve overall objectives better.

Projects are selected for inclusion into the annual programme if the final project fiches are judged to be of acceptable quality and if the EUD have verified that conditionalities have been/ will be met and that co-financing (if any) has been approved by the Ministry of Finance.

Findings

- ☒ The **project selection process is strict and follows the set of defined steps.**
- ☒ **Projects are selected** on the basis of the **quality of project proposals** prepared by line institutions but the selection process also takes into account **changing needs in the country reform processes** to serve the overall objectives better.
- ☒ The **quality of project proposals** is first assessed by **the Evaluation Committee** consisting of the DACU, NIPAC and SEIO using DAC5 OSCE Evaluation criteria. In addition, **the EUD and NIPAC assess the strategic importance of project proposals** in relation to national programmes and relevant sector strategies.
- ☒ **Final assessment of project proposals** is made by **the EUD/EC-HQ.**
- ☒ Project fiches are prepared by line institutions with support from the DACU and the PPF.
- ☒ The **ownership of the Serbian government in the selection process is very visible**, and the **guidance provided by the EC is valid.**

Q.5. TO WHAT EXTENT PROGRAMMING PROVIDES ADEQUATE PRIORITISATION AND SEQUENCING OF ASSISTANCE?

The programming comprehends prioritisation of projects as a process of giving preference to certain areas, or types, of intervention over others, reflecting the strategic and budgetary limits set by the MIPD and MIFF. The **gap assessment mechanism takes account of needs and priorities** and compares them against the **previous projects and programmes to identify remaining gaps** in the process towards achievement of objectives.

Sequencing of projects means the order in which projects under each MIPD priority axis are selected, prepared and implemented in successive annual programmes. There are two main reasons for sequencing interventions; the first is practical e.g. a particular key beneficiary is already managing previously programmed projects and has little capacity for additional ones. In such a case priority projects may be deferred to future programmes and the sequence of assistance will be determined by the absorption capacity of the institution. Therefore, it is very important to have all the input information within the project selection process, which was described in the answers to the previous evaluation question 4.

Sequencing of assistance is also positive for increasing the impact prospects through more long term support to specific sector. The analysis of sequenced projects, outline of which is provided in the Table 3 below, shows that total of sequenced project amounts to 145,35 M€, while the projects sequenced are mainly the support to civil society (in three IPA National Programmes – 2007-2009); support to programming through Project Preparation Facility (in three IPA National Programmes – 2007-2009); support to IDPs and refugees (in three IPA National Programmes – 2007-2009); etc.

Table 3: Sequencing of Projects in Annual IPA-TAIB Programmes 2007-9

Sequenced projects	Main focus	Total funding
IPA 2007 Project Preparation Facilities IPA 2008 Project preparation Facility IPA 2009 Project preparation Facility	support to DACU and Ministry of Finance, as well as line institutions in programming	6 M€ 5 M€ 1,55 M€
IPA 2007 Support to Civil Society IPA 2008 Support to Civil Society IPA 2009 Support to Civil Society	Encourage active intercultural dialogue and exchange of ideas between civil society organisations in Serbia and the EU, whilst simultaneously helping to build tolerance and cultural diversity throughout Serbia.	2 M€ 2.5 M€ 2 M€
IPA 2007 Further Support to Refugees and IDPs in Serbia IPA 2008: Support to Refugees and Internally Displaced Persons (IDPs) IPA 2009 Support for the refugees and internally displaced persons' access to rights, employment and improved living conditions	Support the refugees and internally displaced persons' rights by way of economic and housing support, providing information about return and access to social services.	10 M€ 6 M€ 12.65 M€
IPA 2007 Support to the implementation of the management of EU funds under a Decentralised Implementation System in the Republic of Serbia IPA 2008 Further support for implementation of DIS	support the development of the DIS	2 M€ 2.45 M€
IPA 2007 Participation in Community Programmes IPA 2008 Support for Participation in Community Programmes	Support Community programmes	2 M€ 5 M€
IPA 2008 Support for the Control/Eradication of Classical Swine Fever and Rabies in the Republic of Serbia IPA 2009 Support for the control and eradication of classical swine fever and rabies in Serbia	The beneficiary institution is the Veterinary Administration of the Ministry of Agriculture, Forestry and Water Management. The project aims to contribute to the eradication of certain animal diseases such as classical swine fever and rabies.	6.3 M€ 6 M€
IPA 2007 Municipal Support Programme (MSP) Serbia IPA 2008 Municipal Infrastructure Support Programme - MISIP	support to municipal development	22 M€ 45.4 M€
IPA 2007 Support to Enterprise Competitiveness and Export Promotion IPA 2008 Improved SME Competitiveness and Innovation	support to SMEs	3.5 M€ 3 M€
Total sequenced assistance		145,35 M€

It is worth noting that are projects contributing to specific sector by supporting reforms in the respective sector, but each of the projects in successive National programme have different scope and focus, so they cannot be classified as sequencing but may be looked as contribution to overall improvement of the sector itself (e.g. environment; health; social protection; judicial reform, human rights, etc.).

Findings

- ☒ The **programming process in Serbia is organised very well, with strict deadlines, procedure, and follow up** on the achieved results and potential problems. This process facilitates adequate prioritisation and sequencing of assistance.
- ☒ **Eight projects have been sequenced** through the period of implementation of the IPA-TAIB assistance, out of which the Project Preparation Facility, Support to Civil Society and Support to IDPs has been sequenced throughout the three consecutive National Programmes (2007, 2008, 2009).

Q.6. TO WHAT EXTENT PROGRAMMING TAKES ADEQUATE AND RELEVANT ACCOUNT OF BENEFICIARIES' POLICIES, STRATEGIES AND REFORM PROCESS IN RELEVANT KEY AREAS?

Programming of assistance in the Republic of Serbia **is organised with strong involvement of the government institutions, and a strong partnership type working relationship between the DEU and DACU is visible.** As a result of this, the **quality of programming in terms of addressing the beneficiary's policies, strategies and reform processes is extremely strong,** and the disciplines are in place to ensure that projects planned meet the Needs Assessment of the Republic of Serbia which is derived from all other strategy documents.

Serbian government has also established eight inter-sectoral working groups which gather stakeholders from relevant ministries and other national institutions. These groups, organised around specific sectors gather different stakeholders who have space to provide input in programming in relevant sectors, but also on a more strategic level.

The new MIPD is under preparation and the sequencing between the project fiches and the MIPD are based on the MIPD document which is now 2-years old and due for renewal. This leads to the situation that, **effectively, the Project fiches are leading the MIPD rather than the reverse.** Also, it is important to mention that the IPA 2011 programming process was geared up to succeed in submitting the National Programme to the IPA Committee in September 2010 so the draft programme was ready in July 2010. However this deadline has been postponed by EC for December 2010, and later for January and April 2011. This raises concern that **delay in starting the National Programme 2011 may jeopardize implementation of projects** and the **possibility that the interventions envisaged become outdated,** especially having in mind that timing needed for project preparation and Commission decision to start of implementation is long. If the Commission decision will be taken in July 2011, Financing Agreement can be signed in September and implementation will start in 2012 which is two years after projects are identified and prepared.

Findings

- ☒ Programming takes to great extent adequate and relevant account of beneficiaries' policies, strategies and reform processes in relevant key areas.
- ☒ The diligence by which project fiches are prepared brings to situation that they lead the MIPD development.

Q.7. TO WHAT EXTENT PROGRAMMING AND MONITORING MECHANISMS INCLUDE SMART (SPECIFIC, MEASURABLE, AVAILABLE, RELEVANT AND TIME BOUND) INDICATORS TO MEASURE PROGRESS TOWARDS ACHIEVEMENT OF OBJECTIVES?

While all documents contain logical frameworks, **it is debateable whether they are truly compliant with the SMART acronym.** There is also evidence of a lack of rigour and discipline in defining indicators in a SMART way. This has been blamed on **lack of capacity at the level of line ministries**, where the people are not trained or necessarily motivated to identify the adequate indicators which are necessary for specificity and subsequent measurement of progress towards the objectives. Monitoring reports indicate that **projects reach implementation without correction of this problem**, which affects the ability to measure the impact of projects or to enforce discipline to the contractors.

During the evaluation work, the team has assessed the total of 43 projects, and out of that number 20 (47%) had indicators which could be classed as SMART, while 10 (23%) had indicators which were graded as not SMART by the monitors. 13 (30%) were doubtful, meaning that they could be improved.

SMART Indicators	
Yes	20
No	10
Maybe	13
Total	43
Yes %	47%
No %	23%
Maybe %	30%
Total	100%

The practice of providing completed monitoring reports to DACU has recently been initiated. **The lack of feedback in the past has meant that the deficiency in the use of SMART indicators has not been identified.** The new practice of providing feedback will highlight the issue and the awareness of the need for SMART indicators are programming level and will help to correct the problem.

Figure 1: Count of Objectives with SMART Indicators

Findings

- ☒ **It is not conclusive that the lack of SMART indicators has led to any reduced impact of the project, and it is also appreciated that it is not possible in certain sectors to clearly define SMART indicators.**
- ☒ The assessment suggests that an improvement in discipline is warranted to ensure that programming documents reach the required standard. It can also be pointed out that the **contractor has the opportunity to improve these indicators during the inception phase**, (before it is subjected to scrutiny by monitors) and **this does not seem to happen.**

Q.8. TO WHAT EXTENT PROGRAMMING TAKES ADEQUATE AND RELEVANT ACCOUNT OF ASSISTANCE PROVIDED AND REFORM PROMOTED BY KEY DONOR WHERE APPLICABLE?

The Serbian Government has developed a system for donor coordination and tracking the assistance that donors provide in the country. At institutional level, **the DACU**, within the SEIO, **is charged with gathering information on donor activities and providing guidance to donors on needs and priorities of the state** on one side; and **working with all the relevant government institutions to gather information and discuss the developmental needs** of the country.

At **strategic level**, the **Need Assessment Document provides the basis for channelling assistance to priority areas** in the country. Finally, **at the operational level** – the **ISDACON database of the Serbian Government contains all projects implemented in the country** (including those which are outside EU or IPA) and can be inspected by any interested party. There is therefore a **formal institutionalised system for ensuring that donors have all the information they need to understand the priorities of the Government and the projects that are planned** to meet these priorities.

Donors with a particular interest in any sector are also invited and are active in the inter-sector working groups. Regular donor coordination meetings are held by DACU and DACU staff is assigned to coordinating and monitoring the efforts of specific donors that are active in Serbia. It is also important to note that that EU and other donors are very active in co-ordinating these meetings as well on specific topics of relevance.

Programming IPA assistance

Besides the above mentioned system in place, **donors are included in the first stage of programming of IPA**, together with the DEU and the beneficiaries **in order to enhance cooperation, to eliminate the possibility of the duplication of efforts** and in order **to enhance the complementarity of activities promoted and financed** by the EU and donor community.

All **project fiches make reference to linkages with key bilateral/development bank assistance**. In addition, the **Needs Assessment and the Annual Action Plan clearly identify the proposed sources of funding and the amounts of co-financing**. These estimates are based on an iterative process, whereby the budgets are developed through an examination of the donor priorities and continuous dialogue.

Donor coordination

Donor coordination is never an easy task in development work, but **the work of the DACU** in this area **has contributed to tightening the donor coordination to a large extent**. Besides the inter-sectoral working groups and different forums for donor exchange, it is important to note that some sectors have sector funds; good example is the justice sector with a new “Multi-Donor Trust Fund for the Justice Sector in Serbia” (MDTF-JSS), led by the World Bank. MDTF-JSS was established with contributions from seven donors, while one additional donor is considering contributing to the trust fund. Most donors have taken a keen interest in the trust fund and the fact that 7 donors have contributed to the fund indicates strong agreement with regard to donor coordination. This approach may be seen as positive, especially in the light of the planned Sector-Wide Approach, and joint Trust Funds for sectors may be considered for more focused targeting of donor funds. This may also help ensure not only that the donors are co-ordinated, but that, to a great extent, they will work as a team.

Findings

- The **Serbian government works toward developing comprehensive institutional, strategic and operational framework** to enhance donor coordination, and to ensure that programming takes adequate and relevant account of Assistance provided and reforms promoted by key donors.
- Donor co-ordination is ever-improving**, and there are ideas and cases of joint endeavours by different donors. The Justice Sector trust fund is a good example of sectoral trust fund.

SECTION 3: OVERVIEW MAPPING (QUESTION GROUPING 2)

Q.9. WHAT ARE THE EXISTING SECTORAL STRATEGIES IN THE COUNTRY? TO WHICH EXTENT STRATEGIES ARE DULY EMBEDDED INTO BENEFICIARIES' POLICIES/ BUDGET? TO WHICH EXTENT IS EU/ DONOR ASSISTANCE ALIGNED WITH/ EMBEDDED INTO EXISTING STRATEGIES?

Strategic framework of the Republic of Serbia is very comprehensive, and includes **71 adopted strategies**, while there is a **number of new strategic documents under preparation**³. The analysis of 10 strategies that represent the components of the framework for overall development of the country point towards the fact that the **strategies developed have very well defined needs assessment, prioritisation and definition of the sectors in which they will operate**. Majority of strategies **have action plan** or refer to **development of the action plan as a next step** of the work. Also, half of the strategies reviewed contain the **reference towards the budget and the M&E framework**, although this reference is rather broad and rhetorical, not implying to any significant responsibility for the government to produce deliverables in this regard. The Table 4 below provides an assessment of the following strategies that have been analysed:

- Justice reform Strategy
- PAR strategy
- National Economic Development strategy
- Regional Development Strategy
- National Integration Strategy
- National Environmental Strategy
- Competitive and Innovative SME Development Strategy 2008 – 2013
- Regulatory Reform Strategy in the Republic of Serbia 2008 – 2011
- Energy Development Strategy of the Republic of Serbia by 2015
- National Sustainable Development Strategy

Table 4: Distribution of Assessment Categories for 10 National Strategies reviewed

Criteria	No	Inadequate	Adequate	Good	Totals
1) Definition of sector and sub-sectors			8	2	10
2) Quality of problem analysis /needs assessment			8	2	10
3) Priorities identified			9	1	10
4) Action plan	2	1	7		10
5) Budget	5	4	1		10
6) M&E framework	5	1	4		10

While the ten analysed strategies deal with important priority development goals of the country, a range of other sectoral and sub-sectoral strategies define the policy framework of the country towards the EU integration. (Annex 8 priorities have in depth overview of the strategic framework of the Republic of Serbia.)

The Serbian Government placed extensive efforts into **using valuable input data from the strategies and coordinating the strategic framework into a single document**, and thus produced a comprehensive Needs Assessment of the Republic of Serbia, that serves both as **one-place where information and data on development priorities, context analysis and relevant policy framework may be found**. The following Box 4 provides the overview of this Document and its main features.

³ See the overview of existing strategies in the Annex 9

Box 4: The Needs Assessment of the Republic of Serbia

The Needs Assessment of the Republic of Serbia (which is the main programming reference document), provides Needs Analysis for a number of sectors, and includes history of development, history of projects, and planned projects with budgets under the following headings, which provides the basis for a sectoral approach:

STRENGTHENING OF INSTITUTIONAL CAPACITIES

INTER-SECTORAL PRIORITIES FOR INTERNATIONAL ASSISTANCE

- Mitigation of Negative Effects of the Global Economic Crisis on the Serbian Economy and Living Standard of its Citizens;
- Fostering Employment – Economic Development and Education for Employment
- Increase Building and Strengthening of Institutional Capacities;
- Construction, Reconstruction and Modernisation of Infrastructure;
- Environment Protection;
- Regional Development;
- Rural Development

SITUATION OVERVIEW, SECTOR PRIORITIES AND NEEDS FOR THE PERIOD 2009 – 2011, BY SECTORS:

- Finance;
- Public Administration and Local Self-Government;
- Economy and Regional Development;
- Labour and Social Policy;
- Agriculture,
- Forestry and Water Management;
- Mining and Energy;
- Trade and Services;
- Education;
- Culture;
- Public Health;
- Science;
- Environmental Protection;
- Town and Spatial Planning and Housing;
- Internal Affairs;
- Transport;
- Telecommunication and Information Society;
- Justice;
- Defence;
- Human and Minority Rights;
- Youth and Sports;
- Diaspora

In addition to the above, there are monitoring procedures in place, using SMART indicators to assess progress against the needs assessment and the Needs Assessment provides a report on progress against these benchmarks to date.

The Needs Assessment document provides **clear connection between the strategic document, priorities of the country and their further elaboration in form of projects**, or concepts that are useful both for government and donor planning activities. Therefore, this document demonstrates that the **strategies are embedded in the development framework**, and the attempt to connect the strategies with the priorities **indicates towards the efforts to embed these strategies in the budgetary framework** of the state. Also, the Government of Serbia promotes and calls for use of the Needs Assessment document in planning processes of donors.

The **referral to the strategies and action plans** is made consistently in the **programming documents** of the IPA, and projects refer to the strategies in place or needed to be adopted by the Government. Many IPA projects also **support adoption of relevant strategies** for respective sectors. Other donors have **supported extensively the adoption of various strategies** necessary for gearing up reform processes, and recent examples indicate towards adoption of strategies dealing with sub-sectors of agriculture, environment, energy, etc.

The initiative of the EU, donors and the Government of Serbia to move towards more comprehensive Sector-Wide Approach, proposes that **programming is delivered corresponding to a new classification of sectors**, which - if adopted fully - will include some 35 sectors and sub-sectors. The overview of these sectors is presented in the Figure 2 below. The further definition or realignment of the strategic framework within the proposed classification should work towards focusing a large number of strategies into a coherent, focused and well-directed strategic framework with sectoral strategies and sub-strategies to operationalise further the work within sub-sectors.

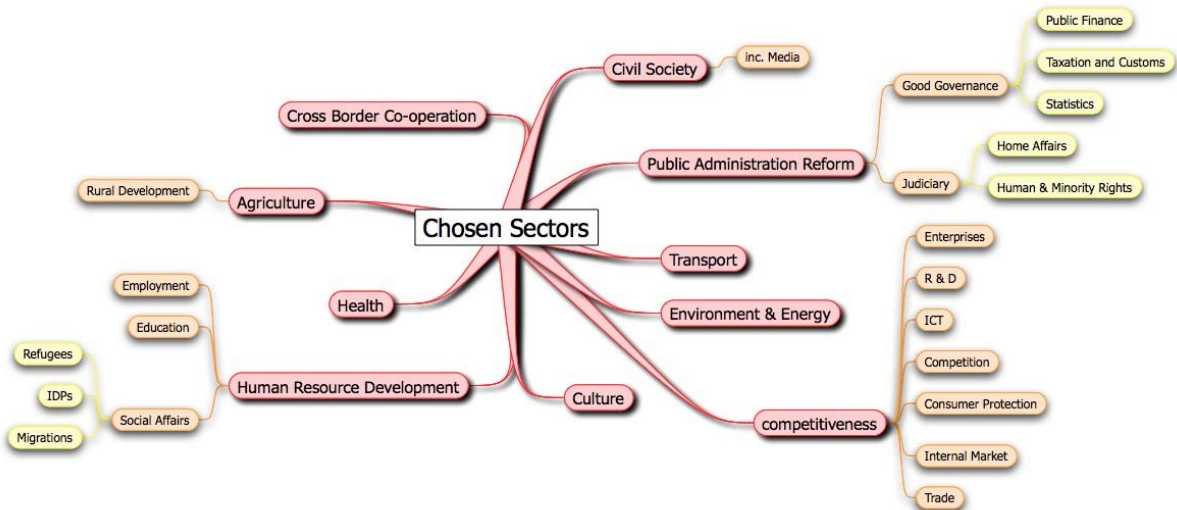


Figure 2: Overview of Sectors for Future Programming

Findings

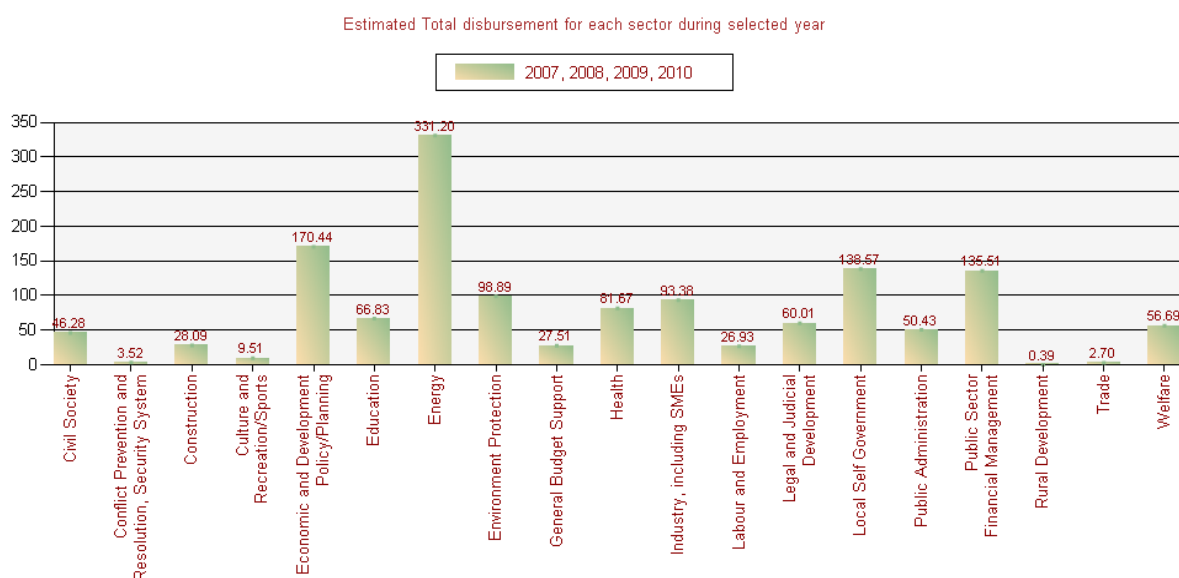
- ☒ The strategic framework of the Republic of Serbia is comprehensive and currently includes **71 strategies**.
- ☒ Strategies have well **defined assessment and prioritisation of needs and interventions**, while **majority refer to action plan, budgets and M&E framework**. However the **budget and M&E frameworks are not adequately elaborated** in most cases.
- ☒ The **strategies are linked to priorities and development needs** through a comprehensive Needs Assessment document prepared by the Serbian Government.
- ☒ There is **reference to strategic framework in respective sectors** in the EU IPA programming, and especially in the project fiches. Also, other donors support and/or relate their activities to the **existing strategies** or **support development of new strategies as needed**.
- ☒ The initiative to move towards the Sector-wide approach should be accompanied with **realignment and/or uniting fragmented strategies** into more comprehensive sector strategies.

Q.10. OVERVIEW OF ASSISTANCE AND PROJECTS PER DONORS AND SECTOR

The nature, type and extent of the donor assistance after the political transformation in Serbia in 2000 has varied significantly based on the development needs of the country, perspectives and international priorities, as well as foreign policies within the process of democratization. The donor assistance was implemented both through bilateral and multilateral relations, and the country faced a number of joint funds or interventions in specific sectors of interests. Among most prominent donors assisting the reforms in the country are: the US, UK, Norway, Sweden, Germany, Netherlands, EU, OSCE, etc. and International Finance Institutions like the World Bank, EIB, EBRD, etc. However, as Serbia has shifted from the development focus towards EU accession, but also due to other priority regions and consequences of the world financial crisis, the donors are slowly withdrawing from the country.

The analysis of the ISDACON database with relation to donor funds in the country indicates that the total **donor funds (loans and grants) for Serbia for the period 2007-2010 amount to 2,176.00 Million EUR** (See the Table 5 below)⁴ and the Figure 3 charts the disbursement of funds among sectors in the country.

Figure 3: Estimated total disbursement for each sector for the period of 2007-2010⁵.



The donor activity and funds allocated for the country reforms varied during this period, and the data outlined in the Table 5 clearly indicates significant increase of the EU funds and decrease of the bilateral donors' funds for the country. This situation corresponds to the overall development prospects of the country and shift from the reconstruction and development to the EU accession, which entails more significant support from the EU.

⁴ ISDACON, http://www.evropa.gov.rs/Evropa/Management/Isdacon/Reports/Show.aspx?Report=%2f_G_Reports%2f_G_DO_NATIONS%2f_R_OverviewOfInternationalAssistanceBySectors

⁵ ISDACON, http://www.evropa.gov.rs/Evropa/Management/Isdacon/Reports/Show.aspx?Report=%2f_G_Reports%2f_G_DO_NATIONS%2f_R_OverviewOfInternationalAssistanceBySectors

Table 5: Donor Assistance in Serbia for the period 2007-2010

Donor	2007	2008	2009	2010	Total in million EUR
EU	15.95	55.56	218.22	363.38	793.11
EIB	114.31	70.57	109.40	0.00	294.28
World Bank	30.51	34.67	24.31	186.20	275.68
Germany	25.51	40.81	99.30	52.18	217.81
EBRD	60.60	68.18	87.41	0.00	216.19
USAID	27.09	30.13	35.37	0.51	93.10
Italy	17.45	11.70	10.25	23.99	63.39
Sweden	13.66	12.53	13.13	6.10	45.42
Spain	1.11	1.38	32.74	0.00	35.24
Norway	8.84	11.01	8.45	5.49	33.79
Greece	0.00	0.07	11.73	11.73	23.54
Austria	4.47	2.97	2.99	2.55	12.98
Switzerland	7.70	4.30	0.64	0.16	12.80
UK	4.69	3.42	3.00	1.25	12.36
Netherlands	5.62	3.40	1.55	0.45	11.02
Japan	5.45	1.29	0.81	0.77	8.33
Denmark	2.12	2.02	2.02	2.02	8.17
UNICEF	1.63	2.52	1.03	0.00	5.18
Czech Republic	1.98	1.59	0.91	0.59	5.09
OSCE	4.32	0.00	0.00	0.00	4.32
UNDP	1.41	0.58	0.62	0.00	2.60
Slovak Republic	0.00	1.50	0.00	0.00	1.50
Total	494.51	360.21	663.90	657.38	2,176.00

Data adapted from the ISDACON database⁶

The Donors have been active in all areas relevant for the country's development, and the data provided in the Tables 6 and 7 below indicate the logical difference in funds allocated to reforms and development in some of the sectors falling under the Political criteria and Socio-economic and European Standards criteria.

⁶ ISDACON,
http://www.evropa.gov.rs/Evropa/Management/Isdacon/Reports/Show.aspx?Report=%2f_G_Reports%2f_G_DO_NATIONS%2f_R_OverviewOfInternationalAssistanceByDevelopmentPartners

Table 6: Political Criteria⁷

Rule of Law		Public Administration; Local Self-government, Budget Support	Civil Society
Germany	Sweden	Austria	Austria
Denmark	Spain	Greece	Switzerland
Norway	EC	Italy	Italy
US	OSCE	Germany	Germany
UK	UNDP	Slovakia	US
Netherlands		Norway	Slovakia
Switzerland		US	UNDP
		UK	UK
		Netherlands	
63.53 million EUR		216.51 million EUR out of which 27.51 million EUR for Budget support	46.26 million EUR

The donors have established a number of joint funds, amongst which is the latest Multi-Donor Trust Fund for Justice Sector in Serbia (MTDF-JSS) lead by the World Bank with support from the EU and other donors involved in the justice sector reform.

Table 7: Socio-economic criteria, European Standards⁸

Energy and Environment Protection	Economic and Development Policy Planning	Public Sector Financial Management	Industry and SMEs and Trade	Education and Health	Welfare, Labour and Employment
Italy	Austria	Luxembourg	Italy	Austria	Austria
Germany	Greece	Germany	US	Germany	Italy
Norway	Italy	Norway	Netherlands	Norway	Canada
UK	Germany	US	Norway	UK	Norway
Netherlands	Norway	UK	Switzerland	Czech	UK
USAID	US	Sweden	Spain	Republic	Czech
Slovakia	Slovakia	EC	EC	US	Republic
Czech	UK	World Bank	Japan	Switzerland	Switzerland
Republic	Switzerland	UNDP	EIB	Sweden	Sweden
Switzerland	Sweden			EC	Spain
Sweden	Spain			Japan	EC
Spain	EC			UNICEF	Japan
EBRD	OSCE			EIB	World Bank
EC	UNDP				OSCE
Japan					UNICEF
World Bank					UNDP
UNDP					EIB
EIB					Republic of Korea
428.09 million EUR	170.44 Million EUR	135.51 million EUR	96.08 million EUR	148.5 Million EUR	86.62 Million EUR

⁷ IBID

⁸ Data adapted from the ISDACON database,

http://www.evropa.gov.rs/Evropa/Management/Isdacon/Reports/Show.aspx?Report=%2f_G_Reports%2f_G_DO_NATIONS%2f_R_OverviewOfInternationalAssistanceBySectors

SECTION 4: SECTOR-BASED APPROACH (QUESTION GROUPING 3)

Q.11 IS PROGRAMMING THROUGH A SECTORAL BASED APPROACH A SUITABLE, FEASIBLE & OPERATIONAL OPTION FOR FUTURE PROGRAMMING (MIPDS & NATIONAL PROGRAMMES)

The Serbian Government has begun preparation to introduce elements of sector wide approach. At the moment when the field assessment was conducted, there were 5 identified sectors and 5-Inter-sector working groups as it is shown in the Figure 4. During the finalisation of this report, the decision was made to have **eight inter-sector working groups**. Sectoral priorities and objectives are identified through the Gap Analysis and stakeholder involvement is introduced at the needs assessment stage.

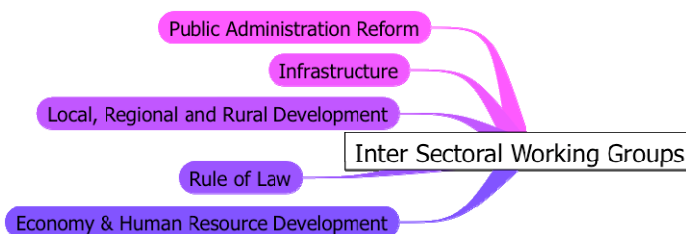


Figure 4: Five Intersectoral working groups

The Government response to the initiative of donors to introduce SWAp is to express concern about the resources required to make any dramatic changes. The SWAp approach advocated is fundamentally similar to the existing approach, but requires some reclassification in order that sector titles are harmonised across IPA accession countries. This is a major incentive for EU harmonisation, but brings little benefit to the Economy of Serbia. The Government have agreed to introduce SWAp carefully and slowly with existing resources, using the basis of existing sectors, and to gradually introduce a full sector wide approach across new sectors, building on the success and experience of three pilot sectors. The three pilot sectors for testing will be: Public Administration Reform, Environment; and Justice.

The existing multi-donor trust fund established by the World Bank and administered by the EU will support donor co-ordination to the Justice Sector and the existing sector “Rule of Law” will be renamed. It is envisaged that a consolidated Justice Sector Strategy will replace and consolidate the existing strategies that currently come under the broad umbrella of Rule of Law, and planning will become more focused as a result. A similar approach will be taken for Public Administration Reform as well as Environment. This is still somewhat short of the sectors advocated by the EU Delegation but the Project Preparation Unit will begin to operate with the new classifications for all sectors within the next planning round.

There is nothing incompatible regarding the National Development Plan and the EU’s Enlargement Policy or Serbia’s Accession / European Partnership and SAA and a Sector-Wide Approach. Rather, the Sector-Wide Approach will assist to ensure that programmes are more effective in implementing these documents.

It must be said that there is a great deal of confusion at Government and at Donor level regarding what is meant by a “Sector Wide Approach.” At planning level, within the Government of Serbia, the concept is well understood, but even amongst technical assistance teams, there is some doubt. Interviews with stakeholders on the subject often solicited the response, “What is the difference between what is being proposed and what we are doing now?” For the sake of clarity, we attempt to define the concept.

Sector-Wide Approach (SWAp) is an approach to [international development](#) that "brings together [governments](#), [donors](#) and other [stakeholders](#) within any sector. It is characterized by a set of operating principles rather than a specific package of policies or activities. The approach involves movement over time under government leadership towards: broadening policy dialogue; developing a single sector policy (that addresses private and public sector issues) and a common realistic expenditure program; common monitoring arrangements; and more coordinated procedures for funding and procurement." (*World Health Organization, World Health Report 2000*).

Another definition for SWAp is provided by Foster (2000:9) as: 'All significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across the sector, and progressing towards Government procedures to disburse and account for all funds.'

Strategic framework and links with sector wide approach

There is a criticism often voiced that Serbia has too many strategies and that programming would be more effective with less strategies and more implementation. **There are some 71 strategies adopted by government and many more that have a level of pseudo adoption.** As a result, it is argued that there is a tendency towards an uncoordinated approach from all parties.

The Needs Assessment Document is an attempt to consolidate the more important strategic documents. It is developed from:

- The National Strategy for Accession to the European Union;
- The National Integration Programme;
- The Sustainable Development Strategy;
- The Public Administration Reform Strategy;
- Priorities of the European Partnership;
- Other sector and inter-sector strategies.

In short, **the Needs Assessment is an attempt to bring some form of co-ordination to the various strategies in existence**, but the Needs Assessment itself is unwieldy document which is not readily accessible and user friendly. A **full sector based approach** would create **specific sectoral strategies that the donors would commit to** and which would tend to **bring the various actors into line with each other, creating synergy and increasing effectiveness.** This is an obvious goal, which most observers agree is worth achieving.

Findings

- The sector based approach is definitely a suitable option for future programming of the EU IPA assistance.
- There are already steps made in this direction by the Serbian Government, and the basis established should be further developed and improved to achieve best possible results.
- The SWAp is generally accepted as a feasible and operational option and the EU Delegation, the Government and other donors are already in the process of implementing with some enthusiasm.

The answer to the following question describes the level of progress towards a sector-based approach.

Q.12 TO WHAT EXTENT IS THE BENEFICIARY READY TO OPERATE A SHIFT TOWARDS A SECTOR BASED APPROACH IN ITS OWN STRATEGIES, AND IN PLANNING & PROGRAMMING SECTOR BASED ACTIONS & FINANCES?

The **pre-conditions for adequate implementation and monitoring are gradually being put in place with the introduction of the DIS** and the **existing monitoring and implementation systems**. DACU is responsible for preparing and monitoring sector strategies, while responsibilities have been allocated for the introduction of a sector-wide approach. DACU has established responsibilities under a SWAp structure and is gradually converting to a Sector-Wide Approach.

Sufficient management capacity exists to manage a sector wide approach, but it needs to be carefully introduced with the constraint of existing resources being a major factor. The Government has agreed to the indicative introduction of a sector-wide approach in three areas (Public Administration Reform; Justice and Environment) and gradual introduction of other sectors. The Project Preparation Facility has begun to adopt a wider range of sectors within programme development and the basis exists for identification of needs and constraints sector by sector. Annex 8 of this document provides an overview of the existing sector strategies and proposes an approach for the rapid development of sector strategies, which can then be linked to the MIPD.

SECTION 5: PROGRAMMING GAPS, WEAKNESSES & RECOMMENDATIONS (QUESTION GROUPING 4)

Q.13. WHICH ARE THE MAIN GAPS/ WEAKNESSES OF THE CURRENT PROGRAMMING FRAMEWORK?

The previous sections dealing with programming described the current status of programming, involvement of stakeholders and discussed the level to which objectives and indicators meet the SMART criteria. During the assessment phase, the following gaps/weaknesses have been observed:

- There is a **comprehensive dialogue between the beneficiary and the EU regarding the process of development of the MIPD**. The **MIPD document itself is a rolling three-year strategic framework, which is considered by many observers as too complex a mechanism**. The objectives of the MIPD have varied little from year to year. In a comparison between successive MIPDs, we can see that MIPD 2007-2009 and MIPD 2008-2010 have 25 objectives; while MIPD for 2009-2011 has 30 objectives (See Annex 2 for further analysis of the MIPD documents). This suggests a desire to improve the SMARTness of the objectives. Also, it is important to note that in the current programming year, 38 project fiches have been developed in advance of the MIPD and the project fiches are in fact driving the MIPD, even though it should be other way around. The delay in decision on the National Programme 2011 may bring difficulties to responding to the development priorities of the country.
- The **procedure for identifying needs with relation to the EU integration and national objectives is robust but not particularly efficient**. The 350 page book which represents the **Needs Assessment of the Republic of Serbia is a comprehensive document, but it is not a useful tool in conveying the message far beyond the programming community**, and therefore the transparency of it is an issue with donors and wider stakeholders, which could result in a lack of sense of direction.
- The **ISDAICON database**, which is used for transparency and as a donor co-ordination tool, **is generally criticised as not being user-friendly**. Still, **it provides sufficient information and further work on improving its accessibility will bring great benefits** to potential users.
- The **vast number of strategies**, which are incorporated into the Needs Assessment, **is criticised by many as unwieldy and possibly unnecessarily bureaucratic**. However, these strategies are prepared in order to gain access to government budgets and are based on long standing procedures of the Serbian government rather than on a mechanism to meet EU requirements. The **Needs Assessment is an effort to harmonise traditional procedures with the demands of meeting EU accession requirements**. In fact, the priorities of the country and the requirements for EU accession are generally agreed to be in harmony, but the effort to marry together embedded procedures and EU accession best practice seems to have led to a somewhat bureaucratic set of procedures. In fact, there is a strong willingness to comply with the wishes of the Delegation, but the introduction of SWAp is widely regarded as a further burden on reporting requirements rather than a simplification.
- Each **project fiche refers to the strategies which are relevant for or support the respective project intervention**. This means that each fiche explains its accordance with the MIPD, the Needs Assessment and several individual strategies. This is a diligent approach to the preparation of fiches. It is possibly unnecessarily bureaucratic, since if all these strategic documents are in harmony, then it should be necessary only to refer to one document and

automatic compliance would be assured. There is a potential that such weakness may cause a culture whereby the programming task is seen as compliance with procedures rather than solving of problems.

- The **ROM reports indicate some discrepancies with regard to lack of SMART indicators in project fiches in previous years** but the quality of indicators in current years fiches is improving, partially due to the technical assistance Project Preparation Facility. The Project Preparation Facility acts as a technical assistance in upgrading the quality of proposals, but also as capacity building tools for the government institutions. Nevertheless, **it is important to ensure that the Project Preparation Facility upgrades the skills of relevant ministries in order to avoid situation for it to be a substitute for building in-house capacity**, recruiting and training additional staff.
- The introduction of a full sector-wide approach will **lead to consolidation of strategies under their appropriate sector headings and the simplification of the needs assessment**. This will, in turn, lead to improved transparency and therefore a more co-ordinated approach to implementation.

Q.14. HOW CAN PROGRAMMING OF ASSISTANCE BE ENHANCED TO MORE EFFICIENTLY AND EFFECTIVELY REACH STRATEGIC OBJECTIVES?

Programming process and capacities of Government for programming

Programming of assistance is functioning in an orderly manner, but with certain room for improvement in the area of strengthening the logical framework at all levels in the programming hierarchy. Improvements are visible in tightening the logical framework in terms of introducing SMART objectives and indicators, as it is shown in the latest MIPD and project fiches. These improvements may be the result of both more experience in programming on the side of the Serbian Government, but also as outputs of the work of the Project Preparation Facility, which works together with the DACU to produce high quality programmes. Thanks to efforts to build capacities within the DACU, it may be concluded that **the DACU is an effective unit**.

The current round of programming was started early with a Call for proposals from line ministries which has resulted in all **project fiches being ready in advance of the MIPD**. It seems that project proposals from line ministries need substantial upgrading by DACU and by the Project Preparation Facility in spite of extensive training by the PPF. This may point to a **risk of “Technical Assistance dependency” since DACU is constrained in recruiting additional high quality staff, but also due to lack of capacities in government institutions to submit the good quality proposals**. The Project Preparation Facility is an intensive operation, which has substantial output as well as managing the process of gap analysis, prioritisation and selection of projects, but unless it works towards **extensive capacity building of government staff in charge of programming**, it may not provide sustainability. That is why; the exit route for PPF should be addressed through an extremely gradual withdrawal of support to oversight, with extensive capacity building component for government officials.

DACU/CFCU and other relevant staff within the SEIO and the Ministry of Finance are trained in Project cycle management (PCM), and have built their capacities to develop projects and programmes. Training is further implemented downstream to line ministries in accordance with a Training Plan of the Public Administration of the Human Resources Office. In addition, a Train the Trainer Programme for Civil Servants has been completed resulting in a number of staff trained to deliver training in programming and project development. **With expansion of staff, it is necessary to continue to deliver training downstream to line ministries in order to maximise sustainability**.

Sectoral approach

There are general differences of opinions in Serbia on the sectoral approach, especially in terms of criteria for selection of eligible sectors for this approach. Nevertheless, **introducing sectoral approach in programming may facilitate the efforts to channel assistance in priority areas with clear objectives and indicators that will also meet the SMART criteria** and assist the country development.

Q.15. HOW CAN PROGRAMMING OF ASSISTANCE BE ENHANCED TO IMPROVE THE IMPACT AND SUSTAINABILITY OF FINANCIAL ASSISTANCE?

The **functional programming system with Government leadership and a fairly satisfactory sequencing of projects of importance for the country** contribute to a large extent to **sustainability of assistance and its positive impact**. Still, there is **room for improvement**, especially in a) the area of **further capacity building of relevant government institutions** in the area of **programming**, b) **inclusion of stakeholders from civil society**, c) **strengthening the quality assurance mechanisms** in the entire cycle of assistance programming and implementation; and d) **ongoing efforts in improving the Needs Assessment and ISDACON**.

Capacity building of government institutions in the area of programming

The issue of weak projects coming for further improvements to DACU and PPF has already been discussed. In the short term, fast improvement of projects by DACU and PPF complies with efficiency in meeting tight deadlines, but **in the long term may be contradictory to the efforts to transfer the full responsibility for programming to the Serbian government** with Decentralised Implementation System (DIS). Therefore, **investment in capacity building**, especially “learning by doing” approach, **may significantly improve the programming and contribute to sustainability**.

A **standard procedure is in place for allocation of funds in the state budgetary system to ensure sustainability of projects**. However, further efforts should be invested in terms of sharing the understanding of **Principles of Additionality**, as a concept that all projects should be initiated by the Government of Serbia against the needs of the country, with the **recognition that the Government should pay for the assistance** but may ask for co-funding. This suggests that, at present, there is a tendency to initiate projects because someone else is paying for them and that projects are requested which would not be considered if there was no donor willing to support.

Inclusion of stakeholders from civil society

Eight inter-sector working groups are in place, each consisting of representatives from line ministries and other relevant national institutions. Consultations with civil society representatives are organised within the programming process. Projects are allocated between the existing sectors and are presented to the inter-sector working groups who are involved in the prioritisation and selection of the eventual projects. Stakeholders are involved in the preparation of individual strategies, but the process will be more efficient if they are involved in the development of overarching sectoral strategies.

It has been suggested that a **sector-wide approach will create more involvement by civil society and stakeholders in discussions**. The sector wide approach would involve civil society at strategy level and would in theory lead to strategies, which had more ownership by the stakeholders. Also, sector wide approach will tend to involve civil society and stakeholders at a more strategic sectoral level. Consolidation of the 71 individual strategies into specific sectoral strategies will be more efficient with stronger involvement of stakeholders as well.

This suggestion has been strongly contested by DACU and NIPAC however who claim that civil society organisations and stakeholders are involved at the level of development of the individual strategies and are involved in the existing Inter-sector working groups. It is acknowledged that there would be greater participation under a full sector-wide approach, but it is denied that there is a lack of involvement under the present system. Nevertheless, the **involvement of relevant civil society actors in programming under sector wide approach may significantly improve sustainability prospects**, but also **their involvement may increase the impact of interventions**.

Further strengthening the quality assurance mechanisms in the entire cycle of assistance programming and implementation

Quality assurance mechanisms that are built in the programming system (DACU technical appraisal and evaluation of project concepts according to the pre-set evaluation grids) **explicitly take into account the impact** (relation between the different levels of objectives and expected effects of project deliverables) **and mechanisms incorporated in the Project design** in order **to ensure the sustainability after Project is terminated**. This approach should be further strengthened including also strong monitoring and evaluation components, which may assist in timely manner the improvement of projects. This will further result in better focus on results and their impact.

Ongoing efforts in improving the Needs Assessment and ISDACON.

As an annual programme, the needs analysis document is complemented by an annual action plan delivered by DACU. The extensive needs analysis document is condensed to a presentation, which is delivered to beneficiaries along with the request for proposals. **Proposals are initiated by line ministries** and beneficiaries who are supported in their development by DACU and by the Project Preparation Facility. The Action Plan requires involvement of beneficiary institutions in all phases of priority definition, project identification and formulation, and procedures are clear. Stakeholder discussions, including various national relevant stakeholders as well as donor community are required and implemented as a procedural requirement.

The **ongoing efforts to improve the Needs Assessment as basis for programming will definitely lead to stronger focus on real needs in the country**, which will further improve the channelling of assistance in the best manner.

The **improvements in the ISDACON database to make it more accessible will increase its use**, which eventually may bring to less overlaps in interventions by different donors.

SECTION 6: ADMINISTRATIVE & MONITORING CAPACITY (QUESTION GROUPING 5)

Q.16. ARE THE ADMINISTRATIVE AND OPERATIONAL STRUCTURES IN PLACE ENSURING EFFICIENT AND EFFECTIVE IMPLEMENTATION OF FINANCIAL ASSISTANCE?

The Organigram on the following page (figure 5) describes the administrative structure for IPA TAIB, which has been established to deal with efficient and effective implementation of financial assistance.

Institutional Structures in Place

The Government established a Decentralised Implementation System (DIS) roadmap in January 2008 (up-dated in November 2008); while a respective Strategy for the preparation of DIS accreditation has been prepared in April 2008. All key stakeholders regarding DIS on the side of the Serbian administration have been appointed (Competent Authorising Officer-CAO, NIPAC, National Authorising Officer-NAO). Some progress has also been made in establishing the basis for the "DIS Operating Structures". The systematization of the Ministry of Finance, taking effect from 5th February 2009, incorporates National Fund and Central Financing and Contracting Unit as new Departments in Ministry of Finance headed by assistant ministers. Also, adequate structures for programming in line ministries have been set up within the DIS establishment process. The organigram on the following page describes the institutions and departments and the tasks that they do.

The institutional and operational structure is in place to ensure effective implementation of financial assistance, but it is rather short of resources to carry out the task as required. NIPAC and DACU are functional but they are in need of additional resources, primarily the staff. CFCU, NAO and the National Fund need substantial additional resources, particularly additional staff, in order that they may function properly. This constraint, caused by an International Monetary Fund (IMF) requirement that Government reduce the size of the public sector is a barrier to the entire concept of a decentralised implementation system and has the ability to render unsustainable much of the technical assistance that is currently being implemented.

IPA TAIB Administrative Structure for Serbia

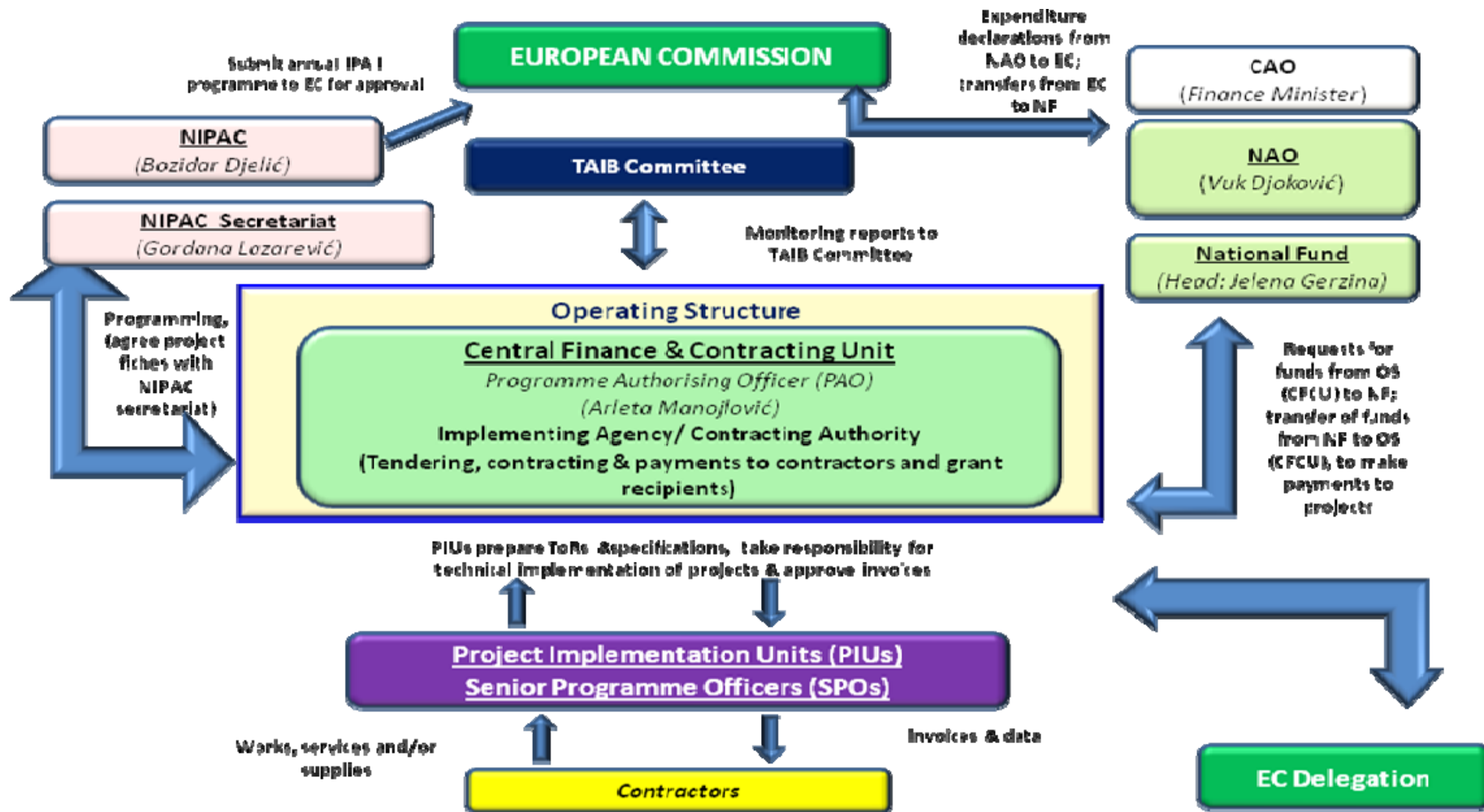


Figure 5: Administrative Structure for Managing EU Funds

Staff capacities within Government

Currently, DACU is assisted by the Project Preparation Facility, a technical assistance project funded by IPA, but eventually, the capacity and responsibility needs to be transferred completely to DACU. Currently all staff of DACU have been trained to a high standard and are extremely capable, but high calibre recruits must augment the present staff. This is a serious problem, which needs to be addressed at the highest level.

Staffing for management and monitoring is a serious problem. All departments are on minimum staff due to the restrictions on public sector employees imposed by the IMF. As the Decentralised Implementation System (DIS) moves towards accreditation, **there is a serious lack of personnel to operate the system and the road map for implementation of the DIS is unlikely to be achieved.** The required number of additional employees is anecdotal and difficult to calculate since the volume of activity if Serbia should become a candidate country is difficult to estimate. Mrs. Gordana Lazarovic (Assistant Minister – Ministry of Finance) has indicated her estimate that 170 additional people are required, and it has been suggested that 300 people are employed in programming and monitoring of projects in Croatia. At the moment, there are approximately 20 people involved in the process in Serbia, and supported by technical assistance.

However, recruitment is not the only issue. The additional staff required will need to have a technical capability to handle more complex tasks that are generally carried out by staff at the Ministry of Finance. This suggests that higher salaries will be needed. An indicator of this is the fact that the CFCU advertised internally for extra staff and did not receive a single application. External advertisement was not possible due to restrictions on hiring.

In addition to the above, a further issue is the retention policy needed to keep and to motivate the new staff. As skills are upgraded, there is a current tendency for good staff to leave the Ministry to work with donors and consulting companies. Since the DIS is not functioning presently, the additional staff needs to be recruited quickly in order to benefit from the current technical assistance or the goal of accreditation will not be achieved. This also means that staff will be hired without a job to do until accreditation is achieved, which means they will be effectively in training for around 18 months. This is unlikely to motivate and there is likely to be some organisational shock when the trainees are required to implement their tasks.

It has been suggested by some, that a phasing in of accreditation would be an appropriate way to motivate staff, but this appears not to be possible and has been rejected. This seems unfortunate in the light of the introduction of a sector-wide approach as it is hailed by some as a short-cut to decentralisation.

Findings

- In general, there **are mechanisms to ensure efficiency and effectiveness of assistance**
- The **DIS structures are established**, but **there is an issue with adequate staffing to fulfil the needs for administrative and monitoring tasks**

Q.16.A. TO WHAT EXTENT ARE THE MONITORING MECHANISMS AND STRUCTURES APPROPRIATE AND CORRECTLY FUNCTIONING?

Results Oriented Monitoring (ROM) System

At implementation level, monitoring of IPA projects is currently carried out by a technical assistance contractor on a regional basis, namely the Results Oriented Monitoring Office (ROM). Each project is monitored twice (once at the end of the Inception Phase and once later in the timeframe). The

procedure is standardised down to a three page report, and these can be summarised on a spreadsheet. The reports assess each project for Relevance and Quality, Efficiency, Effectiveness, Impact and Sustainability. Of the 43 IPA monitoring reports available, none have scored lower than C in any category with B being the predominant score. This suggests that **all projects are highly satisfactory in all areas where reading the text suggests that some projects have deficiencies.**

Until recently, the ROM reports were not issued back to NIPAC or DACU, so it has not been possible to use feedback from these reports to learn lessons for ongoing assistance nor as a potential input for future programming. Since all monitoring reports indicate that projects are satisfactory, they are of limited value in learning lessons, but an examination of the reports suggests some defects, such as log frames missing in some cases and lack of SMART indicators. It would seem likely that if these reports had been consistently delivered back to the programming facility, then this problem might have been highlighted and could have resulted in better programming. However, **this problem has recently been addressed and ROM reports are delivered to NIPAC and DACU by the DEU, as a practice that has recently started.** If it had been done earlier, then it would have highlighted the fact that SMART indicators were not always evident and this would have impacted ongoing assistance but also further programming. **The practice of systematic reflection on reports is crucial both for improvement of projects, but also for capacity building of government institutions** in charge of programming and monitoring.

Monitoring mechanisms and structures in the Government of Republic of Serbia

The Commission for Programming and Management of EU Funds and Development Assistance established by the Serbian government adopted an **“Aid Effectiveness Agenda” in 2008** for the **purpose of monitoring effectiveness of all donor assistance.** The Agenda identified planning goals, which are the subject of monitoring procedures. In 2007, the Ministry of Finance introduced an instrument for monitoring the efficiency of international aid in general, and as a result, 2007 is taken as the base year for measurement. In 2008, the DACU initiated research to establish initial baseline values, which will assist to a large extent future monitoring of assistance. Also, the Serbian government has worked extensively on establishment of the DIS system and appointment of relevant DIS structures that are needed for efficient and effective implementation of the EU assistance programmes in the country. However, so far the Governmental structures have not succeeded in establishment of strong monitoring and evaluation system for the EU IPA assistance, and this is a recognised need, however due to staff shortages in the government authorities, there has been a difficulty in gradual phasing out of technical assistance, or even training in monitoring procedures.

Findings

- ☒ The ROM **monitoring mechanism provides a lot of information on the quality of projects and the implementation of assistance at the level of projects.**
- ☒ However, **these monitoring reports have not been used sufficiently to inform programming and no systematic approach has been applied to use the information** for making more comprehensive conclusions for the level of national programmes or assistance itself on annual basis.
- ☒ **Monitoring of projects** needs to be **strengthened, especially in terms of reflection on projects that may serve to strengthen ongoing assistance, incorporation of lessons learnt and best practices.**
- ☒ **The Monitoring structures and mechanisms at the level of Government of Republic of Serbia are at the initial stage of establishment and the monitoring capacities are currently very low.**

SECTION 7: EFFICIENCY & EFFECTIVENESS (QUESTION GROUPING 6)

Q.17. TO WHAT EXTENT ONGOING IPA FINANCIAL ASSISTANCE HAS/ IS CONTRIBUTING TO ACHIEVING STRATEGIC OBJECTIVES/ PRIORITIES LINKED TO ACCESSION PREPARATION?

At Programming Level

Programs have been generally well focused on the **accession priorities** established in the strategic documents. Much assistance is aimed at general objectives of institutional strengthening and other *soft acquis* requirements necessary to enable the main objectives. Attention has been given to increasing management and absorption capacities which have been seen as a substantial barrier to effective delivery of assistance.

The following Table 8 provides a breakdown of programme allocation year by year by sector.

Table 8: Programme allocations per year and per sector

Programmes	Data	2007	2008	2009	2010	Total
Economy & Human Resource Development	Qty.	3	10	2	8	23
	€	17,500,000	34,000,000	9,500,000	67,000,000	128,000,000
Infrastructure Development	Qty.	7	9	3	6	25
	€	39,500,000	34,500,000	36,000,000	92,160,000	202,160,000
Local, Regional & Rural Development	Qty.	4	4	1	4	13
	€	48,500,000	53,800,000	7,000,000	52,900,000	162,000,000
Public Administration Reform	Qty.	18	11	1	5	35
	€	48,830,000	37,600,000	6,600,000	15,700,000	106,730,000
Rule of Law	No	5	3	1	5	13
	€	12,500,000	8,500,000	2,500,000	25,000,000	48,500,000
Total	Qty.	37	37	8	28	110
	€	164,830,000	168,400,000	61,600,000	252,760,000	647,590,000

There has been a **tendency towards infrastructure funding**, which has been criticised by some as a mechanism for expending large sums of money with lesser effort. Others have suggested that this relates to stronger capacity within the transport sector to produce credible proposals. These comments have been strongly argued by the Project Preparation Facility, DACU and others who point to the strategic bias towards infrastructure. It is suggested that **lack of absorption capacity within institutions has caused some projects to be rejected** and much of this **relates to restrictions on staffing levels in public sector institutions which affects the absorption capacity, impact and sustainability of project proposals** causing them to be rejected.

It is clear that gaps existed in the overall programme as is evidenced by the gap assessment. Upon the gap assessment, action has been taken to fill in the recognised gaps in the assistance in order to meet the strategic objectives and priorities linked to accession preparation.

Table 9: Number of Projects

Criteria	Year	Economy & Human Resource Development	Infrastructure Development	Local, Regional & Rural Development	Public Administration Reform	Rule of Law	Total
Political	2007	1		1	5	5	12
	2008	6		1	5	2	14
	Void	3			7	3	13
	2010	1	1		3	1	6
Political Total		11	1	2	20	11	42
Socio-Economic	2007	2	3	2	4		11
	2008	4	1		1		6
	2009	1	1		1		3
	Void	6		1	1		8
	2010	5	1	1	1		8
Socio-Economic Total		18	6	4	8		36
EU Alignment	2007		4	1	9		14
	2008		8	3	5	1	17
	2009	1	2	1		1	5
	Void	7	5	2	9	12	35
	2010	2	4	3	1	4	14
EU Alignment Total		10	23	10	24	18	85
Total		39	30	16	52	29	166

Source: Project Preparation Facility GAP Analysis

Table 10: Value of Projects

Criteria	Year	Economy & Human Resource Development	Infrastructure Development	Local, Regional & Rural Development	Public Administration Reform	Rule of Law	Total
Political	2007	10,000,000		22,000,000	12,000,000	12,500,000	58,500,000
	2008	23,000,000		45,000,000	14,200,000	7,000,000	89,200,000
	Void	0			0	0	0
	2010	12,500,000	15,200,000		8,000,000	6,000,000	41,700,000
Political Total		45,500,000	15,200,000	67,000,000	34,200,000	25,500,000	187,400,000
Socio-Economic	2007	7,500,000	26,500,000	22,000,000	15,000,000		71,000,000
	2008	11,000,000	11,000,000		7,500,000		29,500,000
	2009	7,000,000	30,000,000		6,600,000		43,800,000

		00					
	Void	0			0		0
	2010	50,000,000	38,000,000	40,000,000	4,100,000		132,100,000
Socio-Economic Total		75,500,000	105,500,000	62,000,000	33,200,000	0	276,200,000
EU Alignment	2007		13,000,000	4,500,000	19,830,000		37,330,000
	2008		23,500,000	8,800,000	15,900,000	1,500,000	49,700,000
	2009	2,500,000	6,000,000	7,000,000		2,500,000	18,000
	Void		0	0	0	0	000
	2010	4,500,000	38,960,000	12,900,000	3,600,000	19,000,000	78,960,000
EU Alignment Total		7,000,000	81,480,000	33,200,000	39,330,000	23,000,000	183,990,000
Total		128,000,000	202,160,000	162,200,000	106,730,000	48,500,000	647,590,000

Source: Project Preparation Facility GAP Analysis

The rigorous gap analysis and selection procedures adopted indicate that in general, **the funds have been well allocated**. There seems no doubt that **programmes have been engineered to the budget**, however, **rather than the budget being based on needs**. Fund allocations tend to be based on previous years funding and IPA funding is based on previous CARDS allocations rather than any attempt to quantify the needs first. In addition to this, the rather non-SMART indicators of the MIPD make it difficult to assess whether the objectives have been achieved according to the standards of the authors of the MIPD.

At Implementing Level

Processing of projects appears to have been carried out efficiently. From the 43 projects assessed for the purpose of this evaluation, the average gap between financing agreement and start date is mostly less than 10 days with an average of 11 days and a maximum of 56 days, as it may be seen in the Figure 6.

Max	56
0 -10	27
10-20	6
20-30	3
30-40	1
40-50	5
50-60	1
Total	43
Average	11

Figure 6: Days from Financing Agreement to Start date of monitored projects

According to an analysis of the ROM Project Monitoring Reports, the assessment of 45 projects monitored at least once by the ROM indicated that all of them scored above an acceptable level for relevance (i.e. were contributing towards strategic objectives of EU Accession) and that 80% were above acceptable and 18% scored maximum relevance. The Figure 7 provides an overview of the projects as per ROM rating.

With regard to monitoring, all projects are monitored within 2 months of starting, and that they are then monitored a second time around half way through implementation. This appears to be regarded as the expected standard.

	Relevance	Efficiency	Effectiveness	Impact	Sustainability
No of A	8	3	1	3	1
No of B	36	36	38	41	41
No of C	1	6	6	1	3
No of D	0	0	0	0	0
No of E	0	0	0	0	0
No. of Projects	45	45	45	45	45

Figure 7: Grading of Monitored Projects

Comparison of dates between start of projects suggests that the initial monitoring is carried out later than expected with the first monitoring taking place on average of 216 days after the start date of the project, as it may be seen in the Figure 8. This makes assessment of the performance of IPA projects difficult and premature, since only 43 projects have been monitored once and only 2 have been monitored a second time. The effect of this, apart from the fact that all projects monitored (without exception) have achieved an acceptable monitoring score, is **that there is insufficient time for realignment of the project in the event of defects being uncovered.**

Figure 8: Days from Start of Project to 1st Monitoring

Max	475
0-90	2
91-170	19
171-250	4
251-330	5
331-410	10
411-490	3
Total	43

While all projects **receive an acceptable monitoring result**, there are **indications of issues and problems contained within the texts of the reports, which are not reflected completely in the scores.** In particular, where issues of sustainability are concerned, it is important to raise the issue as early as possible.

In terms of the projects being likely to achieve their project purpose, a grey area appears, since the tendency is to monitor the likelihood to achieve the project objective, which does not necessarily mean that it will achieve its purpose.

Q.18. ARE THERE ANY POTENTIAL ACTIONS, WHICH WOULD IMPROVE THE EFFICIENCY & EFFECTIVENESS OF ONGOING ASSISTANCE?

The IPA assistance in the Republic of Serbia has been rather functional and stable since the beginning. Still, there is room for improvement and further strengthening of the processes and functions. The assessment of the ongoing assistance points to the following actions to improve efficiency and effectiveness:

- **Programme managing procedures are well defined** within DACU, and they **include a mechanism for selection based on evaluation results included in the procedure**. Procedure has been introduced based on DAC OSCE Evaluation Criteria. The forms have all been checked and counted for 2010 and it is clear that **all projects presented have been evaluated diligently for impact and effectiveness**. This procedure has been introduced through an Action Plan in 2008 as well as a procedure for evaluation and project selection. It will lead to more efficient and effective programmes in future. Continuing with such practice and introducing new elements to it will surely bring positive results in the upcoming period.
- From the projects monitored so far, it appears that **there is some doubt that 5 of the 43 (less than 9%) projects monitored will achieve their expected results**. These are the **same projects where there is some questions relating to sustainability** and reflect the possibility that some questionable projects have, in the past, avoided rejection during the selection process. **Well-defined conditions in the programming of future projects will certainly minimise the risk of them not achieving their results**. Where issues are **flagged**, in a monitoring report, **regarding achieving expected results**, this **should be the subject of an ex-post evaluation and early action to assess whether conditions have been broken**, or were never imposed.
In addition, the question of achievability should be considered at the project tendering stage. If projects are monitored within two months of starting, then it will be possible to take corrective action in the early stages of implementation.
- The random selection of 20 IPA projects demonstrated an average time from publication notice to contract award of 346 days with the minimum time of 196 days and a maximum time of 547 days. It is difficult to pass judgement on this because diligence is a trade off against efficiency, but **attention could be given to streamlining the process**, so that the **benefit is not lost through over-bureaucratic procedures**. In terms of date of financing agreement to start date, the average was 11 days. Most started within 10 days of the financing agreement although one took 56 days. This is a good practice that should be continued.
- In order to improve efficiency, there have been many comments about **lack of capacity at the level of line ministry** and there is a temptation to recommend further training. Efficiency is regarded as satisfactory, and concerns centre on the quantity of suitably trained staff, and the issue well documented throughout this report of the need to address the problem of recruitment and staff retention within implementing institutions. It is assessed, that the existing staff are more than capable of training new staff if the recruitment issues can be resolved.

SECTION 8: IMPACT & SUSTAINABILITY (QUESTION GROUPING 7)

Q.19. WHICH ARE THE PROSPECTS FOR IMMEDIATE AND LONG-TERM IMPACT AND SUSTAINABILITY OF ASSISTANCE? ARE THERE ANY ELEMENTS WHICH ARE/ COULD HAMPER THE IMPACT AND/ OR SUSTAINABILITY OF ASSISTANCE?

During the evaluation process, 40 projects monitored by ROM were assessed for sustainability and 43 for the likeliness to be achieved. Analysis of the text of the ROM Monitoring reports indicates that of the 40 projects monitored 33 are judged to be sustainable. One project is judged to be unsustainable and 6 may be sustainable (Figure 9). This is a strong result in respect of both impact and sustainability, but there is room for improvement.

In general, four conditions are necessary to ensure sustainability:

- Awareness of sustainability factors at programming level
- Commitment to on-going support by the beneficiary;
- Allocation of funds for continuation;
- Adequate staffing of beneficiary institutions

Likely to be Achieved		Judged Sustainable	
Yes	38	Yes	33
No	0	No	1
Maybe	5	Maybe	6
Total	43	Total	40
Yes %	88%	Yes %	83%
No %	0%	No %	3%
Maybe %	12%	Maybe %	15%
Total %	100%	Total	100%

Figure 9: Assessment of Achievability from ROM Reports

Awareness of Sustainability factors at programming level

Of the project that was judged unsustainable (1 on the above list) by the ROM Report, it is further commented that the project is over-ambitious and this reflects poor judgement at programming and project selection level.

Of the projects where staffing levels are inadequate, or there is lack of funding for continuation; it reflects the possibility that there is either:

- Defect on the part of the beneficiary;
- A failure to obtain commitment to sustainability at the point of agreement with the beneficiary;
- A lack of awareness of sustainability issues at the programming level

In all cases, it is a serious omission. The first is an issue, which reflects lack of respect for the support provided. The other two reflect weak discipline within the programming function. Strong discipline must be enforced at the point of project selection to ensure that the necessary commitments are made before the project is approved.

Commitment to on-going support by the beneficiary

It is a recognised fact that projects, which are embedded in the national strategies of the country, have a better record of sustainability through on-going commitment from the beneficiary. It appears from examination of the project fiches that there is 100% mentioning of the various official strategies that exist in Serbia. However, the large number of strategies dilutes the impact of this form of reporting, since programmers have a tendency to simply relate projects to the list of strategies for the sake of compliance. Projects clearly targeted at the delivery of a national strategy will tend to be more sustainable and the few unsustainable projects can be eliminated by stronger control at the selection stage.

It is further recognised that programmes have a higher impact and are more sustainable when the beneficiary has had a strong part in the preparation of a project. Stakeholder involvement can be forgotten when time constraints affect the programming function.

This fact is recognised within the Needs Assessment and the monitoring procedures provide for measurement of involvement of line ministries in preparation of the projects. The base level when the system was established revealed that line ministries registered 117 out of 242 (48% of all projects – not just IPA) projects in the ISDACON system. This relates to €591,081,320 or 68% of total allocation. The Needs Analysis views this as a positive level and suggests a positive trend whereby the level of line ministry participation is being driven upward by pressure and training.

Allocation of funds for continuation

Sustainability of outcomes is often subject to the *financing of its follow up*. In the majority of cases the financial sustainability of projects after their completion depend essentially on State budget allocations, but sometimes further EU financing or other donors' assistance is deemed necessary.

The comments from the ROM reports indicate that there are instances where the beneficiary is prepared to walk away from a project as soon as assistance is finished. This places serious threat to sustainability of the projects but also asks for stronger commitment of all involved parties for success and sustainability of a project in focus.

The evaluation established that on-going funds are allocated in the budgeting process for all projects. Where there is clearly uncertainty that these funds have been provided, it must be assumed that:

- Funds have been re-allocated;
- Funds were never allocated in the first place.

In either case, there is a defect in the approval process.

Adequate Staffing for Beneficiary Institutions

Sustainability of a number of programmes is potentially jeopardized by serious problems with *staffing and staff retention* in the public administration. This affects two kinds of projects:

- Projects aimed at building / strengthening beneficiaries' capacity, whose success involve the recruitment of new staff. In this case, the *shortage of staff* is a stumbling block for the proper execution of the project and may ultimately determine its failure.
- Initiatives that involved the training of internal personnel of beneficiary administrations with a view to the undertaking of specialized tasks, or in general the upgrading of skills and competences. Issues with the *retention of trained staff* may *de facto* frustrate the efforts deployed.

The final three of the list from the ROM Reports indicate issues regarding staffing levels. While commitment should have been obtained from the beneficiaries to adequate staffing, the issues related to staffing levels within the public sector have been well documented already in this report. Staff cuts imposed by the IMF may provide the beneficiary with no option, but the implications for project sustainability must be considered.

The serious staffing issues within the IPA institutional structure present a sustainability risk to the entire IPA programme; this is a matter that cannot be taken lightly. This relates to quantity and quality of staffing levels.

Monitoring of projects in terms of likelihood to be achieved

The results of monitoring to date of 43 projects indicate that 38 (88%) out of the 43 are likely to be achieved within the time frame, and that there are 5 where there is an indication of doubt. It should be pointed out that most of these monitoring reports are prepared after the inception phase, and it would be expected at the beginning of the project that a result would be achieved (otherwise, the project should be stopped). Only 2 projects have reached the stage of the second monitoring round.

Q.20. ARE THERE ANY POTENTIAL ACTIONS WHICH WOULD IMPROVE PROSPECTS FOR IMPACT AND SUSTAINABILITY OF ON-GOING ASSISTANCE?

Main findings and actions likely to improve prospects for impact and sustainability of on-going assistance would be as follows:

- The **sector wide approach will in itself introduce better prospects for impact and sustainability** by developing sector-wide ownership of projects at stakeholder level.
- A **greater awareness of the principles of additionality will help to create ownership**. By this we mean that projects should be identified and costs estimated as if they will be financed from the National Budget and funding gaps should be plugged through donor assistance. The tendency towards projects, which are fully externally funded, provides ownership by the funder rather than by the beneficiary.
- **Stronger commitment to the success and sustainability of the project must be ensured early in the programming and/or in setting up the projects.**
- It is extremely important that **staffing levels within the departments of the Ministry of Finance are raised to appropriate levels to reduce the dependency on technical assistance** in order to enable the technical assistance to be phased out. Presently, the technical assistance projects are regarded as extra staff and while staff levels are reduced, there is no possibility to foresee dependency reducing.
- **Stronger discipline at the point of project selection will help to identify sustainability issues** and to secure strong commitment from the beneficiary to on-going support before the project is approved.
- **Identification of embeddedness in national strategies will help to ensure sustainability** as well as **transparency of allocation of future funding within the national budget will help**. Further to this, the **current trend of greater involvement of the beneficiary within the programming process will contribute to impact and sustainability.**

III. CONCLUSIONS

QUESTION GROUPING 1 - PROGRAMMING AND INTERVENTION LOGIC

The **commitments taken by Republic of Serbia in the perspective of EU accession** - which are those to be supported by IPA – **are to a large extent integrated into a national strategic framework**, that is composed of the National Strategy for Accession to the European Union; The National Integration Programme; The Sustainable Development Strategy; The Public Administration Reform Strategy; Priorities of the European Partnership and some 71 individual strategies. The IPA TAIB Programming of assistance takes full account of the needs and priorities of the state, that are outlined in the Needs Assessment of the Republic of Serbia (Multi-Annual) and an Annual Action Plan, which is used as a reference document for donors and actors in the development and EU integration processes in the country. Serbian government is fully involved in the programming of assistance, and the strategic framework for IPA assistance, primarily the MIPD is prepared jointly by the EC and the Serbian Government.

Programming is effective and targets unmet gaps in the needs of pre-accession objectives through rigorous and careful analysis of the requirements. The programming documents, primarily MIPD have rather **broad objectives**, but efforts towards strengthening and focusing the objectives either by further elaboration of strategic choices and specific actions or focusing the objective itself have brought positive improvements in the SMARTness of the objectives. The project fiches have stronger objectives.

Projects are selected using a strong process whereby inter-sector working groups are informed of priorities and compliance guidelines before selecting from a pool of project options. Selection and prioritisation uses DAC 5 evaluation criteria.

Assessment of financing requirements of the MIFF is based on previous allocations under the CARDS programme rather than a rigorous assessment of the needs of the country and as a result, programmes are designed to fit the available budget rather than the concept of the budget being designed to meet needs. There is no clear evidence of financing being inadequate and there is some benefit in the self-regulating mechanism of budget limitation, which prevents weaker projects being accepted.

The mechanism for prioritisation and sequencing is robust and strongly implemented.

The harmonisation between IPA objectives and the beneficiary's policies is good although **some adjustment will be needed to co-ordinate with the planned sector based approach.**

The **use of SMART indicators** at the level of **project fiches is identified as a weaker area** where **indicators fall short of SMART in 23% of projects** monitored and **are doubtful in a further 30%** of projects. This means that **only 47% of projects can truly be said to use SMART indicators.** This is a low figure since it has been taken at the level of monitoring reports. At the level of project fiche, there is an opportunity to correct the problem during the ToR preparation process and again during the proposal selection process. There is an opportunity to correct the defect during the inception phase, and this highlights a lack of feedback of the problem through the monitoring process to the programme designers and programme managers. This defect has been identified and monitoring reports are now fed back to DACU. More discipline in this area is needed.

Donor co-ordination is good with donors participating on inter-sector working groups. A **formal system is evident** whereby all **project proposals are available on the ISDACON on-line database.** The DACU website is comprehensive containing the Needs Assessment and all planning documents and providing the route to the database where all projects are lodged. The **ISDACON database is**

useful, but it cannot be described as **user-friendly**. The trade-off between completeness and user-friendliness has proved a **barrier to the usefulness of the database** and simplifying it will lead to greater coordination and harmony of the approach of the various stakeholders.

QUESTION GROUPING 2 – ADMINISTRATIVE AND MONITORING CAPACITY

The Serbian government has **established administrative structures to manage the operation of a decentralised implementation system** (DIS). Serbia is aiming at achieving all necessary requirements (according to the DIS Roadmap) for DIS accreditation by the end of 2011, but this is subject to a **major caveat regarding primarily human resources**.

Monitoring of projects is carried out by the regional Results Oriented Monitoring Office (ROM) and also by the Delegation itself at programme and project level. The ROM reports to the DEU according to the rules set out by the centralised deconcentrated management of IPA. The Delegation provides the reports to NIPAC as an indicator of performance. Where feedback from a beneficiary is that a project is problematic, then intervention is applied. The Needs Assessment document of the Republic of Serbia provides monitoring procedures based on economic indicators and sector based, but there is no active participation in project monitoring at government level.

Analysis of monitoring reports reveals that the same projects that score poorly for efficiency and effectiveness are the ones that also score poorly for impact and sustainability. This points to the need for early monitoring so that correction can be handled at the highest level as early as possible.

While the administrative system is building up following the pace set out by the DIS Road map; the monitoring segment needs to be strengthened, especially in terms of communication of monitoring results back to the Government. The reflection on monitoring results is low, and the monitoring reports are not being used to a large extent to inform further programming or improvements in the relevant areas of focus of the reports.

QUESTION GROUPING 3 – OVERVIEW MAPPING

Sectoral policies are embedded into the beneficiary's policies and strategies and the **Needs Assessment Document focuses on a number of sectors. Inter-sector working groups are operational and effective in eight areas** (Public Administrative Reform; Rule of Law; Infrastructure; Local, Regional and Rural Development; Economy and Human Resource Development, etc). **There are 71 individual strategies adopted by the Government**, which loosely address a sectoral approach and which are used within the Government's budgeting process, and which could be used as ingredients to build a more focussed sector wide approach to programming.

There seems **no doubt that a sector-wide approach to programming will bring benefits in better co-ordination and more effective results** as well as helping to align Serbian Government objectives with EU objectives. **The Government recognises the need for modification of the existing approach to a full sector wide approach** and have **begun the process in three areas**: Public Administration Reform, Justice and Environment. The basis of information exists to transfer rapidly to a full sector wide approach and the project preparation.

The process of needs identification and co-ordination of priorities can be improved by:

- More focussed MIPD using SMART indicators, which give a clearer indication of what specifically, is needed to achieve its goals.
- A sector wide approach within the MIPD, harmonised with a sector wide approach within the needs assessment document and a genuine SWAp approach will lead to simplification of the project identification process and a more co-ordinated sense of direction from all stakeholders.

- A more user friendly ISDAICON database;
- Solving the staffing problems within the Ministry of Finance will allow the gradual withdrawal of programming technical assistance, but this must be also supported by a gradual hand-over of responsibilities, from the PPF to DACU.

QUESTION GROUPING 4 – EFFICIENCY AND EFFECTIVENESS

The implementation of the IPA programme in Serbia has been rather smooth and based on the MIFF budget allocations. The profile of the three successive **national programmes** has **improved**, with stronger concentration of projects on specific priority areas with relevant financial resources, as it may be seen in the Table 10 in the main text. The monitoring reports reveal that all monitored projects are scored high for relevance, with 80% over acceptable and 18% with maximum relevance. Concentrating on **priorities** as set out in sector based approach, **using the possibility of contributions to sector related funds**, is likely to **improve effectiveness and efficiency of assistance**. In the same line, the **projects** in the last national programme **have gained in coherence and comprehensiveness**. This allows for **better effectiveness** of the assistance and **less dispersion**. The **performance in terms of contracting and disbursement is rather high**, with average 11 days and a maximum of 56 days between financing agreement and the start date.

QUESTION GROUPING 5 – IMPACT AND SUSTAINABILITY

In general, it is possible to conclude that **ongoing IPA financial assistance has contributed and is contributing to achieving the strategic objectives and priorities linked to accession preparation**. It is difficult to measure the impact due to a certain vagueness of indicators and benchmarks at the level of the MIPDs and project fiches. Programming is based on needs and gaps from previous years and selection is carried out in a diligent manner. The entire process of needs assessment could be refined and made more efficient with a greater sectoral approach.

There are indicators that absorption capacity at beneficiary level clearly affects the impact and efficiency of programming and delivery, and may lead to projects being rejected which are needed for achievement of overall accession goals.

Monitoring has revealed a relatively small portion of projects which appear to have issues of sustainability and these projects also appear to be (more or less) the same ones which **have issues regarding the likelihood of achieving their stated objectives**. While this group of projects is relatively small, it must be pointed out that the conclusions are drawn from ROM monitoring reports, which are delivered on average 216 days after the start of each project, instead of the general perception that projects are monitored within 2 months of starting. Only two projects have been monitored twice and this makes it difficult to gauge on-going effectiveness of the projects currently being implemented.

The number of projects, which have impact, and sustainability issues is relatively few, (5 projects out of 45 monitored projects) but it could be argued that any deficiency in this area is unacceptable. **Greater ownership of the project by the beneficiary will improve sustainability and there is a trend towards stakeholder involvement.**

Monitoring should be carried out early in the project's life (within 2 months of start) in order that the log frame may be re-aligned if necessary and so that sustainability issues may be addressed as early as possible. Of the five projects which have doubt over achievability and sustainability; it cannot be said for certain, but there are indicators that these issues could have been identified at the selection stage.

While sustainability of projects is catered for in the state budget, there is evidence that the Government is prepared to walk away from some projects after the donor funds are gone, this fact should be identified during monitoring missions and addressed at the earliest opportunity.

The main factor relating to sustainability of projects is the human resource limitations in Government Institutions leading to the unlikely phasing out of technical assistance. This is the single most important factor relating to sustainability of a number of projects.

IV. RECOMMENDATIONS

PROGRAMMING AND INTERVENTION LOGIC

- ✓ Any new MIPD should be more focused. Starting with the aims of the SAA, the MIPD should adopt a logical framework approach using sectoral components. The sectoral structure already proposed by the EU delegation can be used. Indicators should show a precise and measurable vision of expected results (i.e. be SMART).
- ✓ The proposal to adopt MIPD for a fixed duration of three years, with a minimal annual update supplement to ensure relevance of the document annual updating (i.e. a three year programme) should be considered
- ✓ The rush to meet deadlines should not manipulate building the quality of project proposals in terms of the lack of SMART indicators. There is a visible rush to meet deadlines which contributes to the strength of programming, but may impact the quality of proposals.
- ✓ All project fiches and programming documents should be carefully scrutinised at the selection point to ensure that indicators are SMART and that the projects are truly sustainable. This should include some form of declaration of commitment from the beneficiary with regard to on-going support and transparent evidence of future funding being forecast into the state budgeting system.
- ✓ Ongoing efforts should be made to update the Needs assessment and improve the accessibility of the document, so it may gain its full use in programming
- ✓ Programming of assistance should refer to and incorporate priorities and potential interventions outlined in the Needs assessment document, as such the programming will respond to the needs of the country.
- ✓ Simplification of the needs assessment process and the adoption of a sector wide approach will allow basic needs to be established earlier, but this must be followed through by early calls for proposals, as well as discipline to line-ministries to submit proposals on-time.

ADMINISTRATIVE CAPACITY

- ✓ The issue of staffing to run the Decentralised Implementation System should be addressed at the highest level in order to ensure, not only that accreditation of the system is achieved according to the DIS Roadmap, but so that a gradual withdrawal of technical assistance can be achieved and that ownership can be transferred to the beneficiary. This is extremely important.

MONITORING CAPACITY

- ✓ All projects should be monitored within 2 months of starting, in order that the log-frame may be realigned (if necessary) and that issues regarding achieving objectives and sustainability may be addressed as early as possible. Where there are issues regarding achieving objectives and sustainability, then these should be addressed strongly at a senior level
- ✓ Developing of a beneficiary based formalised monitoring system is highly important. Currently, the Government monitors on the basis of 5 goals which are necessary for maximising of aid effectiveness. This is a hands-off system, which does not deeply address the measurement and benchmarking of the planning process adequately. (See Annex 9 for a breakdown of the monitoring indicators used).
- ✓ The gradual transfer of responsibilities, especially in the area of monitoring, must be implemented in order to create ownership of the project outcomes. The lack of human resources precludes the beneficiaries' involvement in monitoring of individual projects and this is left to the ROM technical assistance project.

SECTORAL APPROACH

- ✓ The sectoral approach may to a large extent simplify needs assessment, since the sector objectives of the MIPD can be easily replicated and harmonised with the MIPD. If a full sector-wide approach is adopted and the wide range of strategies is consolidated into sector strategies, there will be no need to make reference to many diverse strategies within the project fiches.
- ✓ The ISDACON database is a useful tool but it is not very user-friendly and many donors do not use it. The simplification of ISDACON is already planned, in order to make it more user-friendly without losing functionality.
- ✓ The transition to a sector wide approach can start with the three agreed pilot sectors, using the framework of existing strategies and the fact that inter-sector working groups are more or less already established and that programming has addressed these groups.
- ✓ Progress should be made as rapidly as possible to widening the number of sectors in accordance with the structure already proposed and thus ensuring that sectors are in accordance with the MIPD recommendation (above). **Annex 8** of this document includes a proposed approach for the rapid enlargement of the sectors by using the information contained within the existing needs analysis and the 71 existing adopted Government Strategies.
- ✓ A full sectoral strategy should be developed for each sector using full stakeholder involvement, but as a short-term measure, short interim strategies consisting simply of log frames can be constructed for each proposed sector

EFFICIENCY AND EFFECTIVENESS

- ✓ Ongoing efforts should be invested in building capacities of staff in relevant government institutions in Project cycle management and particularly in developing project fiches.
- ✓ Decrease in the number of projects and increase in their financial amount, by concentrating on a smaller number of priorities and, in the case of sector based approach, using the possibility of contributions to sector related funds, is likely to improve effectiveness and efficiency of assistance.
- ✓ Further strengthening the project selection process that focuses on diligent evaluation of projects 'relevance and effectiveness will definitely contribute to strong efficiency and effectiveness of projects.
- ✓ Use of monitoring reports to provide meaningful insights and comments into implementation of ongoing assistance will positively influence effectiveness and efficiency of interventions, so their use is highly recommended.

IMPACT AND SUSTAINABILITY

- ✓ Continuous efforts should be placed in development of Serbian leadership in programming and implementation of assistance
- ✓ Establishing a programme for ex-post monitoring of IPA interventions to be conducted for projects belonging to sectors of high relevance for future programming and carrying it out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over would be desirable.
- ✓ Systematically devoting enough time and efforts in securing not only the consent but also the firm commitment of all needed stakeholders of any planned intervention and in formalizing this commitment before the project start is an imperative in the complex governmental and administrative framework Serbia

ANNEXES

Annex 1 - Evaluation Matrix

Annex 2 – Analysis of Objectives: IPA Multi-Annual Indicative Planning Documents (MIPDs), Serbia 2007-11

Annex 3 – Overview of 2011 Project Fiches

Annex 4 – Project selection process chart

Annex 5 – Project Distribution over years

Annex 6 - List of Interviews / Meetings

Annex 7 – List of Documents Reviewed and Referred to in the Evaluation

Annex 8 - Moving to a Sector-Wide Approach

Annex 9 – Indicators Related to Government Monitoring Goals for Period 2009-2011

Annex 10 – Summary of Monitoring Reports

ANNEX 1: EVALUATION MATRIX

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
<i>Specific Objective 1: Intervention Logic</i>				
Question Grouping (1): Programming				
1	To what extent are objectives SMART at different levels (strategic, MIPDs & programmes)?	<p>To be judged acceptable, objectives should:</p> <ul style="list-style-type: none"> ▪ Give direction by showing linkage to an ascending order of objectives (operational, specific, intermediate, overall objectives) ▪ Be appropriately scoped for their level in the hierarchy of objectives ▪ Have SMART indicators at the appropriate levels as shown: <ul style="list-style-type: none"> ○ Measures taken /resources used (input) ○ Immediate results of resources used/measures taken (output) ○ Results at beneficiary level (outcome) ○ Outcome of wider objectives (impact) ▪ Be achievable, given the assumptions made & resources allocated. 	<ul style="list-style-type: none"> ▪ % objectives correctly sequenced and scoped in objectives hierarchy ▪ % objectives with SMART indicators ▪ % objectives which are likely to be achievable 	<ul style="list-style-type: none"> ▪ SAA ▪ European Partnership ▪ MIPDs ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ National Sector Strategies ▪ National Annual TAIB Programmes ▪ Project Fiches
2	To what extent planning & programming provide adequate assessment of needs (both financial & time) to meet all accession requirements /strategic objectives?	<p>To be judged as being adequate, needs assessments should:</p> <ul style="list-style-type: none"> ▪ Include problem analyses; ▪ Budgetary costs covering financial, administrative & human resources; 	<ul style="list-style-type: none"> ▪ Number of sectoral problem analyses & needs assessments carried out per programming year. ▪ % projects prepared on basis of problem analyses or needs assessment 	<ul style="list-style-type: none"> ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> ▪ Costs for beneficiaries (co-financing, compliance costs stemming from administrative burden); ▪ Are needs analysed within a realistic and adequate timeframe 	<ul style="list-style-type: none"> ▪ % project /programme budget requests based on itemised cost estimates ▪ National budgets show co-financing in years n, n+1. ▪ Average amount of co-financing (M€) /project /annual programme ▪ National Strategy for Development & Integration & National Plan for the Approximation & the SAA include cost estimates per sector of achieving accession objectives ▪ Cross reference fiches to needs assessments 	<ul style="list-style-type: none"> ▪ Ministry of Finance (national budget) ▪ National Sector Strategies ▪ National Annual TAIB Programmes ▪ Project Fiches
3	<p>To what extent are annual IPA component I allocations (MIFFs) adequate in relation to the strategic objectives of the MIPDs?</p>	<p>To be judged as being adequate, MIFF financial allocations should:</p> <ul style="list-style-type: none"> ▪ Reflect estimated costs of achieving MIPD objectives. <p>Is there a global estimation of the total costs to achieve objectives in MIPDs?</p> <p>How is the relation between objectives and allocation of resources as per:</p> <ul style="list-style-type: none"> • level of priority; • sequencing of needs; • timeframe for implementation <p>Are there any significant shortages of funds to meet some objectives?</p>	<ul style="list-style-type: none"> ▪ % concordance between the following: <ul style="list-style-type: none"> ▪ MIFF national allocations for IPA-TAIB ▪ MIPD financial allocations per main areas of intervention ▪ National Annual TAIB Programme financial allocations per priority programming axes ▪ Cost estimates of National Strategy for Development & Integration & National Plan for the Approximation & the SAA ▪ Evidence of underfunded projects 	<ul style="list-style-type: none"> ▪ MIFF ▪ MIPD ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ National Sector Strategies ▪ National Annual TAIB Programmes

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
4	To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient & effective projects to meet strategic objectives?	<p>To be judged appropriate, the project selection mechanism should ensure that:</p> <ul style="list-style-type: none"> ▪ projects are identified within the framework of the hierarchy of EC & national IPA programming documents i.e. they must be consistent with these documents & clearly aimed at the achievement of accession-related objectives; ▪ projects are focussed on improving the existing situation, project identification should include analyses of (i) problems/needs; (ii) stakeholders; (iii) likely target groups; (iv) potential beneficiaries ▪ project preparation is subject to national, internal, quality control procedures focussed on project (i) <u>relevance</u> (justification on problems/needs & impact on European integration /EU accession); (ii) <u>efficiency</u> (project design & readiness re. activity-task definition, contract identification & contracting timetables, budgetary analysis, procurement documentation, output-result schedules); (iii) <u>effectiveness</u> (likelihood that results will achieve project purpose & benefits to target groups) 	<ul style="list-style-type: none"> ▪ Number of appropriate references to programming documents in IPA TAIB project fiches ▪ % projects selected which have high priority in the National Strategy for Development & Integration & National Plan for the Approximation & the SAA i ▪ . % projects prepared on basis of problem analyses/needs assessments /stakeholder analyses) ▪ % project budget requests based on itemised cost estimates ▪ % projects with realistic procurement schedules (re PRAG) ▪ % projects with supporting procurement documentation & studies 	<ul style="list-style-type: none"> ▪ Project Fiches ▪ National Internal Procedures/ Manuals /Guidelines /Documents ▪ Reports DG ELARG programming missions

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> ▪ projects selected for inclusion in annual TAIB programmes are selected on the basis of quality & accession priority ▪ <u>institutional framework for project selection in place:</u> ▪ adequate human and material resources ▪ <u>efficient involvement of stakeholders</u> <p>How is the relation between objectives and allocation of resources as per</p> <ul style="list-style-type: none"> • Level of priority; • Sequencing of needs; • Timeframe for implementation 	<ul style="list-style-type: none"> ▪ 	
5	To what extent programming provides adequate prioritisation & sequencing of assistance?	<p>To be judged adequate:</p> <ul style="list-style-type: none"> ▪ Projects should be selected on the basis of their EU accession / European integration significance rather than, say, their ease of preparation in relation to programming deadlines. ▪ Project selection in relation to annual programming priorities takes into account realistic implementation time frames <p>Projects within any one field of assistance (e.g. public administration reform) are selected in such a way as to show: (i) linkage; (ii) continuity; (iii) appropriate time phasing, in successive annual programmes</p>	<ul style="list-style-type: none"> ▪ % projects selected which have high priority in the National Strategy for Development & Integration & National Plan for the Approximation & the SAA ▪ % projects showing sectoral continuity (i.e. as projects finish, follow-on projects are ready to start implementation) 	<ul style="list-style-type: none"> ▪ EC Regular Progress Reports ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ National Annual TAIB Programmes ▪ Project Fiches ▪

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		When answering this EQ, findings from EQ3-4 will be used		
6	To what extent programming takes adequate & relevant account of beneficiaries' policies, strategies & reform process in relevant key areas?	<p>To be judged as being adequate:</p> <ul style="list-style-type: none"> ▪ The programming process should include, & incorporate, regular consultations with national authorities responsible for policy, reform & strategic planning in accession-related sectors ▪ Programming documents should contain appropriate, & up to date, references to national policies /strategies /reforms in accession-related sectors 	<ul style="list-style-type: none"> ▪ Number & type of inputs provided by beneficiaries to the preparation of MIPDs ▪ % concordance of policy & sectoral analyses between Regular Progress Reports, European Partnerships, MIPDs, National Strategy for Development & Integration & National Plan for the Approximation & the SAA Annual Programmes & Project Fiches ▪ % Project Fiches containing references to national policies, strategies & reforms 	<ul style="list-style-type: none"> ▪ EC Regular Progress Reports ▪ European Partnerships ▪ Draft MIPDs & Final MIPDs ▪ Government Documents /Reports (MTEF)⁹ ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ National Annual TAIB Programmes ▪ Project Fiches
7	To what extent programming include SMART indicators to measure progress towards achievement of objectives?	<p>To be judged acceptable, indicators formulated in programming (for subsequent use in monitoring) should be SMART , namely:</p> <ul style="list-style-type: none"> ▪ <u>Specific</u> (linked to, & appropriate to, level in the intervention logic); ▪ <u>Measurable</u> (quantifiable variables); ▪ <u>Available</u> (data exist or provisions are made to collect data); 	<ul style="list-style-type: none"> ▪ % of IPA programming & monitoring documents containing indicators ▪ % of indicators in IPA programming & monitoring documents which are SMART ▪ % of programming /monitoring documents judged to be of poor quality because of indicators. 	<ul style="list-style-type: none"> ▪ MIPDs ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ National Annual TAIB Programmes ▪ Project Fiches (Logical Frameworks)

⁹ MTEF= Mid-Term Expenditure Framework; a government document with priorities, projects & budget allocations i.e. national programming linked to national budgetary process.

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> ▪ <u>Relevant</u> (significant correlation with intervention level targets) ▪ <u>Time-bound</u> (i.e. variables which can be expressed as rates and /or targets for fixed time periods) 		<ul style="list-style-type: none"> ▪ Monitoring Reports
8	To what extent programming takes adequate & relevant account of assistance provided & reforms promoted by key donors where applicable?	<p>Programming is judged to take adequate & relevant account if:</p> <ul style="list-style-type: none"> ▪ IPA programming documents, at all levels, contain appropriate references to assistance from key bilateral/ development bank assistance ▪ Programming identifies synergies with other donors <p>There is a formal institutionalised system for donor co-ordination. Reference and coordination with strategies is provided in programming documents for areas where donor assistance is aligned to functioning strategies</p>	<ul style="list-style-type: none"> ▪ Number of references to key donors in IPA programming documents ▪ % Project Fiches with references to key donors. ▪ Number of references to IPA assistance in donor assistance strategies/ reports & programming documents ▪ Evidence of a common database ▪ Evidence of duplication of activities with other donors 	<ul style="list-style-type: none"> ▪ PA Programming Documents (European Partnerships to Project Fiches) ▪ Donor Reports ▪ Donor Assistance Strategies ▪ Donor Programming Documents
Question Grouping (2): Overview mapping				
9	What are the existing sectoral strategies in To what extent are strategies duly embedded into beneficiaries policies /budget? To what extent is EU/ donor assistance aligned with /embedded into existing strategies?	<p>On the basis of a national audit of strategies¹⁰, sector strategies will be judged as being embedded if:</p> <ul style="list-style-type: none"> ▪ beneficiary administrative structures & procedures exist to implement & their strategies are regularly monitored 	<ul style="list-style-type: none"> ▪ Number of officials employed /procedures used to administer sector strategy implementation ▪ Budgetary allocations for implementing sector strategies ▪ Number of sector strategic objectives integrated into National 	<ul style="list-style-type: none"> ▪ National Sectoral Strategies ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of

¹⁰ An audit of national strategies will be undertaken as part of this evaluation. The audit will include: mapping strategies; assessing (i) quality, (ii) accession-relevance & (iii) costs of existing national strategies.

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> ▪ financial allocations are made for them in the state budget ▪ IPA /donor assistance projects support their implementation 	<p>Strategy for Development & Integration & National Plan for the Approximation & the SAA & government legislative plans</p> <ul style="list-style-type: none"> ▪ Number of references to beneficiary strategies in IPA programming documents 	<p>Legislation & the SA</p> <ul style="list-style-type: none"> ▪ Government Documents (legislative plans & budget forecasts) ▪ IPA Programming Documents (European Partnerships to Project Fiches).
10	Overview of assistance and projects per donors and sector		<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪
Group 3: Sector-based approach				
11	Is programming through a sectoral based approach a suitable, feasible & operational option for future programming (MIPDs & national programmes)	<p>Programming through a sectoral approach is judged:</p> <p><u>An operational option for future programming</u>, if preconditions for adequate implementation (incl. clear allocation of responsibilities) and monitoring are in place</p> <p>A sector programme for an IPA beneficiary country should identify what is needed to modernise a sector and align it to EU standards.</p> <p>Should be based on a country's own national development plan and be underpinned by the EU's overall enlargement policy as well as by the country's Accession/European Partnership and SAA.</p>	<ul style="list-style-type: none"> ▪ Number of acceptable quality sectoral strategies which have accession-relevant objectives ▪ % of <i>acquis communautaire</i> /accession-significant areas which is covered by existing sectoral strategies ▪ Number of officials employed /procedures used to administer sector strategy implementation 	<ul style="list-style-type: none"> ▪ National Sector Strategies ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA ▪ Government Documents (administration of sector strategy implementation & monitoring)

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		Should allow for EU integration priorities to be strategically planned for and sequenced at an early stage		
12	To what extent is the beneficiary ready to operate a shift towards a sector based approach in its own strategies, and in planning & programming sector based actions & finances?	<p>The beneficiary is judged ready if:</p> <ul style="list-style-type: none"> ▪ Nominated government institutions are responsible for preparing, implementing & monitoring sector strategies ▪ Sector strategic objectives are contained in the MIPD ▪ Sufficient administrative capacity exists to manage a sectoral approach ▪ There is linkage between sector strategies & budgetary planning. ▪ Preconditions for adequate implementation (incl. clear allocation of responsibilities) and monitoring are in place 	<ul style="list-style-type: none"> ▪ Number of acceptable quality sectoral strategies ▪ Number of sectoral strategies whose costs are included in national budgets ▪ Number institutions involved in implementing strategies & monitoring of implementation ▪ Internal procedures & administrative processes exist for undertaking sector strategic approaches (Number of procedures, Number of meetings of sectoral working groups etc) ▪ Beneficiary administrative capacity (staffing levels, number of institutions involved in sectoral planning) 	<ul style="list-style-type: none"> ▪ Government Documents i.e. Sectoral Strategies, National Budget Forecasts, Legislation establishing institutional roles & responsibilities, NIPAC Reports, Government Organigrammes
Question Grouping (4): Programming Gaps, Weaknesses & Recommendations				
13	Which are the main gaps /weaknesses in the current programming framework?	<p>Judgement on gaps /weaknesses in the programming framework will be based on the examination of:</p> <ul style="list-style-type: none"> ▪ Quality& coherence of IPA programming documents ▪ Procedures for updating & monitoring the implementation of National Strategy for 	<ul style="list-style-type: none"> ▪ Number & type of inputs provided by beneficiaries to the preparation of MIPDs ▪ % of IPA programming documents judged to be of acceptable quality ▪ Number of internal quality control checks on preparing Project Fiches 	<ul style="list-style-type: none"> ▪ EC Regular Progress Reports ▪ IPA Programming Documents (European Partnerships to Project Fiches) ▪ Government Documents (monitoring of, National

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<p>Development & Integration & National Plan for the Approximation & the SAA</p> <ul style="list-style-type: none"> ▪ Extent to which beneficiaries are involved in preparing strategic programming documents (particularly the MIPD) ▪ Procedures used by ECD & beneficiaries in annual programming (from project identification to selection); ▪ Role of sector strategies in programming ▪ To what extent is the programming function burdened by bureaucracy 	<ul style="list-style-type: none"> ▪ Number of IPA projects prepared on the basis of sector strategies ▪ Analysis of unnecessary steps in the process 	<p>Strategy for Development & Integration & National Plan for the Approximation & the SAA internal quality control procedures)</p> <ul style="list-style-type: none"> ▪ Sector Strategies
14	How can programming of assistance be enhanced to more efficiently & effectively reach strategic objectives?	<p>Judgement on recommendations to enhance programming efficiency & effectiveness will be based on the examination of:</p> <ul style="list-style-type: none"> ▪ Management of the annual programming process ▪ Quality control of project preparation ▪ use, & availability of, technical assistance in preparing projects ▪ The extent to which training & institutional support is provided for potential beneficiaries ▪ Capacity to develop realistic monitoring indicators 	<ul style="list-style-type: none"> ▪ % internal programming deadlines met ▪ % acceptable quality project fiches ▪ % project fiches needing corrective actions during internal quality control checks ▪ Number (%) staff in potential beneficiary institutions PCM trained ▪ Number of training /information events provided for potential beneficiaries ▪ % acceptable quality monitoring indicators ▪ TA inputs (consultancy days /M€ programmed) 	<ul style="list-style-type: none"> ▪ IPA Programming Documents (European Partnerships to Project Fiches) ▪ Government Documents (quality control checks, training provision, TA inputs)
15	How can programming be enhanced to improve the impact & sustainability of financial assistance?	<p>Judgement on recommendations to enhance programming impact & sustainability will be based on the examination of:</p>	<ul style="list-style-type: none"> ▪ Number of civil society organisations involved ▪ Number of visibility & public 	<ul style="list-style-type: none"> ▪ EC Delegation Reports ▪ EC Regular Reports ▪ SPO /Line Institution

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> ▪ Extent to which programming involves civil society organisations & stakeholder discussions ▪ Extent to which beneficiaries are involved in project preparation ▪ Extent to which post-assistance planning takes place ▪ Arrangements for visibility, public awareness & publicity <p>Phasing out (post-assistance) plans are provided in programming documents (e.g. TA for programming should include a timeframe for beneficiaries to take over responsibility)</p>	<p>awareness events</p> <ul style="list-style-type: none"> ▪ Number of projects where beneficiaries feel a sense of ownership (interview responses) ▪ Number of projects where future maintenance costs are subsumed in national budgets ▪ % staff turnover in beneficiary institutions ▪ % of projects using local contractors ▪ % of projects using local staff & services 	<p>Reports</p> <ul style="list-style-type: none"> ▪ Contractors Reports ▪ National Annual TAIB Programmes ▪ Project Fiches ▪ National Budgets ▪ Institutional Capacity Reports
<ul style="list-style-type: none"> ▪ <i>Specific Objective 2: Performance (relevance, efficiency, effectiveness, impact & sustainability)</i> 				
Question Grouping (5): Administrative & Monitoring Capacity				
16	Are the administrative & organisational structures in place ensuring efficient & effective implementation of financial assistance?	<p>Judgement on administrative & organisational structures will be based on examination of:</p> <ul style="list-style-type: none"> ▪ Government institutional & staffing arrangements for implementation & monitoring of projects ▪ Delays in implementation ▪ Unused funds 	<ul style="list-style-type: none"> ▪ Donor Coordination, IPA management structures & SPOs in place & evidence of activity. ▪ % of Donor Coordination /IPA management structures at /exceeding minimum staffing levels ▪ % staff turnover in IPA management structures ▪ % of IPA management structures with procedures in place. ▪ % of procurement deadlines met ▪ Number of beneficiary staff responsible for monitoring ▪ Number of projects monitored 	<ul style="list-style-type: none"> ▪ EC Regular Progress Reports ▪ Government Legislation ▪ Government Reports ▪ Previous evaluations (if any) ▪ Internal procedures manuals ▪ Monitoring Reports ▪ Project Fiches ▪ Contractors' Reports ▪ Audit reports

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
	To what extent are the monitoring mechanisms & structures appropriate & correctly functioning?	<p>Judgement on administrative & organisational structures will be based on examination of:</p> <ul style="list-style-type: none"> ▪ Government institutional & staffing arrangements for implementation & monitoring of projects <p>Evidence of inclusion of monitoring results into the decision making process</p>	<ul style="list-style-type: none"> ▪ Quality of Monitoring Reports ▪ Donor Coordination, IPA management structures & SPOs in place & evidence of activity. ▪ % of Donor Coordination /IPA management structures at /exceeding minimum staffing levels ▪ % staff turnover in IPA management structures ▪ % of IPA management structures with procedures in place. ▪ % of procurement deadlines met ▪ Number of beneficiary staff responsible for monitoring ▪ Number of projects monitored ▪ Quality of Monitoring Reports ▪ 	<ul style="list-style-type: none"> ▪ EC Regular Progress Reports ▪ Government Legislation ▪ Government Reports ▪ Previous evaluations (if any) ▪ Internal procedures manuals ▪ Monitoring Reports ▪ Project Fiches ▪ Contractors' Reports
Question Grouping (6): Efficiency & Effectiveness				
17	To what extent ongoing IPA assistance has /is contributing to achieving the strategic objectives /priorities linked to accession preparation?	<p>Judgement will be based on the performance of projects supported under the IPA TAIB 2007-9 programmes.</p> <p>The judgement differentiates two levels of sources of evidence and analysis:</p> <ul style="list-style-type: none"> • At programming level, based mainly on the assessment as per specific objective 1, • At implementing level, namely based on sources and indicators such as: status of contracting, institutional setting, monitoring 	<ul style="list-style-type: none"> ▪ Number of projects funded/ year ▪ Average size of projects (M€) ▪ %s of 2007, 2008, 2009 budgets contracted & disbursed ▪ % of outputs /results produced by IPA projects which have are linked to accession preparation ▪ Estimated % contribution IPA makes to the implementation of National Strategy for Development & Integration & National Plan for the Approximation & the SAA & 	<ul style="list-style-type: none"> ▪ Court of Auditors Reports ▪ EC Regular Progress Reports ▪ National Annual TAIB Programmes, 2007-9 ▪ Project Fiches, 2007-9 ▪ National Strategy for Development & Integration ▪ National Plan for the Approximation of Legislation & the SA

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
		<p>reports and structures, etc ,(i) timely execution of activities & delivery of outputs; (ii) planned results produced on time; (ii) likelihood of achieving project purpose</p>	<p>national sector strategies</p> <ul style="list-style-type: none"> ▪ % of IPA projects which are assessed in Monitoring Reports as acceptable ▪ % planned outputs & results delivered ▪ % output& result indicators achieved 	<ul style="list-style-type: none"> ▪ Monitoring Reports
18	<p>Are there any potential actions, which would improve the efficiency & effectiveness of ongoing assistance?</p>	<p>Judgement on recommendations to improve efficiency & effectiveness of ongoing assistance will be based on the examination of:</p> <ul style="list-style-type: none"> ▪ Management of procurement procedures ▪ Involvement of beneficiaries in preparing procurement documentation (e.g. Terms of Reference) ▪ Internal procedures covering project implementation ▪ Role of SPOs ▪ Quality control of procurement documentation ▪ Use& availability of, technical assistance in preparing procurement documents ▪ Management of contractors (consultants /twinners/equipment & service suppliers) ▪ The extent to which training & institutional support is provided for beneficiaries institutions 	<ul style="list-style-type: none"> ▪ Average length of time for procurement procedures to be completed ▪ Number of beneficiaries involved in drafting procurement documents ▪ Number of manuals /guidelines/instructions relating to project & contract implementation ▪ Number of quality control checks on drafts of procurement documents ▪ Number of training events on project /contract implementation ▪ % consistent recommendations from beneficiaries 	<ul style="list-style-type: none"> ▪ ECD Reports ▪ Government Documents (SPO Reports) ▪ Internal Manuals /Guidelines ▪ Government websites ▪ Interviews

ToR Question	EVALUATION QUESTIONS	JUDGEMENT CRITERIA	INDICATORS	SOURCES OF INFORMATION
Question Grouping (7): Impact & Sustainability				
19	Which are the prospects for immediate & long-term impact & sustainability of assistance? Are there any elements which are/ could hamper the impact and /or sustainability of assistance?	<p>Prospects for impact & sustainability will be based on:</p> <ul style="list-style-type: none"> ▪ Likelihood of results & specific objectives being achieved ▪ Extent to which programming involves civil society organisations & stakeholder discussions ▪ Extent to which beneficiaries are involved in project preparation ▪ Extent to which post-assistance planning takes place 	<ul style="list-style-type: none"> ▪ % projects judged likely to achieve results & immediate impacts ▪ Number of civil society organisations involved ▪ Number of visibility & public awareness events ▪ Number of projects where beneficiaries feel a sense of ownership (interview responses) ▪ Number of projects where future maintenance costs are subsumed in national budgets ▪ % staff turnover in beneficiary institutions 	<ul style="list-style-type: none"> ▪ EC Delegation Reports ▪ EC Regular Reports ▪ SPO /Line Institution Reports ▪ Contractors Reports ▪ National Annual TAIB Programmes ▪ Project Fiches
20	Are there any actions which would improve prospects for impact & sustainability of ongoing assistance?	<p>Judgement on recommendations to improve impact & sustainability of ongoing assistance will be based on the examination of:</p> <ul style="list-style-type: none"> ▪ Arrangements for visibility, public awareness & publicity ▪ Adequate account is taken (as part of programming and implementation) to ensure sustainability (e.g. phasing out plan for TA, formal commitment by beneficiaries for post-assistance) ▪ Adequate analysis of how outputs and immediate results will be translated into midterm and (as far as possible,) long-term impacts 	<ul style="list-style-type: none"> ▪ Number of training /institutional support events held ▪ Number of publicity /public awareness events ▪ % consistent recommendations from beneficiaries 	<ul style="list-style-type: none"> ▪ EC Delegation Reports ▪ EC Regular Reports ▪ SPO /Line Institution Reports ▪ Contractors Reports ▪ Interviews

ANNEX 2- ANALYSIS OF OBJECTIVES: IPA MULTI-ANNUAL INDICATIVE PLANNING DOCUMENTS (MIPDs), SERBIA 2007-11

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
MIPD 2007-2009									
<p><u>Strategic Objective:</u> To support the country in the transition from the status of a potential candidate to a candidate country and through to membership of the European Union. IPA will support Serbia to meet the Accession Criteria by fulfilling the political, economic and acquis-related criteria for membership.</p>	Not applicable			☒	☑		☑		2
<i>Priority Objectives (Priority Axis 1: Political Requirements)</i>									
1. Support the strengthening of the democratic institutions and the separation of powers between Parliament, Judiciary and Government	☑			☒	☑			☒	2
2. Improving the performance of Serbia's public administration at all levels (governmental, parliamentary, para-governmental and regulatory bodies/structures) to foster democratic governance and public service to all people in Serbia	☑			☒	☑		☑		3
3. Advancing on the reform of local self-government as part of the decentralisation process. Support regional development policy and balanced territorial development by strengthening fiscal decentralisation, development planning and implementation capacities at central, regional and local level, more efficient spatial, cadastral, municipal planning, improving service delivery and introduction of statistical nomenclature of territory	☑		☑		☑		☑		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
4. Developing and implementing a government policy relating to the introduction of the concepts of Public Internal Financial Control (including managerial accountability and independent internal audit) as well as the drafting and adoption of relevant legislation to ensure transparency, efficiency, economy and effectiveness of public finances, including development of a modern public procurement framework and related legislation and institutions; further enhancing External audit through support to the Supreme Audit Institution.	☑			☒	☑		☑		3
5. Improving budget and fiscal management , enhancing control and collection capacity of the tax and customs administration, contribute to consolidating revenue collection for Serbia's consolidated budget, make tax policy coherent at central and local levels and improve the management of expenditures	☑			☒	☑		☑		3
6. Consolidating the rule of law by strengthening the wider judicial system through a Standardized System for Education and Training, supporting the implementation of the new Juvenile Justice Law, independence of the judiciary, effective case management and improvement of case proceedings, development of legal aid system to citizens.	☑			☒	☑		☑		3
7. Fighting discrimination and promoting human and minority rights, including Roma. Supporting IDP return and for refugees return and reintegration through cross boundary/border initiatives, durable solutions (housing schemes, employment) legal assistance and income support with strong inter-ministerial support and facilitating	☑		☑		☑		☑		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
integration and full participation in political, civil, economic, cultural and social life.									
8. Further support to the civil society in order to promote the creation of dialogue and partnership between the Serbian authorities and the Civil Society in the a genuine democratic stabilisation and the economic and social development of the country	☑			☒	☑			☒	2
9. Support the Media to develop a real independent, high quality public broadcasting service and a regulatory environment in line with European standards	☑			☒	☑		☑		3
<i>Priority Objectives (Priority Axis 2: Socio-Economic Requirements)</i>									
1. Enhance access to employment and participation in the formal labour market by developing and managing Active Labour Market Policies (ALMPs), as well as efficient labour market institutions, notably employment services, in order to identify labour market changes, new labour and skills needs, fight unemployment	☑			☒		☒	☑		2
2. Promoting and implementing the Reform of the Education System to support the development of economy and to meet the demands of the Lisbon agenda.	☑			☒		☒		☒	1
3. Fostering social inclusion with the advancement of social welfare system reform through implementation of the Social Welfare Development, with view to reorganisation, decentralisation and rationalisation of social welfare services and enhancement of its ability to support social inclusion of all, especially disadvantaged groups and creation of the conditions	☑			☒	☑			☒	2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
for growth and sustainable development of all individuals, groups and communities.									
4. Improve regulatory and management capabilities of health financing institutions and health care authorities, institutions and programmes; increase access and inclusion of vulnerable groups into health care system; support inter-ministerial fight against drug abuse, and HIV/AIDS.	☑			☒		☒		☑	2
5. Enhancing the investment climate and support to small and medium sized enterprises through a favourable environment, access to services, capital and know-how, and support to legislative and policy framework, economic competitiveness, including investment and import/export promotion.	☑			☒		☒	☑		2
6. Develop the full potential and the competitiveness of Serbia's inland waterway transport sector for socio-economic development, in particular the Danube basin.	☑		☑			☒		☒	2
7. Assistance to privatisation of socially and state owned enterprises , in particular preparing restructuring / privatisation programmes.	☑			☒	☑			☑	3
8. Development of Serbia's capacity to manage its macro-economic and strategic national economic planning and forecasting	☑			☒	☑			☒	2
9. Improving infrastructures in order to promote business related activities and public services and to facilitate economic and cultural links within Europe.	☑			☒	☑		☑		3
<i>Priority Objectives (Priority Axis 3: European Standards)</i>									

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focussed	diffuse/wide	achievable	not achievable	good	Low/poor	
1. Developing Serbia's capacity to benefit from the SAA, the regional FTA once concluded and its future WTO membership.	☑			☒	☑			☒	2
2. Strengthening the European integration structures (including line ministries and the parliaments), as well as corresponding structures/mechanisms for the verification of the compatibility of government policies and draft legislation with EU 'acquis and standards), especially institutions dealing with Decentralized Implementation System and improve cooperation among them	☑		☑		☑		☑		4
3. It is necessary to support the development and implementation of sectoral strategies and policies compatible with EC internal market legislation and best practices in areas such as standardisation, accreditation, metrology, conformity assessment and market protection, market surveillance; food safety, veterinary and phytosanitary policy consumer protection; financial services; public procurement; protection of intellectual property rights; data regulation, etc.	☑		☑		☑		☑		4
4. Supporting State Aid and the Competition Protection authorities. Ensure the independence of the commission on anti-trust and state-aid standards to meet EU competition.	☑		☑		☑		☑		4
5. Support the development and implementation of other strategies and policies in order to establish sectoral policies and a regulatory framework compatible with European standards in the areas of agriculture, environment, transport, aviation, energy, etc.	☑			☒	☑		☑		3

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
6. Enabling Serbia to participate in Community programmes , including support to establish and/or enhance the necessary structures and financing of Serbia's participation in Community programmes	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		3
7. Supporting further alignment with European standards in the area of justice, freedom and security , in particular visa (to ensure implementation of the EU-Serbia visa facilitation agreement), border management, asylum and migration mechanisms, data protection, regional cooperation in the field of law enforcement and fight against organised crime and terrorism, fight against drugs, human trafficking and money laundering	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
MIPD 2008-2010									
<u>Strategic Objective:</u> support to Serbia for coping with the political requirements of the Stabilisation and Association Process, for further developing Serbia's socio-economic environment, and finally for complying with European Standards. Support will also be provided to put in place a Decentralised Implementation System to manage EC funds in the future.	not applicable			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
<i>Priority Objectives (Priority Axis 1: Political Requirements)</i>									
1. Support the strengthening of the democratic institutions and the separation of powers between Parliament, Judiciary and Government	☑			☒	☑			☒	2
2. Improving the performance of Serbia's public administration at all levels (governmental, parliamentary, para-governmental and regulatory bodies/structures) to foster democratic governance and public service to all people in Serbia	☑			☒	☑		☑		3
3. Advancing on the reform of local self-government as part of the decentralisation process. Support regional development policy and balanced territorial development by strengthening fiscal decentralisation, development planning and implementation capacities at central, regional and local level, more efficient spatial, cadastral, municipal planning, improving service delivery and introduction of statistical nomenclature of territory	☑		☑		☑		☑		4
4. Developing and implementing a government policy relating to the introduction of the concepts of Public Internal Financial Control (including managerial accountability and independent internal audit) as well as the drafting and adoption of relevant legislation to ensure transparency, efficiency, economy and effectiveness of public finances, including development of a modern public procurement framework and related legislation and institutions; further enhancing External audit through support to the Supreme Audit Institution.	☑			☒	☑		☑		3

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
5. Improving budget and fiscal management , enhancing control and collection capacity of the tax and customs administration, contribute to consolidating revenue collection for Serbia's consolidated budget, make tax policy coherent at central and local levels and improve the management of expenditures	☑			☒	☑		☑		3
6. Consolidating the rule of law by strengthening the wider judicial system by adopting and implementing legislation on mandatory initial and continuous training through a Standardized System for Education and Training, supporting the implementation of the new Juvenile Justice Law and further development of restorative justice, independence of the judiciary, effective case management and improvement of case proceedings, development of legal aid system to citizens.	☑			☒	☑		☑		3
7. Fighting discrimination and promoting human and minority rights, including Roma	☑			☒	☑			☒	2
8. Further support to the civil society in order to promote the creation of dialogue and partnership between the Serbian authorities and the Civil Society in the a genuine democratic stabilisation and the economic and social development of the country	☑			☒	☑			☒	2
9. Support the Media to develop a real independent, high quality public broadcasting service and a regulatory environment in line with European standards	☑			☒	☑		☑		3
<i>Priority Objectives (Priority Axis 2: Socio-Economic Requirements)</i>									

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
1. Enhance access to employment and participation in the formal labour market by developing and managing Active Labour Market Policies (ALMPs), as well as efficient labour market institutions, notably employment services (fostering also the importance of integrated employment and social services system), in order to identify labour market changes, new labour and skills needs, fight unemployment	☑			☒		☒	☑		2
2. Promoting and implementing the Reform of the Education System to support the development of economy and to meet the demands of the Lisbon agenda.	☑			☒		☒		☒	1
3. Fostering social inclusion with the advancement of social welfare system reform through implementation of the Social Welfare Development Strategy with view to reorganisation, decentralisation and rationalisation of quality social welfare services, and enhancement of its ability to support social inclusion of all, especially disadvantaged groups and creation of the conditions for growth and sustainable development of all individuals, groups and communities	☑			☒	☑			☒	2
4. Improve regulatory and management capabilities of health financing institutions and health care authorities, institutions and programmes; increase access and inclusion of vulnerable groups into health care system; support inter-ministerial fight against drug abuse, and HIV/AIDS.	☑			☒		☒	☑		2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
5. Enhancing the investment climate and support to small and medium sized enterprises through a favourable environment, access to services, capital and know-how, and support to legislative and policy framework, economic competitiveness, including investment and import/export promotion.	☑			☒		☒	☑		2
6. Assistance to privatisation of socially and state owned enterprises , in particular preparing restructuring / privatisation programmes.	☑			☒	☑		☑		3
7. Development of Serbia's capacity to manage its macro-economic and strategic national economic planning and forecasting	☑			☒	☑			☒	2
8. Develop the full potential and the competitiveness of Serbia's inland waterway transport sector for socio-economic development, in particular in the Danube basin.	☑		☑			☒		☒	2
9. Improving infrastructures in order to promote business related activities and public services and to facilitate economic and cultural links within Europe.	☑			☒	☑		☑		3
<i>Priority Objectives (Priority Axis 3: European Standards)</i>									
1. Developing Serbia's capacity to benefit from the SAA, CEFTA and its future WTO membership.	☑			☒	☑			☒	2
2. Strengthening the European integration structures (including line ministries and the parliaments), as well as corresponding structures/mechanisms for the verification of the compatibility of government policies and draft legislation with EU 'acquis and standards), especially	☑		☑		☑		☑		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
institutions dealing with Decentralized Implementation System and improve cooperation among them									
3. Supporting the development and implementation of sectoral strategies and policies compatible with EC internal market legislation and best practices in areas such as standardisation, accreditation, metrology, conformity assessment and market protection, market surveillance; food safety, veterinary and phytosanitary policy consumer protection; financial services; public procurement; protection of intellectual property rights; data regulation, etc.	☑		☑		☑		☑		4
4. Supporting State Aid and the Competition Protection authorities. Ensure the independence of the commission on anti-trust and state-aid standards to meet EU competition.	☑		☑		☑		☑		4
5. Support the development and implementation of strategies and policies in order to establish sectoral policies and a regulatory framework compatible with European standards in the areas of agriculture, environment, transport, aviation, energy, etc.	☑			☒	☑		☑		3
6. Enabling Serbia to participate in Community programmes , including support to establish and/or enhance the necessary structures and financing of Serbia's participation in Community programmes	☑			☒	☑		☑		3
7. Supporting further alignment with European standards in the area of justice, freedom and security , in particular visa (to ensure implementation of the EU-Serbia visa	☑		☑		☑		☑		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
facilitation agreement), border management, asylum and migration mechanisms, data protection, regional cooperation in the field of law enforcement and fight against organised crime and terrorism, fight against drugs, human trafficking and money laundering									

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
MIPD 2009-2011									
<u>Strategic Objective:</u> IPA supports Serbia's efforts in the implementation of the National Programme for Integration but also other relevant horizontal, multi-sectoral strategies, such as the National Strategy for Economic Development, National Strategy of Regional Development, Needs Assessment for Development Assistance, the Poverty Reduction Strategy, and other relevant National Plans to the extent that these correspond to the EU integration process.	not applicable			☒	☑		☑		2
<i>Priority Objectives (Priority Axis 1: Political Requirements)</i>									
1. Support the strengthening of the democratic institutions and the separation of powers between Parliament, Judiciary and Government, also in line with provisions of the Constitution.	☑			☒	☑			☒	2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
2. Improving the performance of Serbia's public administration at all levels (governmental, parliamentary, para-governmental and regulatory bodies/structures) to foster democratic governance and public service to all people in Serbia.	☑			☒	☑		☑		3
3. Strengthening the European integration structures (including key line ministries and parliaments), as well as corresponding structures/mechanisms for verification of the compatibility of government policies and draft legislation with the acquis and standards and improve cooperation among them.	☑		☑		☑		☑		4
4. Progress in the reform of local self-government as part of the decentralisation process. Support local and regional development policy, which is consistent with the EU pre-accession strategy and the EU regional policy and balanced territorial development by strengthening fiscal decentralisation, development planning and implementation capacities at central, regional and local level, more efficient spatial, cadastral, municipal planning, improving service delivery and introduction of statistical nomenclature of territory	☑			☒	☑		☑		3
5. Developing and implementing a government policy relating to the introduction of the concepts of Public Internal Financial Control (including managerial accountability and independent internal audit) as well as the drafting and adoption of relevant legislation to ensure transparency, efficiency, economy and effectiveness of public finances, including development of a modern public procurement framework and related legislation	☑			☒	☑		☑		3

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
and institutions; further enhancing External audit through support to the Supreme Audit Institution.									
6. Improving budget and fiscal management , enhancing control and collection capacity of the tax and customs administration, contribute to consolidating revenue collection for Serbia's consolidated budget, make tax policy coherent at central and local levels and improve the management of expenditures	☑			☒	☑		☑		3
7. Consolidating the rule of law by strengthening the wider judicial system by adopting and implementing legislation on mandatory initial and continuous training through a Standardized System for Education and Training, supporting the implementation of the new Juvenile Justice Law and further development of restorative justice, independence of the judiciary, effective case management and improvement of case proceedings, development of legal aid system to citizens.	☑		☑		☑		☑		4
8. Fighting discrimination and promoting human and minority rights, including Roma. Supporting IDP return and refugees return as well as reintegration through cross boundary/border initiatives, durable solutions (housing schemes, employment) legal assistance and income support with strong inter-ministerial support and facilitating integration and full participation in political, civil, economic, cultural and social life.	☑			☒	☑			☒	2
9. Further support to the civil society in order to promote the creation of dialogue and partnership between the Serbian authorities and the Civil Society in the a genuine democratic	☑			☒	☑			☒	2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focussed	diffuse/wide	achievable	not achievable	good	Low/poor	
stabilisation and the economic and social development of the country									
10. Support the Media to develop a real independent, high quality public broadcasting service and a regulatory environment in line with European standards	☑			☒	☑		☑		3
11. Support Serbian youth in its quest to demonstrate and achieve its possibilities with the aim of improving individuals' own lives and the future of the country as such.	☑			☒		☒		☒	1
12. Support to the protection of the cultural heritage in the context of the "Ljubljana Process"	☑			☒		☒		☒	1
<i>Priority Objectives (Priority Axis 2: Socio-Economic Requirements)</i>									
1. Enhance access to employment and participation in the formal labour market by developing and managing Active Labour Market Policies (ALMPs), as well as efficient labour market institutions, notably employment services (fostering also the importance of integrated employment and social services system), in order to identify labour market changes, new labour and skills needs, fight unemployment	☑			☒		☒	☑		2
2. Promoting and implementing the Reform of the Education System to support the development of economy and to meet the demands of the Lisbon agenda.	☑			☒		☒		☒	1
3. Fostering social inclusion with the advancement of social welfare system reform through implementation of the Social Welfare Development Strategy with view to reorganisation, decentralisation and rationalisation of quality social welfare services, and enhancement of its ability to support social	☑			☒	☑			☒	2

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focussed	diffuse/wide	achievable	not achievable	good	Low/poor	
inclusion of all, especially disadvantaged groups and creation of the conditions for growth and sustainable development of all individuals, groups and communities									
4. Improve regulatory and management capabilities of health financing institutions and health care authorities, institutions and programmes; increase access and inclusion of vulnerable groups into health care system; support inter-ministerial fight against drug abuse, and HIV/AIDS.	☑			☒		☒	☑		2
5. Enhancing the investment climate and support to small and medium sized enterprises through the implementation of the Strategy for the Development of Competitive and Innovative SMEs 2008-2013, a favourable legislative and policy framework, economic environment, access to services, capital and know-how, and support to legislative and policy framework, economic competitiveness, including investment and import/export promotion.	☑			☒		☒	☑		2
6. Supporting regional competitiveness. Support to underdeveloped regions to create basic preconditions for economic growth.	☑			☒		☒	☑		2
7. Assistance to privatisation of socially and state owned enterprises, in particular preparing restructuring / privatisation programmes.	☑			☒	☑		☑		3
8. Development of Serbia's capacity to manage its macro-economic and strategic national economic planning and forecasting	☑			☒	☑			☒	2
9. Develop the full potential and the competitiveness of	☑		☑		☑		☑		4

Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
Serbia's transport sector for socio-economic development, in particular in the Corridor X (road and railways) and Corridor VII (Danube basin).									
10. Improving infrastructures in order to promote business related activities and public services and to facilitate economic and cultural links within Europe.	☑			☒	☑		☑		3
<i>Priority Objectives (Priority Axis 3: European Standards)</i>									
1. Developing Serbia's capacity to benefit from the SAA, CEFTA and its future WTO membership.	☑			☒	☑			☒	2
2. Supporting the development and implementation of EU policy in the area of financial services in order to consolidate a stable financial market in Serbia	☑		☑		☑		☑		4
3. Supporting State Aid and the Competition Protection authorities to meet EU anti-trust and state-aid standards. Ensure independence of the Commission on Competition.	☑		☑		☑		☑		4
4. Support the development and implementation of strategies and policies in order to establish sectoral policies and a regulatory framework compatible with European standards in the areas of agriculture and rural Development, regional policy, environment.	☑		☑		☑		☑		4
5. Support to the relevant national, local authorities in alignment and enforcement of legislation in relation to protected areas: transport. Support Serbia to fully implement the European Common Aviation Area Agreement and to actively participate in the ISIS initiative with	☑		☑		☑		☑		4

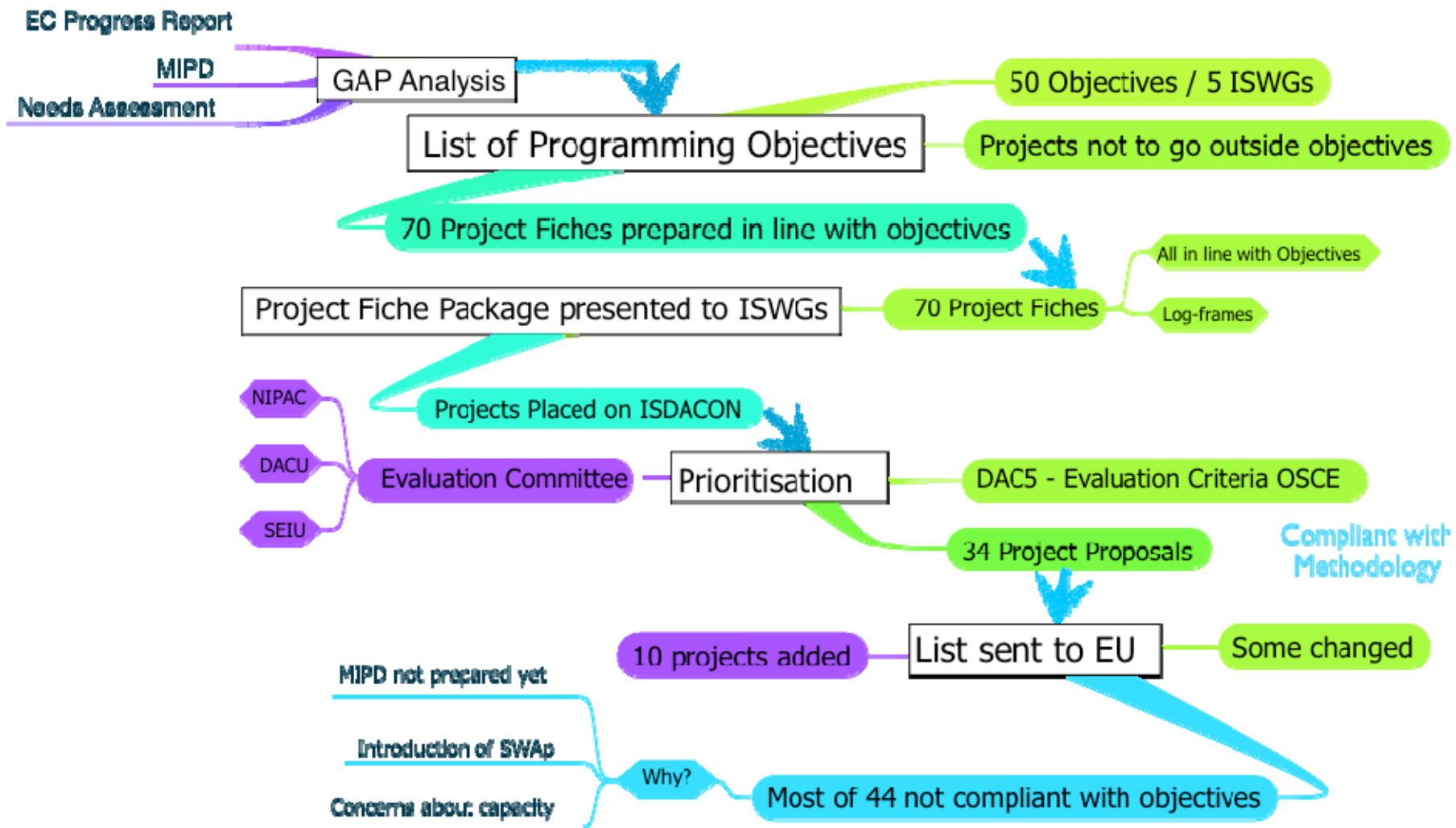
Strategic and Priority Objectives	Linkage		Aim		Achievability		Measurability		Totals ☑
	strong	weak	focused	diffuse/wide	achievable	not achievable	good	Low/poor	
a view to adopt and implement the relevant single European sky acquis: energy; support the development and implementation of other strategies and a regulatory framework compatible with European standards, e.g. statistics, information society, electronic communications, customs and taxation, social policy, nuclear safety, research, public internal control and external audit, environment, transport, tourism									
6. Enabling Serbia to participate in Community programmes , including support to establish and/or enhance the necessary structures and financing of Serbia's participation in Community programmes	☑			☒	☑		☑		3
7. Supporting further alignment with European standards in the area of justice, freedom and security , in particular visa (to ensure implementation of the EU-Serbia visa facilitation agreement), border management, asylum and migration mechanisms, data protection, regional cooperation in the field of law enforcement and fight against organised crime and terrorism, fight against drugs, human trafficking and money laundering	☑			☒	☑		☑		3
8. Human Resource Development. Assistance to the national structures responsible for human resource development to gain the necessary capacity to define strategies, programmes and projects and to manage and monitor programming activities related to HRD	☑		☑		☑		☑		4

ANNEX 3 - SUMMARY OF 2011 PROJECT FICHES

1	Support to the Implementation of the Migration Management Strategy
2	Capacity Strengthening, Practice Improvement and IT Assistance to the Commission for the Protection of Competition
3	Improvement of Personal Data Protection
4	Europe for Everyone
5	Municipal Investment Programme (KMIP)
6	DPMO - Support socio-economic development of the Danube Serbia Region
7	DPMO - Support to Serbian administration in preparation and management of pre-accession assistance in the new EU financial perspective
8	Ministry of Agriculture, Forestry and Water Management - Capacity Building in the Phytosanitary Sector
9	Ministry of Agriculture, Forestry and Water Management - Food safety and Animal Welfare
10	Ministry of Culture - Support to development of media literacy and digital media contents
11	Ministry of Economy and Regional Development - Preparation of Serbian Labour Market Institutions for European
12	Ministry of Education - General education and human capital development
13	Ministry of Energy and Mining - Capacity Building for the Energy Agency of Republic of Serbia - Twinning Program
14	Ministry of Environment and Spatial Planning - IPPC SEVESO EMAS
15	Ministry of Environment and Spatial Planning - Technical assistance for the establishment of framework for the EU Climate and Energy Package
16	Ministry of Finance (Tax Administration) - Modernization and strengthening of institutional capacity of the Serbian Tax Administration
17	Ministry of Health - Capacity building of key healthcare institutions
18	Ministry of Human and Minority Rights - Implementation of Anti-Discrimination Policies
19	Ministry of Interior - Border control surveillance system
20	Ministry of Interior - Strategic planning in the Ministry of Interior
21	Ministry of Justice - Fight Against Corruption
22	Ministry of Justice - Support to the MDTF
23	Ministry of Labour and Social Policy -Enhancing the position of residents in residential care institutions
24	Ministry of Trade and Services - Development of e-business with special focus on e-commerce
25	Ministry of Trade and Services - Enforcement of intellectual property rights
26	The National Assembly of the Republic of Serbia -Strengthening the overall capacity of the National Assembly of the Republic of Serbia
27	Customs Administration - Support to the modernization of the Customs System in the Republic of Serbia
28	DPMO - Support for Participation in Community Programmes
29	General Secretariat - Reforming Policy Coordination in the Government of Republic of Serbia - Third Phase

30	Ministry of Agriculture, Forestry and Water Management - Support for the control and eradication of classical swine and rabies
31	Ministry of Finance - Establishing of a Uniform Public Finance Management System at all Government Levels
32	Ministry of Infrastructure - Access roads to Zezelj Bridge
33	Ministry of Infrastructure - Novi Sad - Subotica preparation of project documentation
34	Ministry of Infrastructure - Construction of the Internal Traffic Ring for the City of Belgrade
35	Ministry of Infrastructure and Public Enterprise Railways - Modernisation of the railway Corridor X around the city of Nis
36	Ministry of Infrastructure - Removal of sunken vessels from the bottom of the navigation fairway of the Danube River
37	Ministry of Mining and Energy - Construction of Waste Water Treatment Facilities at TPP Nikola Tesla B and TPP Kostolac B
38	Ministry of Science - Scientific and Technological Development Strategy of the Republic of Serbia
39	SAI & AA - Strengthening Capacities of the State Audit Institution of Serbia and the Audit Authority
40	SEIO & Secretariat for Legislation - Legal Approximation and Assistance Facility
41	Statistics Office - Further Improving Structural Capacity of the Serbian Statistical Office

ANNEX 4 – PROJECT SELECTION MECHANISM FLOWCHART



ANNEX 5: PROJECT DISTRIBUTION OVER YEARS

CRITERIA	OBJECTIVES	2007	2008	2009	VOID	2010	Total
1 - POLITICAL	1. Supporting the strengthening of democratic institutions	1	1		2	1	5
	2. Improving the performances of Serbia's public administration	2	2		2	1	7
	3. Advancing the reform of local self government				1		1
	4. Public Internal Financial Control (PIFC)		1		2		3
	5. Improving budget and fiscal management	1	2				3
	6. Consolidating the rule of law	4	2		3	1	10
	7. Fighting discrimination and promoting human and minority rights	3	4		2	1	10
	8. Further support to civil society	1	1		1	1	4
	9. Support the media		1			1	2
1 - POLITICAL Total		12	14		13	6	45
2 - SOCIO-ECONOMIC	1. Enhance access to employment and participation in the formal labour market		1		1		2
	2. Promoting and implementing the reform of the education system		2	1	2	2	7
	3. Fostering social inclusion with the advancement of social welfare system reform	1				1	2
	4. Improve regulatory and management capabilities of health financing institutions	3	1	1	1	1	7
	5. Enhancing the investment climate and support to SMEs	3	1		3	2	9
	6. Assistance to privatisation of socially and state owned enterprises	1					1
	7. Developing Serbia's capacity to manage its macro-economic and strategic national economic planning	1					1
	8. Develop the full potential and the competitiveness of Serbia's inland waterway transport sector	2		1		1	4
	9. Improving infrastructures to promote business related activities and public services in various sectors		1		1	1	3
2 - SOCIO-ECONOMIC Total		11	6	3	8	8	36
3 - EU ALIGNMENT	1. Developing Serbia's capacity to benefit from SAA, CEFTA, future WTO membership				1		1
	10. Support the development and implementation of strategies and policies in statistics				3		3
	11. Support the development and implementation of strategies and policies in information society				1	1	2
	12. Enabling Serbia to participate in Community programmes	2	2			1	5
	13. Support further alignment in the area of justice, freedom and security	2	1	1	11	4	19
	2. Strengthening the European integration structures (DIS)	1	1		3		5
	3. Supporting the development and implementation of sector strategies and policies compatible with EC internal market legislations	1	1	1	3	1	7
	4. Supporting State aid and competition protection authorities		1		1		2
	5. Support the development and implementation of strategies and policies in regional economic development				5		5
	6. Support the development and implementation of strategies and policies in agriculture and rural development	1	3	1	2	2	9
	7. Support the development and implementation of strategies and policies in environment	5	4	1		3	13
	8. Support the development and implementation of strategies and policies in transport	1	4		1		6
9. Support the development and implementation of strategies and policies in energy	1		1	4	2	8	
3 - EU ALIGNMENT Total		14	17	5	35	14	85
Total		37	37	8	56	28	166

ANNEX 6 - LIST OF INTERVIEWS/ MEETINGS

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ANNEX 7 - LIST OF DOCUMENTS REVIEWED AND REFERRED TO IN THE EVALUATION

Document Originator	Date	Title
IPA General Documents		
EU		Project ToR
		Council Regulation Establishing IPA
		Enlargement Strategy and Main Challenges
		Enlargement Strategy and Main Challenges
		Enlargement Strategy and Main Challenges
		Enlargement Strategy and Main Challenges
		IPA Enlargement Guide
		2006 Report on PHARE
		Paris Declaration 2005
Serbia Specific Documents		
EU		MIPD
		MIPD
		MIPD
		EC Progress Report 2007
		EC Progress Report 2008
		EC Progress Report 2009
	2008-10	Adoption of National Programme
		Council of Europe Opinion on Serbian Constitution
World Bank		
Doing More with Less		
EU	Mar - 08	Enhancing the European Perspective
	2009	Enlargement State of Play
	2005	SEC Recommendation on Stabilisation Agreement
	2007	European Partnership EU - Serbia
	2009	Final Evaluation of Cards
	2008	Financing Proposal IPA
	2007	Financing Proposal Serbia 2007
		National Strategy for EU Integration
		Social Inclusion 2008
Govt of Serbia		Needs Assessment of the Republic of Serbia
		Needs Assessment Presentation
	14.8.2007	Notes from Donors Conference 2008 International Assistance
	2005	Report on International Assistance
EU	2007	Report on International Assistance
	2008	Report on International Assistance
	2009	Report on International Assistance
Govt of Serbia		SUK Presentation
		Presentation – Support to MFA in

Document Originator	Date	Title
		Implementation of Best Consular Practice
EU		Reform Agenda
	2005	Road Map for Sector Support
	2005	Progress Report on Harmonisation
	2007	SME Charter Report
		Action Plan for EU Integration
		Commission Decision 2007
		Commission Decision 2008
		Communication Strategy
	2007	Financing Proposal for Serbia
	2008	Financing Proposal for Serbia
Govt. Of Serbia	2008	Greco Report
		Interim Agreement – Trade Serbia
	2009	National Assistance Programme
		National Programme for EU Integration
	2008-2013	Operational Plan
71 National Strategies as follows: (http://www.srbija.gov.rs/vesti/dokumenti_sekcija.php?id=45678)		
1	The strategy of control shooting and light weapons in the Republic of Serbia for the period 2010-2015.	
2	Strategy for sustainable survival and return to Kosovo and Metohija	
3	strategy for waste management for the period 2010-2019	
4	Changes Strategy for postal services in Serbia	
5	Strategy career guidance and counselling in the Republic of Serbia	
6	The strategy of scientific and technological development of the Republic of Serbia in the period from 2010. 2015.	
7	National Strategy for the inclusion of the Republic of Serbia in the Clean Development Mechanism of the Kyoto Protocol for the sectors of waste management, agriculture and forestry	
8	Strategy to increase participation of domestic industry in the development of telecommunications in the Republic of Serbia	
9	E-government development strategy in the Republic of Serbia for the period from 2009. 2013.	
10	Development strategy of broadband access in the Republic of Serbia in 2012.	
11	A strategy for migration management	
12	Development strategy of internal financial control in the public sector in the Republic of Serbia	
13	The strategy for transition from analogue to digital broadcasting of radio and television programs in the Republic of Serbia	
14	Management strategies of banks in shares owned by the Republic of Serbia for the period from 2009. 2012.	
15	Strategy for Safety and Health at Work in the Republic of Serbia for the period from 2009. 2012.	
16	Strategies for improving the position of Roma in Serbia	
17	Draft Decision on the adoption of National Security Strategy of the Republic of Serbia	
18	Draft Decision on the adoption of the Strategy of Defence of Serbia	

Document Originator	Date	Title
19		The strategy of opposing illegal migration in the Republic of Serbia for the period 2009-2014.
20		National Strategy for Combating Organized Crime
21		Strategy for Public Health of Serbia
22		Strategies for prevention and control of chronic noncommunicable diseases
23		Strategy to ensure adequate amounts of safe blood and blood components in the Republic of Serbia
24		Strategy for Palliative Care
25		Introduction of cleaner production strategies in the Republic of Serbia
26		Strategy to combat drugs in Republic of Serbia for the period from 2009. 2013.
27		The national strategy for improving the situation of women and promoting gender equality
28		Trade Development Strategy of the Republic of Serbia
29		The strategy of reintegration of returnees under the Agreement on Readmission
30		A strategy for continuously improving the quality of health care and patient safety
31		Strategy of Development in the Republic of Serbia in the period from 2009. 2012.
32		Strategy changes in telecommunications development strategy in Serbia since 2006. 2010. year (with the Action Plan)
33		The national strategy for prevention and protection of children from violence
34		Strategy for development of sport in the Republic of Serbia for the period from 2009. 2013.
35		Development strategy of competitive and innovative small and medium enterprises for the period since 2008. 2013.
36		National Strategy for Combating Money Laundering and Terrorist Financing
37		Strategy for Regulatory Reform in the Republic of Serbia for the period since 2008. 2011. year (with the Action Plan)
38		Strategy to increase exports of the Republic of Serbia for the period since 2008. 2011.
39		National Sustainable Development Strategy
40		National Youth Strategy
41		Postal Services Development Strategy in Serbia
42		The strategy of encouraging birth
43		Development Strategy of the railway, road, water, air and intermodal transport in the Republic of Serbia in 2008. 2015.
44		Strategy development of mental health
45		Tobacco Control Strategy
46		Regional Development Strategy of Serbia for the period since 2007. 2012. The Action Plan
47		Long-term economic development strategy of the Serbian community in Kosovo and Metohija
48		Strategy for long-term economic development of South Serbia - Presevo, Bujanovac and Medvedja
49		Adult Education Development Strategy in Serbia
50		The strategy of vocational education in the Republic of Serbia
51		Improvement Strategy Disability in the Republic of Serbia
52		National Economic Development Strategy of Serbia since 2006. 2012.
53		Public Administration Reform Strategy in Serbia
54		Energy Development Strategy of the Republic of Serbia until 2015.

Document Originator	Date	Title
55		Program implementation Energy Strategy of Republic of Serbia until 2015. , for the period since 2007. 2012.
56		Communication Strategy of the Republic of Serbia on the Stabilisation and Association of the State Union Serbia and Montenegro to the European Union
57		The National Strategy to Combat HIV / AIDS
58		National Employment Strategy for 2005-2010
59		National Strategy to Combat Corruption
60		National Strategy of Serbia for the accession of Serbia and Montenegro to the EU
61		Development strategy of agriculture in Serbia
62		Social Protection Development Strategy
63		Integrated Border Management Strategy in the Republic of Serbia
64		Strategy for Encouraging and Developing Foreign Investment
65		National Judicial Reform Strategy
66		Forestry Development Strategy of the Republic of Serbia
67		National Strategy on Ageing
68		Information Society Development Strategy in Serbia
69		The Strategy for the Development of Telecommunications in the Republic of Serbia in the period since 2006. 2010.
70		Tourism Development Strategy
71		Youth Health Development Strategy
72		Strategy for the fight against human trafficking in Serbia
73		Strategy of Development
74		Poverty Reduction Strategy Paper
43 Monitoring Reports as follows:		
1		Operating Grant to enhance operations of Regional Development Agency Eastern Serbia
2		Operating Grant to enhance operations of Center for development of Jablanica and Pcinja Districts (RDA)
3		Operating Grant to enhance operations of Regional Economic Development Agency for Sumadija and Pomoravlje
4		Operating Grant to enhance operations of Regional Development Agency "Zlatibor" (ZRDA)
5		Operating Grant to enhance operations of the Regional Development Agency BANAT
6		07SER01/16/11 Technical Assistance to the Emergency Medical Services
7		Support to Regional Development Agencies - Regional socio-economic development programme II (RSEDP).
8		07SER01/15/11 - Establishment of the Public Agency for Accreditation and Continuous Quality Improvement of Health Care in Serbia
9		07SER01/14/11 Implementing the National Strategy to Fight Drug Abuse in Serbia
10		Support to Enterprise Competitiveness and Export Promotion
11		07SER01/18/11, Implementation of River Information Services (RIS) on Danube River in Serbia
12		Provision of Housing and Income generation Assistance Schemes to Refugees and IDPs in Serbia
13		Support to the strengthening of the Ombudsman Office
14		07SER01/21/11 Supervising Engineer for Emission reduction from Nikola Tesla Thermal Power Plant in the Republic of Serbia

Document Originator	Date	Title
15	07SER01/01/11	Project Preparation Facilities and Technical Assistance for the Reinforcement of Administrative Capacity
16		Support to Education and Information Centre of the Serbian Intellectual Property Office
17	07SER01/03/21/001	Support to the National Judicial Academy in Serbia
18		DMCSEE - Drought Management Centre for South East Europe
19		CC-WaterS - Climate Change and Impacts on Water Supply
20		3E - Promoting Innovation in the Industrial Informatics and Embedded Systems Sectors through Networking
21		NEWADA - Network of Danube Waterway Administrations
22		SEETAC - South East European Transport Axis Cooperation
23		Support to IDPs and Refugees in Serbia through Provision of Durable Solutions and Economic Sustainability Measures
24		Supporting Refugees and IDPs in Serbia in Finding Suitable Durable Solutions
25	08SSER01/23/11	Fourth Project implementation Unit (PIU) to "Roads of Serbia"
26		Provision and Housing and Income Generation Support to Refugees and IDPs in Serbia
27	07SER01/20/11	Improving Structural Capacity of the Serbian Statistical Office in view of Approximating European Statistical System (ESS) Requirements
28		Technical Assistance for Development of a National Environment Approximation Strategy
29	07SER01/27/11	Support to introduce the Decentralized Implementation System
30	07SER01/11/11	Implementation of priorities in the area of human rights and protection of national minority groups
31		Strengthening LSG in Serbia - phase 2
32		Strengthening Administrative Capacities for Protected Areas in Serbia (Natura 2000)
33		European Integration Scholarships
34		Dignified Solutions for Refugees and IDPs Living in Collective Centres or Private Accommodation in Serbia
35		Support of Refugees and Idps in Serbia 08/SER01/03/21/004
36		Provision of Housing and Income Generation Assistance Schemes to Refugees and IDPs in Serbia
37		Strengthening of the administrative Capacities for Implementation of the Air Quality Management System
38	IPA 07SER01/26/11	Technical Assistance for the implementation of the European Common Aviation Area Agreement in the Republic of Serbia
39		Study of Flood Prone Areas in Serbia - Phase 1
40	07SER01/34/11	Sewerage & Wastewater Strategic Masterplan for the West Morava River Basin in Serbia
41		Support for media capacity in the area of EU Integration
42		Strengthening the Capacity of the Serbian Electricity Transmission System and Market Operator (EMS)
43		Municipal support programme IPA 2007, Good local Governance, planning and service delivery
Project Fiches		
		Training for Tax Administration
		Harmonization of Serbian Customs Enforcement Division with Standards, Organization and Operational Methodology of the EU Enforcement Agencies

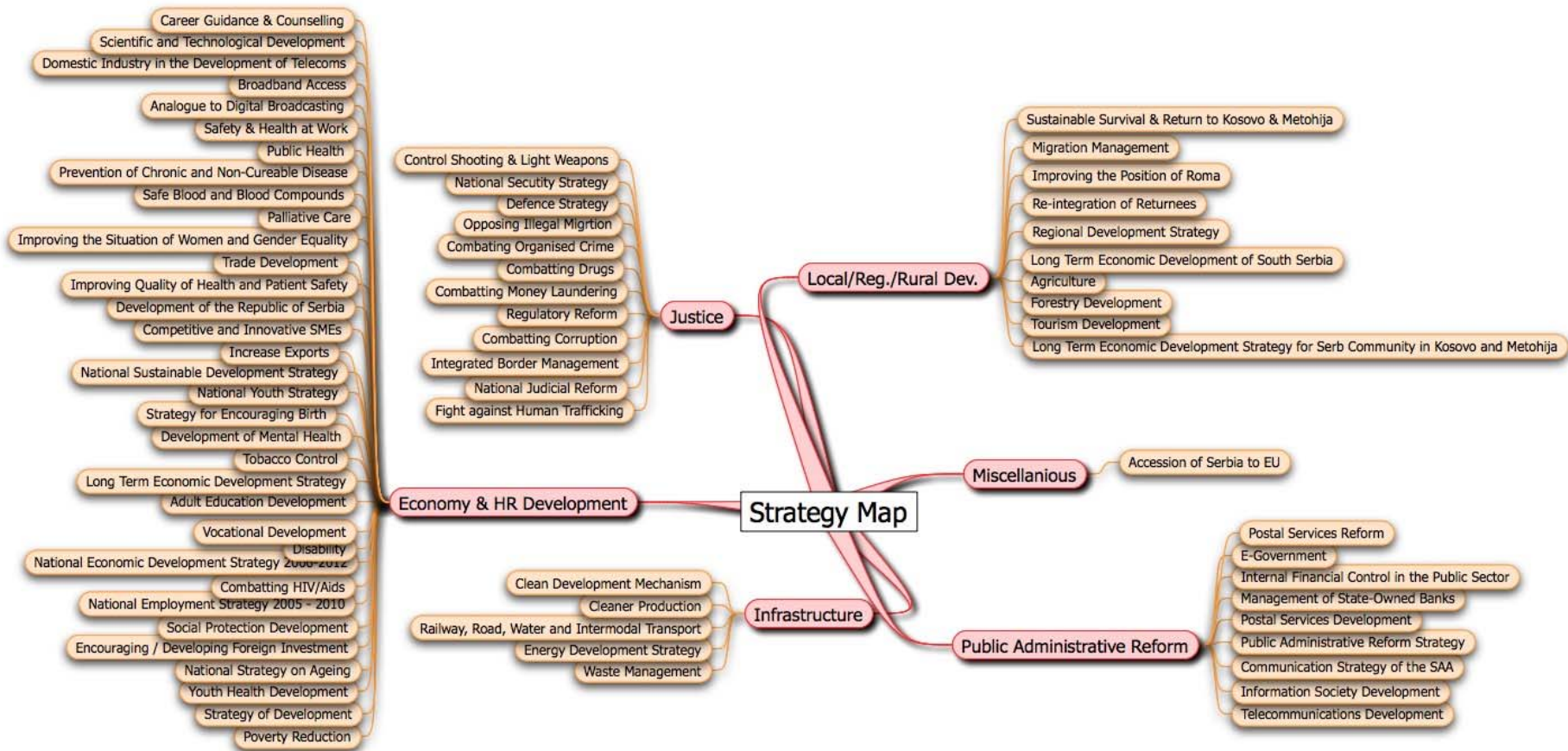
Document Originator	Date	Title
		Standardised System for Education and Training of Judges and Prosecutors
		Improvement of Penalty System
		Improvement of efficiency and transparency of Judiciary System
		Police Reform: Internal Affairs
		Fight against corruption
		Improvement of transparency and efficiency (prosecutors and penal system)
		Further alignment of penalty system with EU standards and strengthening of alternative sanctions system
		European Integration Scholarship Programme
		Fostering Social Inclusion by Strengthening Institutions that Provide Community-Based Social Protection Services
		Human Rights and Protection of Minorities
		Implementation of the National Strategy of fight against drugs and establishment of a system of prevention and repression
		Support to the Establishment of the Ombudsman Office
		Education for All - Increasing the Availability and Quality of Education for Children from Marginalised Groups
		Supporting access to rights employment and livelihood enhancement of refugees and IDPs
		Support to Refugees and IDPs
		Support to Integration of Refugees and Livelihood Enhancement of Internally Displaced Persons (IDPs)
		Support to Civil Society
		Civil Society Facility-Support to Civil Society
		Implementation of Hospital Information System
		Development of palliative care services
		Implementing the National Strategy to Fight Drug Abuse
		Implementation of the National Screening Programme for colorectal, cervical and breast cancer
		Support to the Health Accreditation Agency
		Health Sector Reform Emergency Medical Services
		Institutional capacities building for socio economic development in SW and S Serbia
		Regional Economic and Social Development Programme
		Support to Implementation of the National Strategy for Tourism
		Support to Private Sector Competitiveness
		Improved Serbian SME Competitiveness and Innovation
		Emissions Reduction from Nikola Tesla thermal power plant
		Improving Capacity of Statistical Office
		Danube River Information System (RIS)
		Supervision of Belgrade by –Pass Section B
		Danube River Rehabilitation Project
		Zezelj bridge
		Municipal Infrastructure Support Programme
		Support to Municipalities to prepare and implement infrastructure projects
		Integrated Innovation Support Programme
		Support to introduce the Decentralised Implementation System
		Strengthening the capacities of Serbia in managing IPA assistance under a Decentralised Implementation System [DIS]

Document Originator	Date	Title
		Strengthening consumer protection
		Support to the Education and Information Centre of the Serbian Intellectual Property (IP) Office
		Hazardous Waste Treatment Facility (phase II)
		To support SEPA and increase its capacity to contribute to the EU concepts of collecting, sharing and managing environmental information and data, through creation of the Serbian National Environmental Information System
		Implementation of the European Common Aviation Area
		Harmonization with Acquis Communautaire in the Field of Transport – Phase II
		Facilitating Intermodal Transport in Serbia
		System for the Analysis of Track conditions
		TA to support implementation of infrastructure projects in the Republic of Serbia-PIUs
		Supporting the Implementation of the Energy Community Treaty
		Capacity building of the Energy and Mining sector
		Environment Protection at Electric Power of Serbia
		Construction of Leskovac 2 and Vranje 2
		Assistance in development of E-Gov
		Establishing of the National Agency for Community programmes in the fields of education and training
		Establishment of the first level control and support to the implementation of the CBC programmes
		GTAF reserve and general TA Facility
		Support to Serbian Participation in the Community Programmes
		Support to Participation in Community Programmes
		Establishment of National visa system in line with the requirements of the Schengen system
		Efficient exchange of information in fighting financial crime
		Strengthening of capacities of the Directorate for Confiscated Property Management and improvement of the seizure of assets system
		Improving Border Control Standards
		Administrative Capacity Building of the Customs Administration for the Full Implementation of the Common EU Transit Procedure
		Development of the Information System for Border Crossing Control
		Fight against illegal migrations

ANNEX 8 – MOVING TO A SECTOR-WIDE APPROACH TO PROGRAMMING

There are 71 existing strategies in the Republic of Serbia. The following Chart outlines the strategies.

Figure 10: Strategy Map for Official Strategies Adopted by the Government of Serbia



In order to move to a full sector-wide approach to programming, it is necessary to take a holistic approach, starting with the MIPD as the driver, and building on the existing components within the planning system of the Republic of Serbia.

To do this rapidly, will involve developing concise sectoral strategies from the existing ingredients contained within the 71 existing adopted strategies of Serbia and also the strategic approaches described in the needs assessment document to harmonise with the planned approach to SWAp that is being developed by the EU on a regional basis.

The quickest way to achieve such harmony may be to use a Project Cycle Management approach to the MIPD and to the Introduction of SWAp whereby both are developed in harmony.

For the MIPD, a logical framework, can be developed which has its purpose, the identified aims of the SAA (which use SMART indicators to clearly identify the needs of EU accession). The MIPD can adopt a Sector Wide Approach by creating Objectives and SMART indicators for each target sector in order to meet these objectives.

At the same time, the Government of Serbia can use the logical framework approach to Needs Assessment to develop an overall logical framework based in individual log frames for each target sector. The log frames can be constructed by extracting the objectives and indicators as well as the budgets and timetables from the various individual strategies and the existing sector analysis of the needs assessment, at the same time addressing the barriers and constraint (conditions) of each sector.

The Government of Serbia has agreed to start the Sector Wide Approach targeting three sectors (Public Administration Reform, Justice and Environment). An overall Sector Wide Approach will require this to eventually be developed to encompass, some 11 main sectors and 35 sub-sectors in total¹¹)

Public Administration Reform

- Public Administration Reform is already well advanced with an adopted strategy.
- The Needs Assessment identifies priorities in the areas of: Public Administration and Local Self-government as well as priorities for Institutional Capacity Building;
- An Inter-sector working group is already established and a number of initiatives are already in process within this sector.
- Individual Strategies are adopted by the Government under the following headings:
 - Postal Service Reform
 - E-Government
 - Internal Financial Control in the Public sector
 - Management of State Owned Banks

It is a relatively straightforward task to develop an approach in this sector.

¹¹ See Figure 5 – Identified Priority Sectors

Justice Sector

There are 10 individual strategies, which can be consolidated to identify the objectives of this sector. At the same time, there is an Inter-Sector Working Group, and a Multi-Donor Trust Fund. The priorities of the Justice Sector are set out within the needs assessment. It is also relatively straightforward to develop an approach in this sector.

The 10 individual strategies consist of:

- Control Shooting and Light Weapons;
- National Security;
- Defence Strategy;
- Opposing Illegal Migration;
- Combating Organised Crime;
- Combating Drugs;
- Combating Money Laundering;
- Regulatory Reform;
- Combating Corruption;
- National Judicial Reform

Environment and Energy

- The priorities of environmental protection, as well as Mining and Energy and also Construction and the development of infrastructure are identified in the needs assessment and four individual strategies can be used to develop a logical framework for this sector.
- Individual strategies have been adopted under the following headings:
 - Clean Development Mechanism;
 - Cleaner Production;
 - Energy Development;
 - Waste Management

These three identified priority areas may be built on by adding other sectors as follows:

Civil Society (including media)

Individual strategies have been adopted by the Government under the headings of:

- Sustainable survival and Return to Kosovo and Metohija;
- Migration Management;
- Improving the Position of Roma;
- Re-integration of Returnees;
- Improving the `Situation of Women and Gender Equality;
- Strategy for Encouraging Birth;
- Disability; Social Protection Development
- National Strategy on Ageing;
- Poverty Reduction;
- Fight against Human Trafficking;
- Tobacco Control
- Analogue to Digital Broadcasting

Transport

- The needs of the Transport Sector are already identified within the Needs Assessment document.
- There is an individual strategy adopted by the Government for Railway, Road, Water and Intermodal Transport

Competitiveness (including: Enterprises; Research and Development; ICT; Competition; Consumer Protection; Internal Market and trade)

- Priorities are identified within the Needs Assessment in the areas of: Finance; Trade and Investment; Telecommunications and Information Society
- Individual strategies have been adopted by the Government under the following headings:
 - Postal Services Reform;
 - Information Society Development
 - Telecommunications Development
 - Long Term Economic Development of South Serbia
 - Long Term Economic Development Strategy for Serb Community in Kosovo and Metohia
 - Scientific and Technological Development
 - Domestic Industry in the Development of Telecoms
 - Broadband Access;
 - Trade Development;
 - Development of the Republic of Serbia;
 - Competitive and Innovative SMEs
 - Increase Exports;
 - Long Term Economic Development Strategy
 - National Economic Development Strategy
 - Encouraging / Developing Foreign Investment;
 - Strategy of Development

Human Resource Development (Including: Employment; Education; Social Affairs (Refugees; IPDs; Migration)

- Priorities are already identified within the Needs Assessment in the areas of:
 - Fostering Employment – Economic Development and Education for Development;
 - Labour and Social Policy;
 - Human and Minority Rights;
 - Youth and Sports;
 - Diaspora;
 - Education and Science.
- Individual Strategies have been adopted by the Government under the following headings:
 - Career Guidance and Counselling;
 - Adult Education Development;
 - Vocational Development;

Health

- Priorities for Public Health are identified within the needs assessment
- individual strategies have been adopted by the Government for:
 - Safety and Health at Work
 - Prevention of Chronic and Non-Curable Disease

- Safe Blood and Blood Compounds
- Palliative Care
- Improving Quality of Health and Patient Safety
- Development of Mental Health
- Combating HIV/Aids
- Youth Health Development

Agriculture and Rural Development

- Priorities are already identified within the needs assessment for:
 - Rural Development,
 - Agriculture, Forestry and Water Management
- Individual Strategies have been adopted by the Government in the areas of:
 - Agriculture
 - Forestry Development
 - Tourism Development

Cross Border Co-operation

Individual Strategies have been introduced by the Government in the areas of:

- Migration Management
- Integrated Border Management

ANNEX 9 - INDICATORS RELATED TO GOVERNMENT MONITORING GOALS FOR PERIOD 2009 – 2011

Measurement		Indicator	
1	Improvement of the planning process in respective ministries and of the overall inter- sectoral planning and prioritization of international aid (Indicator 1 of the Paris Declaration)	Initial Value	Target
1.1	Percentage of ministries which submit on time their contributions for the document Needs of the Republic of Serbia for International Assistance” to the Ministry of Finance	All relevant ministries submit on time their contributions for the document “Needs of the Republic of Serbia for International Assistance in the period 2009- 2011” to the Ministry of Finance	Submitted 19/21 90% On time 7/19 37%
1	2	Percentage of contributions of relevant ministries which in terms of quality follow the instructions of the Ministry of Finance	Contributions of relevant ministries follow the instructions of the Ministry of Finance in terms of quality. 42%
1	3	Percentage of draft project proposals which the respective ministries entered into the ISDACON information system during the year under review, and which originate from the document „ Needs of the Republic of Serbia for International Assistance" which relates to the period under review.	In 2008 the respective ministries entered into the ISDACON information system 80% of draft project proposals which originate from the document "Needs of the Republic of Serbia for International Assistance in the period 2008-2010". Based on No. of Projects 48% 60% Based on Value of Projects 68% 85%
2	Improved alignment of projects and programs financed through international assistance with national priorities (Indicator 3 of the Paris Declaration)	Value	Target
2	1	Percentage of donors' funds which in the year under review were allocated to programmes/projects registered in the ISDACON information system as draft project proposals	75% of donors' funds in 2008 were allocated to programmes/projects registered in the ISDACON information system as draft project proposals Based on No. of Projects 35% 47% Based on Project Values 61% 81%
2	2	Percentage of donors (calculation based on the number of donors) which gave a positive answer to questions related to the utilization of the document Needs of the Republic of Serbia for International Assistance” in the period under review in planning and allocating their funds	80% of donors (calculation based on the number of donors) gave a positive answer to questions related to the 32% 40%

			utilization of the document "Needs of the Republic of Serbia for International Assistance in the period 2008- 2010" in planning and allocating their own funds		
3	Enhancing inter-sectoral cooperation and sectoral approaches with the aim to improve alignment of donors' activities with national policies (Indicator 4 of the Paris Declaration)				
3	1	Number and total values of projects, which are the result of inter- sectoral cooperation and coordination in the year under review, in comparison to the previous year.	Increase in numbers and total value of projects, which are the result of inter- sectoral cooperation and coordination in 2008, in comparison to year 2007.	No. of Projects	
				17	
				Value of Projects	
				€54 Million	
Data contained in IS ISDACON show that out of 242 project proposals, which the ministries registered with the system in 2007, only 17 evolved as a result of inter-sectoral cooperation and coordination. The value of these projects is 54 million EURO.					
4	Initiating the introduction of a decentralized system for management of EU funds (DIS) in order to ensure gradual flow of European Commission's assistance through the national system for management of public finances and public procurement (Indicators 5a and 5b of the Paris Declaration)				
		Action Plan for introducing DIS shall be completed and adopted by the Government of Serbia by the end of the first quarter of 2008.	Activities related to the introduction of DIS which were planned for 2008 have been implemented in accordance with the Action Plan		
5	Improved level of predictability of external financing, with the aim to assist respective ministries in planning their annual activities and budget (Indicator 7 of the Paris Declaration)				
		Percentage of donors who submitted on time complete information on expected new funds for the period under review.	All donors submitted on time complete information on expected new funds for the period 2008-2010.	Donors who Complied	
				54%	
				Donors who Complied on Time	
				39%	
				Donors whose Responses were complete	
				12%	

Sector's data regarding submitted donors' contributions to be used in compiling the Action Plan for allocating international aid funds (Annex – Expected donors' funds in the period 2007-2009), show that 15 out of 28 donors (54%) submitted contributions on planned new funds in the period 2007-2009. Out of this number, 11 donors submitted their contributions respecting to a certain extent the given deadline, whilst at the same time 12% of submitted contributions were complete in terms of information asked for.

The basic goal to be met by ensuring data on expected international aid funds in the forthcoming three-year period is to improve the planning activities process and to make financial plans for budgetary financing in respective ministries and other state institutions. Because of belatedness and incompleteness of information obtained from donors, the predictability of external financial sources is at an unsatisfactory level, which makes it more difficult for the respective ministries to plan their annual activities and budgets.

5	2	Percentage of planned new funds for the year under review, which were approved until end of that year	80% of the planned new funds for 2008 were approved until the end of that year.	106%	133%
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Sector's data relating to the submission of donors' contributions on planned new funds in 2007 and data obtained from IS ISDACON show that the total value of planned new donors' funds in 2007 was 294,601,048 EUR, and that in 2007 effectively were approved 311,056,961 EUR, which makes 106% of planned new funds in 2007.

As regards predictability of external financing this result is a positive one, and in view of the target value of the indicator also somewhat unexpected. However, having in mind the measured initial values and the findings and conclusions related to the previous Indicator (Indicator 5.1.) one should be cautious about optimistic interpretations of results related to Indicator 5.2 because previous Indicators established that only 54% of donors submitted their contributions on planned new funds, and that in the majority of cases information was not complete; with such an initial value of the Indicator 5.2 this can altogether mean also that external financing is rather unpredictable.

ANNEX 10 – SUMMARY OF MONITORING REPORTS

Indicators / Achievement and Sustainability

Project title	Monitoring reference	SMART	Comment	Achivable	Comment	Sustainable	comments
Operating Grant to enhance operations of Regional Development Agency Eastern Serbia	MR-116462.01	No	OVI are appropriate but can be improved on	Yes	Should be achievable within the time frame	Maybe	Need for securing future funding is recognised by .
Operating Grant to enhance operations of Center for development of Jablanica and Pcinja Districts (RDA)	MR-116463.01	No	OVI Could be improved	Yes		Maybe	EU expects that future financial sustainability will be secured
Operating Grant to enhance operations of Regional Economic Development Agency for Sumadija and Pomoravlje	MR-116620.01	Maybe	OVI are relevant but quantified too ambitiously	Yes		No	Future institutional support is crucially needed
Operating Grant to enhance operations of Regional Development Agency "Zlatibor" (ZRDA)	MR-116621.01	Maybe	LF does not prevent risks but only assumptions	Yes		Yes	
Operating Grant to enhance operations of the Regional Development Agency BANAT	MR-119441.01	Maybe	Results are many and not clearly linked to the planned activities	Maybe	Rather questionable whether it can be achieved during the project lifetime	Yes	
07SER01/16/11 Technical Assistance to the Emergency Medical Services	MR-121181.01	Maybe	Some further elaboration as regards sources and OVI could be included	Yes	Chosen timeframe can be considered very good		
07SER01/16/11 Technical Assistance to the Emergency Medical Services	MR-121181.02		Enhanced Logframe during Inception	Maybe	The focus on existing RDAs will make it difficult to have an impact	Unlikely	Future sustainability depends on an intricate set of different factors
Support to Regional Development Agencies - Regional socio-economic development programme II (RSEDP).	MR-123540.01	Yes		Maybe	The short timeframe is rather tight for such an ambitious project	Doubtful	The risk of financial means to continue the accreditation process remains as a threat to long term sustainability
07SER01/15/11 - Establishment of the Public Agency for Accreditation and Continuous Quality Improvement of Health Care in Serbia	MR-127225.01	Maybe	The LF contains realistic and achievable, however partly measurable and time bound OVI	Yes		Yes	
07SER01/14/11 Implementing the National Strategy to Fight Drug Abuse in Serbia	MR-127423.01	No	The OVI are not fully relevant, measurable or time bound	Yes	Timescale and range of activities is realistic	Maybe	There is a threat that the office will not be established by the end of the project life as the MoH seems to hesitate with the final decision
07SER01/14/11 Implementing the National Strategy to Fight Drug Abuse in Serbia	MR-127423.02		The OVI are not fully relevant, measurable or time bound	Yes	Timescale and range of activities is realistic	Yes	
Support to Enterprise Competitiveness and Export Promotion	MR-127660.01	No	LF needs improvement at level of expected results and need for more informative OVI	Yes	Planned 36 months seems realistic	Yes	
07SER01/18/11, Implementation of River Information Services (RIS) on Danube River in Serbia	MR-127700.01	Maybe	Can't tell from monitoring report which doesn't mention indicators	Yes		Yes	
Provision of Housing and Income generation Assistance Schemes to Refugees and IDPs in Serbia	MR-129043.01	Maybe	Can't tell from monitoring report which doesn't mention indicators	Yes	Project purpose is achievable in the project framework	Yes	

07SER01/27/11 Support to introduce the Decentralized Implementation System	MR-131760.01	No	Ovis have not been accurately defined - not specific; nor specified within a reasonable scope; lack consistency and an indicative timeframe	Yes		Yes	The approach is ensuring the delivery of tailor made and sustainable outputs that are likely to be used in the future
07SER01/11/11 Implementation of priorities in the area of human rights and protection of national minority groups	MR-132280.01	No	OVis are relevant but not fully measurable	Yes		Yes	
Strengthening LSG in Serbia - phase 2	MR-132320.01	Yes	OVis clear and informative	Maybe	Achievement of target values seems difficult - Stakeholders have expressed concern about projects ability to achieve its	Yes	Beneficial for the partners long after project completion
Strengthening Administrative Capacities for Protected Areas in Serbia (Natura 2000)	MR-132440.01	No	In line with discussions held during the Inception Phase, the project will provide an updated action plan and improved LF	Yes		Maybe	Given the difficulty of retraining, generally good public servants it is critical to maintain or improve motivation
European Integration Scholarships	MR-132600.01	Yes	Clear and comprehensive LF envisages the achievement of straightforward and concrete results	Yes		Yes	Target groups and the local communities are ensuring the project sustainability
Dignified Solutions for Refugees and IDPs Living in Collective Centres or Private Accommodation in Serbia	MR-132640.01	Yes	OVis are quantified, specific and realistic	Yes		Yes	Donor coordination is assured ; Participatory approach ensuring the sustainability and local ownership of the results
Support of Refugees and Idps in Serbia 08/SER01/03/21/004	MR-132700.01	Yes	LF is comprehensive including OO, PP appropriate tangible result, activities, assumptions and envisaged costs	Yes		Yes	Project results are considered sustainable
Provision of Housing and Income Generation Assistance Schemes to Refugees and IDPs in Serbia	MR-132701.01	No	Project might benefit if some attention is given to the improvement of the OVis so they could be measurable and time-bound	Yes		Yes	Sustainability should be assured through the adoption of the necessary legal framework
Strengthening of the administrative Capacities for Implementation of the Air Quality Management System	MR-132720.01	Yes	LF - Clear and comprehensive	Yes		Yes	Sustainability - preserving the knowledge and experience gained by the personnel of the institutions
IPA 07SER01/26/11, Technical Assistance for the implementation of the European Common Aviation Area Agreement in the Republic of Serbia	MR-132760.01	Yes	OVis are all SMART and very detailed	Yes		Yes	Project interventions will be sustained because of the need for flood protection measures
Study of Flood Prone Areas in Serbia - Phase 1	MR-132822.01	Yes	OVis are all SMART and very detailed	Yes		Yes	Project interventions will be sustained because of the need for flood protection measures
07SER01/34/11, Sewerage & Wastewater Strategic Masterplan for the West Morava River Basin in Serbia	MR-132881.01	No	LF is not fully developed	Yes		Yes	Sustainability should be ensured by the transfer of know how in using the proposed methodologies
Support for media capacity in the area of EU Integration	MR-132882.01	Yes	LF is of good quality OVis with suitable and informative indicators	Yes		Yes	Sustainability is part of the design
Strengthening the Capacity of the Serbian Electricity Transmission System and Market Operator (EMS)	MR-133082.01	Maybe	N mention of indicators in monitoring report	Yes		Yes	Project results are planned to be institutionally sustained and affordable
Municipal support programme IPA 2007, Good local Governance, planning and service delivery	MR-133180.01	Yes		Yes		Yes	