

## EVALUATION OF PARTICIPATION OF THE REPUBLIC OF SERBIA IN THE EU PROGRAMMES IN THE PERIOD FROM 2007-2012

### Beneficiary

Serbian EU Integration Office (SEIO), Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance (DACU)

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## Contents

LIST OF ABBREVIATIONS .....	3
1 INTRODUCTION.....	4
2 APPROACH AND METHODOLOGY .....	6
3 SUMMARY OF FINDINGS AND ASSESSMENT .....	7
4 EVALUATION BY PROGRAMME.....	11
4.1 EUROPE FOR CITIZENS PROGRAMME .....	11
4.2 SAFER INTERNET PROGRAMME .....	14
4.3 7TH FRAMEWORK PROGRAMME FOR RESEARCH AND TECHNOLOGICAL DEVELOPMENT -FP7	16
4.4 COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME (CIP) .....	21
a) The Entrepreneurship and Innovation Programme (EIP) .....	22
b) The Information Communication Technologies Policy Support Programme (ICT-PSP).....	28
4.5 CULTURE PROGRAMME .....	30
4.6 CUSTOMS PROGRAMME.....	36
4.7 FISCALIS PROGRAMME .....	40
4.8 LIFELONG LEARNING PROGRAMME .....	44
4.9 ERASMUS MUNDUS PROGRAMME.....	48
4.10 PROGRESS PROGRAMME.....	53
4.11 TEMPUS PROGRAMME .....	56
4.12 YOUTH IN ACTION PROGRAMME .....	61
5 HORIZONTAL THEMES.....	67
6 CONCLUSIONS AND RECOMMENDATIONS.....	73
7 ANNEXES .....	78

## LIST OF ABBREVIATIONS

CCP – Cultural Contact Point  
CIP – Competitiveness and Innovation Framework Programme  
CSOs – Civil Society Organisations  
DACU – Donor Aid Coordination Unit (formal title - Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance)  
DIS – Decentralized Implementation System  
EACEA – Education, Audiovisual and Culture Executive Agency  
EC – European Commission  
EEN – Enterprise Europe Network  
EIP – Entrepreneurship and Innovation Programme  
ERAC – European Research Area Committee  
ESFRI – European Strategy Forum on Research Infrastructures  
EU – European Union  
EUD – European Union Delegation  
FP7 – Framework Programme 7  
GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit  
ICT – Information and Communications Technology  
ICT PSP – Information Communication Technologies Policy Support Programme  
IEE – Intelligent Energy Europe  
IMG – International Management Group  
IPA – Instrument for Pre-accession Assistance  
ISDACON – Inter-sectorial Development Assistance Coordination Network  
LLP – Lifelong Learning Programme  
MoU – Memorandum of Understanding  
NAD – Needs Assessment Document  
NCP – National Contact Point  
NGOs – Non-governmental organizations  
NIPAC – National IPA Coordinator  
NPAA – National Plan for the Adoption of the *Acquis*  
ODA – Official Development Assistance  
PPF – Project Preparation Facility  
RDA – Regional Development Agency  
SEIO – Serbian European Integration Office  
SFIC – Strategic Forum for International S&T Cooperation  
SIDA – Swedish International Development and Cooperation Agency  
SIP – Safer Internet Programme  
SIPRU – Social Inclusion and Poverty Reduction Unit  
SMEs – Small and Medium Enterprises  
SWG – Sector Working Group  
ToR – Terms of reference  
VAT – Value Added Tax

# 1 INTRODUCTION

The overall objective of this assignment is to contribute to the efficiency and effectiveness of international development assistance in the Republic of Serbia by ensuring the efficiency of the EU programmes funds utilisation and implementation.

European Union Programmes symbolize the sequence of the integrated measures which are intended to strengthen the cooperation between EU member countries in the area of European policies for a specified period of time. Participation in the EU programmes for the EU candidate countries represents an opportunity to meet with the European institutions, legislation and their application in practice, with the EU policies as well as with the value systems and mechanism of EU functioning. Participation in these EU programmes and lessons learned during their implementation are significant for the Republic of Serbia's preparation for using other EU instruments in the future.

The Republic of Serbia signed the Framework Agreement on participation in the EU programmes on June 29th, 2005, which came into force on July 27th, 2005. In order to establish the legal basis for participation to each individual EU programmes, a Memorandum of Understanding is signed between the European Commission and the beneficiary country. The Memorandum of Understanding determines general principles of participation, including administrative capacities (e.g. financial control, satisfactory number of people dealing with their implementation etc.), financial resources for participation, mechanisms of participation in programme management etc.

So far, Serbia has signed MoUs concerning the following EU programmes: the Framework Programme for research (FP7), PROGRESS, Culture, CIP, Fiscalis, Customs, Safer Internet, Lifelong Learning and the Europe for Citizens.

Following the signature of MoUs, each beneficiary country has to pay a contribution for each of the programmes in the form of an annual fee to be paid to the budget of the Programme ('entry tickets').

In addition to the above-mentioned programmes, Republic of Serbia actively participates in the TEMPUS/Erasmus Mundus and Youth in Action EU Programs which are being carried out through Multi-beneficiary IPA and as such did not require signing of respective MoUs, nor payment of entry tickets in the current financial perspective.

The Framework Agreement signed with the EC provides that EU external assistance can be used to reimburse part of the entry tickets paid by Serbia for participation to EU programmes. Therefore, IPA National Programmes can be used as a complement to national funds to co-finance the financial contribution ("entry ticket") to be paid each year by the countries to participate in the EU programmes. The part of the financial contribution which is financed from the national budget should increase progressively, and a gradual and selective approach to participation should be maintained in EU programmes. In line with the 2008 Enlargement Strategy paper, candidate and potential candidate countries can request co-financing through IPA of up to 90% of the country contribution to an EU programme in the first year of participation.

In order to further encourage and support Serbian participation, because of the consequences of the global financial crisis, the European Commission decided in 2010 to apply reimbursement of entry tickets with the following decreasing percentage rate:

- 1st year of participation - 90%
- 2nd year of participation - 85%
- 3rd year of participation - 80%
- 4th year of participation - 75%
- 5th year of participation - 70%
- 6th year of participation - 65%
- 7th and following years of participation - 60%

Overall evaluation of the EU programmes in the Republic of Serbia has not been conducted so far, hence the relevant national authorities, who are dealing with different programmes and development assistance in general, do not have accurate and clear insight in operations / projects implemented in Serbia and financed through various EU programmes.

Therefore the purpose of this assignment is to provide an impartial analysis of the Republic of Serbia participation in the EU programmes and assessment of the EU programmes funds absorption in the period 2007-2012, in order to improve and make more efficient decisions related to the Republic of Serbia participation in the EU programmes during the next programming period 2014-2020.

The key evaluation findings for each sector are summarized in section 3. As required by the ToR, this includes the Evaluator assessment of performance against questions raised in the ToR, based on the information gathered through the desk research, replies on questionnaires, interviews and reviews of different documentation. Section 4 deals with key findings per EU programme, as well as some programme specific recommendations. Although it is not explicitly required by the ToR, in implementing the evaluation, the Evaluator has taken into consideration the OECD/DAC criteria (relevance, effectiveness, efficiency, impact and sustainability) when designing this section. Since the evaluation covers different EU programmes which are different in nature, but at the same time share some characteristics, Evaluator decided to place all horizontal issues in section 5. Finally, section 6 includes the Evaluator thoughts and proposals for future interventions related to EU programmes.

## 2 APPROACH AND METHODOLOGY

Following the ToR, the EC Guidelines for Evaluation and proposed methodology by evaluator this evaluation was conducted in four phases during July 26-September 20, 2013:

(1) The **Inception Phase** consisted of:

- A kick off meeting with relevant SEIO staff and IMG and a subsequent briefing about this assignment;
- The review of programme related documents provided by the SEIO;
- The design of the evaluation questions annexed to the Evaluation Report and their approval by SEIO and IMG. One questionnaire is prepared for the National Contact Points and one for all beneficiaries and potential applicants. The questionnaires have been disseminated via email.

(2) The subsequent **Desk Phase** consisted of:

- Gathering and analyzing further data through an extensive online survey. Evaluator used published information available in the various sources such as internet, official documents of the Government, official documents of the European Commission DG's, brochures already published on the topic of EU programmes, project reports etc.;
- Analyzing replies on questionnaires. In total 110 questionnaires from program beneficiaries and 16 NCPc have been received. These findings have been integrated into synthesis and reporting phase.

(3) During the **Field Visit Phase** the evaluator:

- Interviewed 16 National Contact Points and 7 additional stakeholders. The specific stakeholders were chosen to represent diverse views on the implementation of EU programmes in Serbia;
- Each interview followed the logic outlined in the ToR;
- Findings of the field visit phase have been integrated into synthesis and reporting phase.

(4) During the **Synthesis and Reporting Phase**:

- The Evaluator consolidated their findings from the previous evaluation phases, i.e. data sources (document review, survey, interviews during field phase).
- Prepared a Draft Final Report and submitted it to the SEIO for comments.
- Received and discussed written comments from SEIO and line ministries.
- Finalised and submitted the final evaluation report to the SEIO and IMG for approval.

During implementation of this assignment some difficulties on which the Evaluator had encountered were:

- The timing of the evaluation which has been performed during the summer holiday session;
- For some programmes first inputs provided by line ministries were weak;
- A low response rate of the beneficiaries for the questionnaire survey related to PROGRESS and CIP programmes;
- The scope of the evaluation did not include focus on individual projects. Findings are therefore strongly at the level of programmes.

### 3 SUMMARY OF FINDINGS AND ASSESSMENT

#### **EQ1- How much funds were absorbed in Serbia through EU Programmes in the period 2007-2012?**

Evaluation of participation of Republic of Serbia in EU programs showed that Serbian institutions and organizations participated as lead applicant or partner in **700<sup>1</sup> awarded project proposals** in different EU Programmes. Total value of awarded projects through different EU Programmes where Serbian institutions were **lead applicants** is **84,5 million EUR**. However this amount is certainly higher when additional figures are calculated for the amount of allocated funds for organizations/institutions from Serbia which participated in awarded projects **as partners** in some EU Programmes (TEMPUS, LLP, and Europe for Citizens). Unfortunately these EU Programmes do not provide data related to the amount of allocated funds for partner organizations in the awarded projects therefore it is not possible to estimate the total amount of funds absorbed in Serbia. On the other hand, Republic of Serbia paid from national budget total sum of paid entry tickets for participation in the EU Programmes in amount as of **38,4 million EUR and 2,4 million EUR for co-financing of awarded projects**. Additionally Serbia used possibility to request reimbursement of the part of entry ticket costs for participation to EU Programmes from IPA in the amount as of **21,2<sup>2</sup> million EUR (16,2 million EUR has already been reimbursed by EC)**. However, recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national priorities. Anyhow total net financial benefit of Serbia's participation in EU Programmes amounts **65,2 million EUR**. However, as already underlined, this amount is certainly higher for the amount of allocated funds for organizations/institutions from Serbia which participated in awarded projects as partners in some EU Programmes.

#### **EQ2- Are adequate management and implementation structure for each EU Program in Serbia in place ensuring efficient and effective achievement of the programme and project objectives?**

Management and implementation structures for each EU Programme implementation in Serbia have been in place. However, there is a mixed picture regarding the efficiency of established structures for implementation of specific programmes. Except in case of one EU programme, National Contact Points have been appointed for the rest of programmes where Serbia participates. In case of some EU Programmes the role of National Contact Points lays with line ministry, while some other body outside the Ministry performs the role of implementing agency. While some programmes established structures that provide adequate services to the program beneficiaries in some cases the capacities of implementing structures for some programmes have to be improved substantially. Additionally, roles and responsibilities of structures involved in management of individual Programmes or between the established structures are not always clearly defined. Common feature for all programmes is that appointed NCPs have been assigned also to perform other duties within the Ministry which are not related to the EU Programme implementation. Additionally majority of the NCPs have not been trained for EU Programme implementation. Although all interviewed NCPs are highly motivated and enthusiastic regarding their work of programme coordination, nonexistence of clearly defined roles, responsibilities,

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<sup>1</sup> Approved projects in 2013 included

<sup>2</sup> Entry tickets for 2013 included

assignments and lack of trainings for NCPs negatively influence effective and efficient management of individual programmes. Finally Serbia's participation in EU Programmes has been marked also by poor financial management which resulted in some cases in off-setting operations by EC due to late payments of entry tickets.

**EQ3- In which of the EU programmes the Republic of Serbia is the most active and which EU Programmes have not been efficiently utilized?**

Evaluation results show that program beneficiaries from Serbia were active in all EU Programmes in which country participated. According to the available information Serbian institutions/organisations participated as lead applicant or partner in 700 awarded project proposals. The highest number of awarded projects with Serbian applicants has been recorded in the FP7 (215 awarded projects/ 1635 submitted projects), and TEMPUS (66 awarded projects /328 submitted projects), Youth in Action (242 projects) and Culture (65 awarded projects/382 submitted projects). Additionally these programmes also withdraw the majority of absorbed funds from EU programmes in Serbia. However if we look the ratio of paid entry tickets and value of awarded projects the most successful programmes are Europe for Citizens, Culture, PROGRESS and CIP/ICT PSP. Finally taking into account total number of awarded scholarships within ERASMUS MUNDUS programme (1061 scholarships) this programme also has been assessed as very active and successful. Other programmes recorded moderate results in terms of number of awarded projects and net financial effect. However it has to be stated that implementation methodology of respective programmes was focused mainly on improvement of capacities of programme beneficiaries in specific field or improving environment for their activities (Customs, Fiscalis, CIP/EIP, Safer Internet, and LLP). Nevertheless, results of evaluation for these programmes showed that potential provided by aforementioned EU programmes were much higher than it was actually used in the previous period.

**EQ4- Who were beneficiaries of the EU Programmes in Serbia?**

Analysis of the awarded projects proved that an array of various beneficiaries participated in the EU programmes. The EU Programme beneficiaries in Serbia were youth, students, scholars, scientists, youth centres, Theatres, Universities, Faculties, Schools, Research Institutes, Hospitals, Libraries, Regional Development Agencies, Local Self-governments, NGOs, SMEs, private companies, public companies, Ministries, employees in Tax Administration and Custom Administration. Taking into account that for majority of aforementioned programme beneficiaries' participation in EU Programmes was a novelty their capacities for efficient participation was underdeveloped. In order to improve their capacities for participation in EU Programmes, beneficiaries require better, more frequent and targeted communication between the programme implementation structures and potential applicants as well as support related to the effective networking, development of project idea and project preparation.

**EQ5- To what extent the projects implemented through EU Programmes were in line with sector strategies, what was the impact and sustainability of financed projects and whether the programs objectives were accomplished?**

One should know that EU Programmes primarily support the development and coordination of EU policies among member states in different policy areas. However the participation in the EU Programmes for the Serbia as EU candidate country has been highly relevant to national priorities



defined in sector strategies given the prominence to harmonization of different sectors with EU acquis requirements.

Comparing the achieved results within different programmes with priorities defined in the Needs of the Republic of Serbia for International Assistance (NAD) documents in the period 2007-2013 all programs could be assessed as relevant and Serbia's participation in this programmes justified. Additionally one EU Programme has no reference to NAD but this program is also assessed as relevant and justified since it largely contributes to the increased of safety of children in Serbia as well as to fulfilment of international obligations of the country defined in the Conventions related to the protection of children.

Taking into account that in some programmes projects are still under implementation or just started with implementation while in other programmes (e.g. research and development) the impact of the projects could be measurable in the future only, it is not possible to assess the impact and sustainability of all awarded projects. However what is clearly evident in this phase of EU Programme implementation in Serbia are sustainable benefits of networking of Serbian institutions with EU counterparts, opportunities of internalization of business of Serbian SMEs, improved know-how and strengthened capacity-building of national tax and custom administration, creation of new educational programs at the Universities and Higher Educational Institutions in Serbia, increased mobility of youth and scholars and finally positive impact on the overall capacities of programme beneficiaries in next phases of Serbia's accession process. What is important to emphasize is that all EU Programmes in which Serbia participated in the period 2007-2012 through implemented projects have to a greater or lesser extent contributed to aforementioned benefits.

#### **EQ6- What was the visibility of EU Programmes in which Serbia participated?**

This evaluation has shown that overall visibility of EU Programmes in Serbia was generally weak. Promotional activities organized by NCPs in majority of programs were organized on ad hoc basis and mainly without involvement of and leadership of political structures in line Ministries. Instruments that was used (info days, leaflets, conferences, etc.) also had limited outreach and effectiveness. Official internet presentations of line Ministries in majority of cases do not contain sufficient information related to respective EU Programme they are in charge of or such information even do not exist. The first visible source of basic information related to EU Programmes 2007-2013 was developed by NGO European Movement in Serbia in 2009 while SEIO's internet presentation [www.evropa.gov.rs](http://www.evropa.gov.rs) is the only internet presentation in Serbia which contains basic information about all EU Programmes where Serbia participates. EU Delegation supported ad hoc activities related to the promotion of EU programmes, however internet presentation of the EU Delegation in Serbia and Euro Info Point Office also do not contain visible information about EU Programmes. On the other hand for those EU Programmes where implementing bodies exist, such as Tempus Office, CCP Serbia, Youth in Action contact point, and Government Office for Cooperation with Civil Society, etc. visibility activities related to the raising awareness on respective EU Programmes are organized in more systematic manner involving intensive field work. However also in these cases there is a lack of visibility and promotion of achieved successful results in respective EU Programme implementation. Overall conclusion related to the visibility of all EU Programmes in the country is that important opportunities have not been sufficiently used in Serbia both to promote the presence of EU Programmes and the benefits of their usage in the country.

**EQ7- What was the bottlenecks and problems during the withdrawal of available EU Programmes funds as well as during the implementation of projects per Programme?**

Evaluation identified several common problems in the implementation of almost all EU Programmes in Serbia. The first common problem was weak position of NCPs within the ministry structures. Additionally appointed NCPs besides duties related to the programme coordination have been assigned also to perform other duties within the Ministry which are not related to the EU Programme implementation. Moreover majority of the NCPs have not been trained for EU Programme implementation. In some EU Programmes beneficiaries have problems with VAT exemption for the expenditures they made while implementing project activities in the country. Next common problem identified is that majority of the programmes have problems with timely execution of the annual entry ticket for programme participation which led to off-setting of funds by EC. Programme beneficiaries and potential applicants are faced with lack of knowledge related to project preparation and project management (legal and financial issues). In some programmes the major impediment for higher participation of programme beneficiaries was lack of knowledge of English language. On the other hand in majority of the programmes a systematic support for potential program beneficiaries was not provided by responsible ministries. Furthermore for the EU Programmes where beneficiaries should provide co-financing for awarded projects the major problems were lack of money and high co-financing rates applied in specific EU Programmes.

**EQ8- How coordination of the EU Programmes should be improved in the future period?**

Evidence shows that if Serbia would like to improve its performance in the EU Programmes in the future the most important thing is to undertake immediate actions aimed to strengthen coordination among implementing structures of the EU Programmes in the country. First of all at the level of the Ministries there is an obvious need to strengthen the position of NCPs which requires institutional stability, political recognition and allocation of sufficient resources. Additionally in cases where bodies outside the Ministries are assigned for programme implementation a clear definition of the roles and responsibilities of structures involved in management of individual programmes is needed. Finally greater involvement of SEIO in providing incentives and coordination of all EU Programmes in the country is of utmost importance for the improvement of coordination of EU Programmes in the country. Beside improvement of the coordination in the country almost all National Contact Points and implementing bodies have pointed out that there is a huge need for better coordination with EC which will enable more insight into programme details in order to ensure better flow of information and especially monitoring and evaluation of programme performance, but also to better understand structure of applicants and beneficiaries, as well as their needs. However this activity requires much more active participation of Serbian ministries in designated programme committees at the level of EC especially during preparation of annual action plans of respective EU Programmes.

## 4 EVALUATION BY PROGRAMME

### 4.1 EUROPE FOR CITIZENS PROGRAMME

**Europe for Citizens Programme** strives to strengthen the citizens' participation enabling them to discuss and exchange opinions on the EU, strengthen European identity, develop a sense of belonging to the EU in citizens and promote intercultural dialogue among citizens.

The Programme is composed of 4 main activities which are further divided into individual measures: Activity 1: Active citizens for Europe, activity which directly involves citizens, through projects of town-twinning or through other aspects of citizens' programmes. Activity 2: Active civil society for Europe, activity targeted at civil society organizations around Europe receiving grants based on their operating programmes or (trans-national) projects. Activity 3: Together for Europe, activities that include citizens at the level of Europe for the purpose of improving the visibility of EU action and getting Europe closer to its citizens. Activity 4: Active European Remembrance, the action that commemorates the victims of Nazism and Stalinism. The total budget planned for this programme for the period from 2007 to 2013 is 215 million euros.

Republic of Serbia signed the Memorandum of Understanding (MoU) on participation in this programme in November 2012. Government Office for Cooperation with Civil Society Organizations plays the role of the National Contact Point for this programme. **The entry ticket costs for the program in 2013 is 55.000 EUR.**

According to data received from the Government Office for Cooperation with Civil Society Organizations in the first two Calls for Proposals opened for Serbian applicants in 2013. total of 55 organizations and local self-governments participate in the awarded projects (6 organizations and local self-governments from Serbia as Lead applicant and 49 as partner). **Allocated budget of the 6 projects where Serbian organizations are lead applicants was in total 339.400EUR while for the projects where Serbian organizations are partners the exact financial allocation for Serbian organizations is not available.** Project applicants have been local self-governments and CSOs: Municipality of Senta, Kanjiza, Centre E8, Hungarian Cultural Centre Nepker, and Centre for Cultural Decontamination, etc.

The highest number of awarded projects where Serbian organizations and local self- governments were lead applicants and partners was within the Activity 1: Active citizens for Europe, activity which directly involves citizens, through projects of town-twinning or through other aspects of citizens' programmes (4 organizations and local self-governments from Serbia as Lead applicant and 41 as partner organisations).

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
55.000 euro	0 euro	55.000 euro	339.400 euro	339.400 euro	NA

Talking from the pure mathematical point of view **Serbia has received only for projects where Serbian organizations/local-self governments are lead applicants 6 times more funds through approved projects then invested through entry tickets.** However this amount is certainly higher for the amount of allocated budgets for organization/local self-governments from Serbia as partner organizations in project consortiums. Unfortunately the data related to the amount of allocated funds for Serbian partner organizations is not available.

Government Office for Cooperation with Civil Society Organizations has organized several promotional events throughout the country in order to promote commencement of the programme in Serbia (Belgrade, Novi Sad, Leskovac, Novi Pazar, Topola, and Zajecar). Additionally they published 500 brochures and 2000 leaflets. EU Delegation supported the printing of leaflets and provided EU info point facilities for the organization of the promotional event in Belgrade. Office is providing information as well as support in search for partners for potential applicants in Serbia. Program is promoted also through the Office's Twitter, Facebook accounts as well as internet presentation where detailed information related to the program in Serbian language could be found. In the future more targeted presentations of the program will be organized in the underdeveloped part of the country. Also Office will continue to follow the implementation of awarded projects in order to use them as good practices in future promotion of the program.

One person in the Office has been assigned for program coordination in the country. Taking into account the current workload one person can successfully perform all tasks related to the program coordination. Office provides technical advices to the potential applicants mainly via phone or email communication. Also public presentations of the program have been used for providing technical advices and information to the applicants. NCP have received precise instructions from EACEA related to the program implementation however continuous training of NCP is very important for efficient program implementation. NCP has good cooperation with other NCPs and relevant DG COMM. NCP has used experience from Croatia in implementation of the Europe for Citizens program and Croatia's Office for CSOs provided support in the NCP's preparation for the program implementation. Beneficiaries of the program confirmed relatively high visibility of NCP. However they showed the need for further capacity building related to the participation in the program.

There is huge interest among potential applicants (CSOs and Local self-governments) for participation in the programme. Program is visible among local stakeholders. Experiences and feedback received from the program beneficiaries shows that application procedure and application package are not complicated. Taking into account that program is not complex and good capacities of Serbian CSOs and local self-governments in implementation of EU funded projects resulted in aforementioned success of Serbian applicants. Additionally experience in CBC programs of the awarded applicants from Serbia helped them a lot in the preparation of the applications for the Program Call for Proposals. There is problem of VAT exemption for implementation of awarded projects that have to be solved in cooperation with SEIO and the Ministry of Finance.

Both Needs Assessment Document 2007-2009 and 2009-2011 recognize that the major focus should be on assuring all conditions and strong and efficient public administration to provide adequate legal framework and implement key development objectives – democratization of society, civil society and NGO sector development, as well as to guarantee that human and minority rights are respected. As mid-term priority, under Civil society, media and culture, the NAD 2011-2013 defines mid-term priority

“Establish permanent dialogue and partnership between the Government and civil society” which focuses on the institutionalization of the permanent dialogue and creation of an enabling environment for the development of civil society. It also concentrates on strengthening CSOs’ capacities for regional and international cooperation and to play an active role in developing democratic society in Serbia.

Taking into account that awarded projects just started with implementation it is not possible to assess the impact and sustainability of the awarded projects. However taking into account that the highest number of awarded projects involving Serbian organizations and local self-governments have been awarded within the Activity 1 which directly involves citizens, through projects of town-twinning it can be assessed that program would provide opportunity to the local communities in Serbia exchange of experiences and networking with EU partners. This exchange of experiences and good practices in citizen’s participation and improvement of local administration management will have positive impact on the overall capacities of Serbian applicants in next phases of Serbia’s accession process.

**As a general conclusion Serbia’s participation in Europe for Citizens Programme should be considered relevant and justified. Evaluator would recommend access to new generation of Programme for the period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Continue with promotional activities related to the Program through presentations of the program throughout the country
- Ensure efficient program implementation through continuous training of NCP and potential applicants.
- NCP should design efficient monitoring mechanism of implementation of awarded projects and promotion of the achieved results and good practices

## 4.2 SAFER INTERNET PROGRAMME

The overall aim of the **Safer Internet Programme (SIP)** is to promote safer use of the Internet and other communication technologies, to educate users — particularly children, parents and carers — in this regard, and to fight against illegal content and harmful conduct online. It is the third generation of this particular DG Information Society and Media initiative, succeeding two programming periods of 1999-2004 and 2005-2008. The main focus of the SIP has been on raising awareness, education and the provision of SIP hotlines and helplines. The delivery of the main focus areas has developed throughout the programme into the following activities: Creation of Awareness Centres as national centres run by organisations or consortia that work with for example schools, libraries, youth groups, social workers, and industry to through events, education and information campaigns promoting the safe use of the Internet, focusing on the positive and constructive aspects. Establishing SIP helplines which works alongside the awareness centres. SIP helplines are also national services run either by the same organisation responsible for the awareness centre, or in close collaboration. SIP helplines are run for and aimed towards supporting children, young people, parents and teachers by providing information and advice on how to stay safe online. They do not take action vis-à vis illegal activity or online content, however, when informed of illegal activity, helplines should pass on this information to either the relevant law enforcement, or when available, the Safer Internet hotlines for further action. Finally, establish SIP hotlines which have the main task to receive reports from the general public which encounter illegal content online. The hotlines also cooperate with law enforcement bodies, both on a national and a European/international level. The total budget planned for this programme for the period from 2009 to 2013 is 55 million euros.

Republic of Serbia expressed interest to enter in this programme in 2010. MoU for participation in Safer Internet programme was signed in 2011. However due to internal procedural reasons related to the necessity of MoU ratification in the National Assembly of Serbia notified European Commission that its internal legal requirements for MoU entry into force have been fulfilled in 2012. Due to this reason Serbia paid the first entry ticket in 2012 in amount as of 160.000 EUR. Recovery from IPA funds has not been requested for 2012 entry ticket.

Responsible Ministry for coordination of this programme is Ministry of Foreign and Internal Trade and Telecommunications. NCP for this program has not been appointed yet nor there is appointed person for participation in the Program Committee. According to the information received from the Ministry of Foreign and Internal Trade and Telecommunications **one project in the framework of Safer Internet Program has been awarded to consortium comprised of Fund B92(lead applicant), Ministry of Interior and Ministry of Foreign and Internal Trade and Telecommunications.** Project has been selected for implementation in 2010 Call however due to problems related to the ratification of MoU the agreement was signed in 2012. The aim of the project is to establish Safer Internet Centre in Serbia. Part of the Centre planned activities and the creation of networks is co-funded by the organization Save the Children Norway. This Project is a continuation and it builds up on the “Click Safely” Campaign that was realized in 2009 by the Republic of Serbia Digital Agenda Directorate that used to be a part of the then RS Ministry for Telecommunications and Information Society. Ministry of Foreign and Internal Trade and Telecommunications used the web page [www.kliknibezbedno.rs](http://www.kliknibezbedno.rs) for raising awareness activities among youth users of internet in Serbia.

Project has three components raising awareness, establishment of hotline and helpline. Basic information related to the project could be found at the web page of the Serbian Safer Internet Centre <http://www.sic.org.rs/> which is under construction. However one of the project activities is related to the establishment of web page [www.netpatrola.rs](http://www.netpatrola.rs) which will have role of hotline for reporting to report illegal internet content and pass the reports on to the appropriate body for action (Ministry of Interior). The aforementioned web page started to be fully operational in August 2013.

According to the information provided by the representatives of the Ministry in the second year of the project establishment of helpline is envisaged. Helpline serves to parents and children for obtaining advice on how to deal with harmful contact (grooming), harmful conduct (cyber bullying), harmful content and uncomfortable or scary experiences of using online technologies. Aforementioned project faces with the problem of financial sustainability after the financing from the SIP ends. Additionally one partner institution Ministry of Interior (Department for Combating Hi-tech Criminal) which have important role in the project is facing with the lack of human capacities which can be involved in the project implementation. Lack of capacities in this case also might have negative impact on long term sustainability of the project results and especially in the proper establishment and functioning of SIP helpline and hotline in Serbia.

Program is visible within the Ministry however there is a need for improved understanding of the Program importance and opportunities for Serbia. Additionally there is no information related to the Safer Internet Programme on the official internet presentation of the Ministry. Program is not very much visible among other stakeholders therefore awareness rising have to be further enhanced.

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	Own co-financing
335.000 euro	0 euro	335.000 euro	385.445 euro	289.084 euro	96.361
<b>Other costs:</b> Interest paid due to delays in paying entry tickets in the value 1.577,32					

Talking from the pure mathematical point of view Serbia **until 2012 has received 1.8 times more funds through approved project then invested through entry ticket.** However one should keep in mind that entry ticket for 2013 have to be paid in the amount as of 175.000 EUR. In case that Serbian applicants do not receive any further funding paid ticket for all years will be higher than received funds through approved project.

**The interim evaluation of the Safer Internet Programme 2009-2013 commissioned by EC is extremely positive.** The Safer Internet Programme is effective in addressing its high level objectives and has moved away from focusing on funding technological solutions because up to date technology is not crucial for securing the impact of the programme. Programme involves many of the key players across the main stakeholder groups in Europe and responds well to any changing demands in the external environment as evidenced by the current emphasis on social media and cyber bullying for example.

The physical presence of SIP hotlines, helplines and awareness centres in the majority of EU Member States is an important achievement of the Programme. It would be of crucial importance for safer use of

the Internet by minors in Serbia if awarded project successfully establish an operational Safer Internet Centre as well as SIP helpline and hotline in Serbia.

**Although that NAD does not identify issues related to the SAFER INTERNET Programme as priority the Programme largely contributes to the increased of safety of children in Serbia as well as to fulfilment of international obligations of the country defined in the Conventions related to the protection of children.**

**As a general conclusion Serbia's participation in SAFER INTERNET Programme should be considered relevant and justified. Evaluator would recommend access to new generation of Programme for the period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Substantially improve management of the Programme and appoint operative NCP within the Ministry
- Take all necessary measures to ensure sustainability of the flagship project related to the establishing Safer Internet Centre in Serbia
- Ensure that necessary actions are taken for intensive promotion of the program to the wider community that can benefit from the Programme
  
- Immediately improve the visibility of the Programme at the official internet presentation of the Ministry;
- Establish cooperation with the Ministry of Youth and Sports which is implementing campaign against hate speech on internet supported by the Council of Europe. In this way synergy of the both instruments will produce higher impact and sustainability.

#### **4.3 7TH FRAMEWORK PROGRAMME FOR RESEARCH AND TECHNOLOGICAL DEVELOPMENT - FP7**

**FP7 Programme** represents all Community initiatives related to research and plays the key role in achieving growth, competitiveness and employment objectives. The Programme has a total budget of over € 50 billion. The activities of the Programme are organized in four groups: Cooperation, Ideas, People and Capacities. The Cooperation Programme (32.3 billion EUR) is the largest component of FP7 with a share of two thirds of the overall budget which covers collaborative research through transnational consortiums. The People Programme (4.7 billion EUR) encompasses less than 10 % of FP7 budget with the overall strategic objective to make Europe more attractive for the best researchers. Rationale behind this subprogram is that that one of the main competitive edges in science and technology is the quantity and quality of its human resources.

The Ideas programme (7 510 Billion EUR) will support "frontier research" solely on the basis of scientific excellence. Research may be carried out in any area of science or technology, including engineering, socio-economic sciences and the humanities. Capacities sub-programme (4 billion EUR) also aims to complement the Cooperation programme and find synergies with regional and cohesion policies, the Structural Funds, education and training programmes and the Competitiveness and Innovation



Programme (CIP). The FP7 offer valuable opportunities for academic researchers and SMEs to participate in high-quality research collaborations with their European counterparts, with the support of EU funding. FP7 provides financial support for transnational research for and by SMEs wishing to innovate and improve their competitiveness, by enhancing their investment in research activities to acquire new knowledge for growth. Allocated funds under this FP7 are spent on grants to research actors in order to co-finance research, technological development and demonstration projects. The bottom line of this programme is to support moving new discoveries and products to commercialization and approval.

The Republic of Serbia signed the Memorandum of Understanding on participation in this programme with the European Union in June 2007. Ministry of Education Science and Technological Development plays the role of the National Contact Point for this programme. **The entry ticket costs for the program in period 2007- 2013 are 31.982.294 EUR.**

According to data received from the Ministry of Education Science and Technological Development As of June, 2013 **Serbian applicants submitted 1635 project proposal while 215 proposals were mainlisted. Total number of applicants from Serbia in mainlisted proposals is 245.**

	No of proposals submitted	No of proposals mainlisted	Funding obtained in mill. EUR	Success rate
Cooperation	933	136	24.306.624	14,57%
Ideas	57	1	42.781	1,75%
People	143	16	3.000.000	11,5%
Capacities	502	62	20.526.669	12,35%
Total	1635	215	47.876.084	13,15%

The highest number of awarded projects where Serbian organizations were lead applicants and partners was within the Cooperation Programme (933 proposals submitted/136 proposals mainlisted). Within this program the highest number of mainlisted proposals were related to the ICT (42), Food, Agriculture and Biotechnology (24), Environment (21), Transport (18), Energy (10), Health (7), etc. Next component of the program where Serbian applicants were also successful is Capacities Programme (502 proposals submitted/62 proposals mainlisted). The research potential and research infrastructure were the most successful areas of this program. Serbian institutions were lead applicants in 41 projects while in the rest they were partners in the consortiums. Success rate of Serbian applicants is 13% while EU average is 20%. Number of factors influences the success rate of applicants however level of developed capacities for project preparation as well as the quality of research proposals is the main factors that determine success rate of the applicants. **Total value of all approved project proposals is 47.876.084 EUR.** The project beneficiaries are Universities in Novi Sad, Belgrade, Nis and Kragujevac, Institute Mihailo Pupin, Ministry of Science, public companies EMS, Telecom, Railways, Institutes, private companies, etc.

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
31.982.294 euro	18,991,204 euro	12.991.090 euro	47.876.084 euro	47.876.084 euro	NA
<b>Other costs:</b> Interest paid due to delays in paying entry tickets in the value of 44.061.63 EUR					

**Talking from the pure mathematical point of view Serbia has received 16 million euros more than the costs of the entry ticket. Additionally part of the national contribution has been recovered from IPA funds in the amount as of 19 million euros.** However recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national priorities. **Due to the delays in payment of annual entry ticket Ministry paid 44.061 euros of interest.**

Estimates show that the number of Serbian scientists writing FP7 proposals is only about 260-265, and the number of Serbian researchers benefiting from FP7 projects only around 900. Only around 2.2% of the country's 12,000 or so researchers have written project proposals, and maybe ca. 7.5% of Serbia's researchers have taken part in FP7 projects.

Besides opportunities to participate in the call for proposals and project implementation Serbia take part in the management of ERA (ERAC, ESFRI, SFIC) and the program committees of the Seventh Framework Programme. This participation is very important because Serbia can actively participate in the defining priorities of the next Framework Programme, as well as the upcoming calls for proposals. However participation of Serbian NCP in the program committee could be used much more given the opportunities for lobbying and promotion of Serbian interests, however due to the lack of financial means for travel costs Serbian representatives did not participated very often at the program committee meetings.

Ministry of Education, Science and Technological Development is coordinating body for FP7 program in Serbia. NCP for the program is Assistant Minister which is the highest ranked NCP compared to all other programs. In total 9 NCPs within the Ministry work on the implementation of the FP7 program. Two additional NCPs work in Serbian Chamber of Commerce and University of Novi Sad. Beside tasks related to the program implementation appointed NCPs have also other duties within the Ministry. Moreover one NCP covers 4 areas of the Program which is huge workload. In order to improve program management in the country, number of NCPs should be increased and each NCP should be assigned only to cover one to two areas of the program and not more areas as it is the case now. NCPs that have been appointed at the very beginning of the program implementation have passed the training organized by European Commission, however new NCPs have not been trained. Fluctuation of NCPs was not very high, however recently experienced NCP for financial issues left the Ministry. NCP for legal issues was never appointed however these issues are very important for the program beneficiaries. However unstable political structure and constant changes in the Ministry structures as well as the position of the Ministry within the Government caused occasional problems in the functioning of the programs as well as the quality of the service provided by the NCPs.

Visibility of the program among research community in Serbia as well as within the Ministry is at satisfactory level. General public is not very well informed about this programme. Info days have been organized in the beginning of the program implementation. Phone and email are the main instruments for communication with potential applicants. Basic information related to the program has been presented on the official presentation of the Ministry. However there is a huge need both from the side of NCPs and beneficiaries for much advanced web presentation of the program.

Consultative Bureau for International Projects established in order to provide technical support for potential FP7 applicants from Serbia was good experience however due to lack of financial funds the Office ceased to exist in 2011. During its operation the Office has organized workshops for potential

applicants twice per month (**1400 researchers attended the trainings organized by the Bureau**). NCPs have also organized trainings for researchers upon opening of specific Call for Proposals. There is constant need for trainings because young researchers are entering into the system and they are interested in the FP7 program.

One of identified problems in realization of FP7 program in Serbia is inadequate legal framework regulating financial compensation for researchers which does not provide enough financial incentives for researchers to participate in the FP7 project preparation and implementation. Moreover there is a need to involve SMEs sector much more in the program implementation. So far only 37 Serbian private companies have taken part in funded FP7 projects. One of the main reasons were weak financial capacities for participation in FP 7 projects mainly due to economic crisis that resulted in the decrease of the available funds for research and innovation activities. Additionally Serbian companies are not well connected with domestic research institutions. This problem unfortunately could not be solved in the short term. Moreover in the beginning of the program implementation in Serbia greater focus of the NCPs was put on the research and scientific community in the country and not on the SMEs. SMEs are very interested in program however they need technical support for project preparation and for international networking. In the new program HORIZON 2014-2020 there would be equalized participation of research community and SMEs. The changed approach of the new program towards more commercialized researches will create additional challenges for Serbian institutions participation in the program. Ministry has excellent cooperation with Serbian Chamber of Commerce, CIP ICT PSP and EEN in Serbia however this would not be enough for successful participation in the new program. Finally one of the impediments for more successful participation in FP7 program is lack of institutional support for the potential applicants during application process. There is an evident need for office/bureau which can provide technical support to the potential applicants for FP7 projects in SMEs sector.

According to the feedback received from the NCPs there were no major problems in implementation of projects awarded to the Serbian institutions/organizations. Project beneficiaries have no problems with VAT exemption procedures as in this case (and this is the only case) the legal bases were properly incorporated in the respective MoU. There is problem of lack of knowledge of project beneficiaries on legal and financial issues related to the project implementation. Moreover there is also huge need for financial support for co-financing and pre financing of the approved projects.

There is huge interest among potential applicants for participation in the programme. Experiences and feedback received from the program beneficiaries shows that the main and the most reliable source of information are Line Ministry and internet sites of the Programme.

**Although information on FP7 programme could be considered of good quality beneficiaries believe that effects of distributed information are moderate and that besides info days and thematic meetings, more practical workshops should be organised. Also interactive national web portal with the relevant information on EU programmes is needed.**

In addition, beneficiaries believe that there should be more thematic meetings where successful participants could share their experience, give some practical guidance, explain technical details. Beneficiaries are aware of NCPs existence however their capacities are rated as moderate. NCPs should intervene more and frequent and targeted communication between the NCP and potential applicants is

recommended. Finally beneficiaries recommend increase in the number of NCP staff and higher visibility of on the internet.

Project beneficiaries and applicants believe that lack of expertise at local level and very complicated and costly application procedures are the main reasons for weak capacities of potential applicants in the program.

Project beneficiaries and applicants believe that the main factors that can be considered as obstacles to a more effective participation in FP7 programme are: high competition for limited resources, lack of knowledge related to the project preparation and management, complicated application process and lack of appropriate project partners. At the same time they believe that possible actions to overcome obstacles are: Trainings (capacity building, technical training), direct technical assistance and establishment of coordinating agency at national level providing technical assistance.

Main effects of the program in Serbia are related to the improvement of the quality of the scientific work of researchers, improved research infrastructure (10 million EUR have been invested in building research capacities mainly equipment through the program) and raised level of competitiveness of the Serbian research institutions in the EU research projects. According to the feedback received, FP 7 program in Serbia has positive effects on public institutions involved in the research and innovation activities, mainly through connecting Serbian research institutions with EU counterparts. Taking into account that research projects produce long lasting effects at this stage it is not possible to estimate the effect of FP 7 program for innovation activities in Serbia. Thus impact of the implemented projects on innovation activities in Serbia will be known in the years to come. However monitoring the implementation and evaluation of the awarded projects should be part of the assignments of NCPs within the Ministry. Currently NCPs does not have sufficient feedback information from the program beneficiaries.

Both Needs Assessment Document 2007-2009 and 2009-2011 recognize that research and development should have a key role as the prime moving force of broad economic, social and cultural change in the process of building up a society based on knowledge. Given that the results of scientific research activities are directly tied with and directly proportional to the all-round development of society, the necessary preconditions and environment will be created for scientific research and higher education to become the engine of economic and social development. As mid-term priority, under Competitiveness sector, the NAD 2011-2013 mid-term priority "Increase competitiveness and export of enterprises" which should improve the competitiveness of enterprises through the development of key elements of the national technology transfer infrastructure and actions to encourage effective cooperation between research institutions and the SME sector.

**As a general conclusion Serbia's participation in FP7 Programme should be considered successful, relevant and justified. Evaluator would recommend access to new generation of Programme for the period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Strengthen the network of NCPs. NCP should primarily be assigned for tasks related to the implementation of the program in the country. Increase number of assigned NCPs (each assigned for maximum 2 program areas). Appoint NCP for legal issues since it is very important

for the program beneficiaries. Creation of the back up support system to the NCPs (data base of the beneficiaries, new web site devoted to the programme exclusively).

- Ensure more active participation of the NCP in Program committee and other bodies established
- Organize regular training for assigned NCPs, researchers and PhD students interested in participation in the program.
- Immediately improve the visibility of the program at the internet presentation of the Ministry.
- Initiate changes of the legal framework related to the financial compensations for researchers in order to create incentive mechanism which will provide enough financial incentives for researchers to participate in the FP7 project preparation and implementation.
- Develop a plan for participation in the new Programme 2014-2020. Taking into account the complexity of the program there is a need for strategic approach based on the capacity and needs analysis of the program management structure and whole Serbian innovation system as well. This plan should especially include options and preferred one for establishment of the technical bureau which will provide support for targeted networking and for developing project ideas and writing project proposals. Additionally possible options for co-financing of approved project proposal should be explored as well. Options that should be explored are usage of existing bodies, such as Innovation Fund which already has developed contacts with innovative SMEs in the country.
- Develop a new Ministry funding scheme focused on the research projects for the benefit of SMEs. By developing this funding instrument an additional incentive mechanism for cooperation among researchers and SMEs sector in Serbia would be established. Options that should be explored in implementation of funding scheme are usage of existing bodies, such as Innovation Fund which already has developed contacts with innovative SMEs in the country.

#### **4.4 COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME (CIP)**

**The Competitiveness and Innovation Framework Programme (CIP)** aims at contributing to the competitiveness and innovative capacity of the Union as an advanced knowledge society, with sustainable development based on robust economic growth and a highly competitive social market economy with a high level of protection and improvement of the quality of the environment. Running from 2007 to 2013, it has a budget of approximately EUR 3.6 billion.

The CIP comprises three operational sub-programmes aimed at contributing to the competitiveness of enterprises and their innovative capacity in their own areas:

**1. The Entrepreneurship and Innovation Programme (EIP) focusing on SMEs**

**2. The Information Communication Technologies Policy Support Programme (ICTPSP) to support the adoption of ICTs in businesses, administration and public sector services**

**3. The Intelligent Energy Europe Programme (IEE) to support the use, dissemination and exchange of related knowledge and know-how for improving energy sustainability.**

**Republic of Serbia participated only in two operational sub-programs CIP EIP and CIP ICT PSP.**

**a) The Entrepreneurship and Innovation Programme (EIP)**

Entrepreneurship and Innovation Programme (EIP) is the largest sub-programme of CIP with a budget of 2.17 billion EUR for 2007- 2013 period (60% of CIP budget). Eco-innovation 430 million EUR, financial instruments 1,130 billion EUR and Enterprise Europe Network 338 million EUR.

**Republic of Serbia signed the Memorandum of Understanding (MoU) on participation in CIP/EIP programme in 2008.** The entry ticket costs for the program for period 2007-2013 is 2,590,866 euros. Part of these funds, 1,821,454 euro, has been recovered from IPA component I.

In the period 2007-2013, according to data received from the Ministry of Finance and Economy, **11 projects have been granted to Serbian institutions with the total value of 3,679,896 million euro, out of which 2.058.215 euro is EU contribution while 1,621,680 euro is national co-financing.** Project beneficiaries were National Agency for Regional Development, University of Belgrade, Mihajlo Pupin Institute, University of Novi Sad, University of Niš and Serbia Investment and Export Promotion Agency and Serbian Chamber of Commerce, National Statistical office, Tourist Organization of Serbia, EXIT team, Danube Competence Centre, Ministry of Economy.

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
2.590.866.euro	1.821.454 euro	769.411 euro	3.679.896 euro	2.058.215 euro	1.621.680 euro
<b>Other costs:</b>					
<ol style="list-style-type: none"> <li>1. Interest paid due to delays in paying entry tickets in the value 1.269,20euro</li> <li>2. Running costs for the program implementation: 12.200 euro</li> </ol>					

**Aforementioned data shows that total amount of awarded projects is 532.651 EUR less than paid entry ticket costs. Taking into account aforementioned data it can be concluded that net financial effect of the Program is positive only if we take into account recovered amount of 1.821.454 EUR from IPA.** However, recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national priorities.

**It has to be clearly stated that CIP/EIP generally provided little funding opportunities for Serbian SMEs.** Mainly CIP/EIP program in Serbia provided impact on the business environment, internalization of business activities and development of SME's policy in the country. Moreover all financed initiatives through CIP EIP such mentorship, cluster development and networking will continue to be implemented in the future which will secure the sustainability of the CIP/EIP results in Serbia. Defined priorities of the CIP/EIP program have not been used for development of domestic SMEs policy however other EU policy and strategic documents related to the SMEs sector have been substantially used in the policy development process. Additionally representatives of the Ministry participated in the numbers of working groups and policy making bodies which has been financed through CIP and which are generally

opened for EU Member States. Participation of Serbian representatives in these working groups have improved overall capacities of the Ministry in creation of SMEs policy because of transfer of know-how and innovations in SMEs policy development from EU level. However taking into account that major part of the CIP/EIP budget is related to the Access to finance for SMEs and Eco-innovation where Serbia participated only through one regional bank and one institution participate in project approved under last Eco-innovation program the picture of achieved effects of the CIP/EIP program in Serbia are mixed.

Currently Ministry of Economy plays the role of the National Contact Point for this programme. One person in the Ministry has been assigned as NCP for program coordination in the country. The National Contact Point has not been trained and instructed to carry out the tasks related to the implementation of the EU programme in the country. Taking into account the current workload one person can successfully perform all tasks related to the program coordination however problem is that NCP has been assigned also for other duties in the Ministry. Besides NCP additional 1 person within the Ministry are engaged in program implementation occasionally. There were recorded no fluctuations of staff engaged in the program implementation. According to feedback received there is no intensive cooperation with the NCP of the second CIP component ICT PSP.

One of the major problems in the program implementation was related to the planning of annual contribution for program participation. Furthermore EC refunds entry ticket usually in the last quarter of the year and Ministry has not time to spend this refunded financial means. Additionally management of the CIP program from the EU level could be improved. There is insufficient level of feedback information related to the awarded applicants from Serbia. However this is generally the problem for all participating member states.

NCP has organized number of promotional events and material in order to increase the visibility of the program in the country. Additionally NCP created internet presentation [www.cip-srbija.rs](http://www.cip-srbija.rs) which is not operational at the moment. However Program has not been visible enough among SMEs sector in Serbia and potential beneficiaries do not recognize clearly the structure and the way of the program implementation in the country. The main problem was that CIP/EIP is complex program that tackles different users and different issues related to SME competitiveness. Program is visible within the Ministry which has used resources from other projects in order to support implementation of CIP/EIP program in Serbia. However the Program needs stronger involvement of decision makers within the Ministry and other linked sectors during program implementation and especially in the process of planning of CIP/EIP annual programs at the EU level in order to secure that interest of Serbian SMEs are presented in the program annual priorities.

**The most visible project implemented through CIP/EIP in Serbia was establishment of the European Enterprise Network** which is operational since 2009. Total value of the project 2009-2013 is 3.004.861 euros – EU contribution is 1.580.826 while national contribution paid by National Agency for Regional Development is 1.424.035 euros. The Network's main goal is to help businesses to grow and innovate. The EEN offers a package of services to SME with practical support and advice for SMEs in Serbian language. The EEN encourages SMEs to do business across borders through partnerships and technology transfer agreements. It also has a special focus on helping SMEs to make the most of EU funding, and research funding in particular.

The EEN in Serbia is consisted of consortium comprised of National Agency for Regional Development – the coordinator, University of Belgrade, Mihajlo Pupin Institute, University of Novi Sad, University of Niš and Serbia Investment and Export Promotion Agency (SIEPA) and Serbian Chamber of Commerce. Serbian Chamber of Commerce participates in Europe Enterprise Network EEN since 2010 as associate member and since 2011 as a full member of the Network. As it can be seen from above there are three Universities involved in EEN consortium in Serbia. The main idea behind was to stimulate cooperation among SMEs and research institutions in the country. However apart from possibilities to provide technology audits and IPR services there is no evidence that cooperation between SMEs and participating research institution on specific research innovation projects have been established.

According to the information received 50 people work on implementation of EEN activities in Serbia. Additionally majority of EEN Serbia employees have passed numerous trainings for EEN implementation. Consortium has developed internal procedures and annual plans of activity as well as intensive communication (consortium meetings on monthly basis). Each partner in the consortium has been assigned for coordination of specific activity within the Network. Additionally working groups comprising all consortium partners have been formed for each activity. EEN good communication with Executive Agency for Competitiveness and Innovation (EACI) as well as with Ministry of Finance and Economy has been established. However according to the feedback received communication with the Ministry is frequent but there is need for more coherent coordination and efficient communication.

Taking into account activities of EEN and composition of EEN consortium in Serbia it seems that EEN consortium members within the project perform their regular tasks therefore there is a question of EEN added value for the Serbian SMEs. According to the representatives of the Network consortium implementation of EEN in Serbia has improved the quality and range of services (e.g. internalization) that consortium members provides to its constituents and SMEs as well as increased the visibility of member consortia at EU level.

According to the received feedback the main added value of EEN in Serbia is internalization of Serbian SMEs business activities. Additionally EEN had a positive impact on Serbian companies in terms of raising their knowledge about new trends in exporting to EU countries, as well as their experience in participation at brokerage events and negotiation with prospective foreign partners. Serbian companies that take part in EEN network realized that such projects are useful for raising the visibility of their businesses by sharing information in company profiles and databases which are promoted among potential clients.

EEN Serbia organized more than 400 events (B2B meetings, brokerage events, promotional events, etc.) for SMEs in Serbia. Total number of participants at these events is 8000. More than 3000 SMEs in Serbia are registered in the EEN business data base (1% of total number of SMEs in Serbia). Company profiles and their offers are inserted into the database and available to the whole Network in the EU and worldwide. Concrete results achieved through EEN are that Serbian SMEs by using EEN services signed 45 agreements while 15 additional agreements are pending for verification from the EACI. What is more important is that 1/3 of signed agreements is related to technology transfer while 2/3 are related to the commercial business. As for the EEN service related to the helping SMEs to make the most of EU research and innovation funding there are evidence that some SMEs which have been awarded EU grants under FP7 and CIP ICT PSP programs received information and support provided by the EEN



consortium members and NCP. EEN has developed internet presentation [www.een.rs](http://www.een.rs) in Serbian language where all relevant information related to the network services could be found.

Evaluation shows that EEN was useful for SMEs in Serbia however there is room for improvement in all aspects of EEN activities. Especially visibility and outreach of EEN activities among SMEs in Serbia should be much higher. **The fact that only 1% of SMEs in Serbia use some of EEN services shows that there is huge potential for improvement of EEN outreach and impact on SMEs sector in Serbia.** In this endeavour the network of Regional agencies should participate, bringing the EEN network closer to the regional/local level. Additionally the EEN has not been used by the Ministry for promotion of domestic programs for SMEs developed as well as for providing feedback on the SMEs needs from the local level.

The main problem for Serbian SMEs regarding EEN services is that EEN does not cover their transport and accommodation costs when organising B2B meetings. Also, some of the activities may not apply to Serbian SMEs due to the difference in development stage compared to EU companies or lack of assets. Additionally for the improvement of Serbian SMEs participation it would be very useful to create customer-friendly services tailored to the needs of Serbian companies specifically as well as to simplify validation process of some companies' profiles and events.

The largest part of CIP /EIP program budget was devoted to the subcomponent Access to finance for SMEs (50%). The overall objective of the measure is to improve access to finance for the start-up and growth of SMEs and investment in innovation activities and to provide leverage to SME debt financing instruments, primarily in the form of bank loan guarantees. The financial instruments are not directly granted to SMEs. They are implemented on behalf of the Commission by the European Investment Fund (EIF) via selected financial intermediaries. This delivery mechanism is based on specific contracts, signed by intermediaries with the EIF, which concern the total fund size to be created and the expected share of EC funding or level of guarantee provided.

From the beginning of CIP implementation in Serbia Ministry responsible for CIP implementation in Serbia has invested a lot of effort to involve domestic banks in the implementation of CIP/EIP subcomponent Access to finance. Ministry organized several meetings and promotional events for domestic banks. **However, only one regional bank, Cacanska banka, entered the programme and became the only bank from Serbia which disbursed funds for SMEs under CIP programme.** Besides Cacanska banka, Banka Intesa also submitted application also while Komercijalna banka negotiated its participation in the program, however unsuccessfully. Domestic banks have not been very much interested in programme participation due to the higher risk exposure when investing in SMEs sector in Serbia and lower level of profit margin in the program implementation comparing to the other investing opportunities in the domestic market.

Cacanska banka and the European Investment Fund (EIF) concluded on 21 December 2011 a Guarantee Agreement created in the framework of CIP, providing for partly covering of the Bank's risk when lending to legal entities, entrepreneurs and start-up projects (enterprises and entrepreneurs established not more than two years ago). The purpose of these loans is investment financing, investment in tangible and intangible assets, including innovations, technological development and acquisition of licenses, as well as working capital.

In February 2012 started the 3 years program which provides guarantees on loans extended to SMEs, sharing some of the risk of lending to SMEs. EIF guarantees to recover 70% of individual approved loan to SMEs however in total 20% of the amount of the program. Maximum amount of loans that Cacanska banka can approve under this program is 16 million EUR.

Purpose of the program is to enhance Micro-Enterprises access to finance, with particular focus on entrepreneurs starting up their business. Borrowers are entrepreneurs and micro enterprises which employ fewer of 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

Entrepreneurs can borrow up to EUR 25,000.00 with minimum maturity of 12 months and minimum grace period of up to 12 months. For fixed assets without additional collateral other than security over the asset which is being acquired through the loan and without any contribution while for working capital with no additional collateral and with increasing maximum maturity from 3 to 5 years. Program is visible to the SMEs not only in the regions where Cacanska banka has the most of its branches. At the Banks' official internet presentation information related to the loan offer and CIP program can be found.

**Up to date (August 2013) Cacanska banka approved total amount as of 7,3 million EUR to SMEs (600 approved SMEs projects) under aforementioned conditions.** Comparing to the other financial offer at the market these loans are very favourable for domestic SMEs in terms of lower interest rates and requests for collaterals. Bank is very satisfied with the effects of the program, because it strengthened their position at the market dealing with SMEs while SMEs in Serbia obtained access to additional favourable financial instrument. Up to date SMEs succeed to meet their financial obligations however there were few cases that approved loans cannot be repaid by SMEs and will be recovered by EIF.

Finally an important share of CIP/EIP program has been allocated to the support of eco-innovation (20%). In order to maximize the impact of Eco-innovation initiative EU supports activities that the best Eco-innovation projects can be replicated across the EU. It is important to emphasize that Eco-innovation projects are not research projects, but those whose ideas are developed, feasible and viable on the market in the long-term. SMEs play a major role in this regard which is why priority is given to their projects. Funding is made available in form of grants. The projects are selected through annual calls for proposals. They receive grants covering up to 50% of the eligible project costs. The money can be used to fund actions including equipment and infrastructure as well as materials, processes, techniques and methods linked with the innovative action.

Eco-innovation has been open for Serbia since 2009. The initiative is promoted by Enterprise Europe Network in Serbia however only one organization from Serbia (Institute Kirilo Savic) participates in project consortium that has been awarded a grant so far. However it has to be said that both Ministry and EEN invested a lot of resources in promotion of the program and technical support to the potential applicant. According to the received information 40 SMEs applied under Eco-innovation component has been awarded a project as a partner in consortium.

The main identified reasons why Serbian applicants were not successful at Eco-innovation call for **proposals are :**

- **lack of European value-added in the project proposals;**
- **poor budget/business plan preparation**

- lack of adequate partners from other European countries and
- lack of projects/product ideas stemming from public-private partnerships/academic institutions and spin-off /spin-out companies.
- relatively high co-financing requirements (50% of the eligible project costs)

Moreover participation in call for proposals for Eco-innovation proved that our companies do not have established good connection with domestic research institutions which is necessary for this subcomponent. Ministry also tried to resolve this problem through engaging resources from other EU projects however unsuccessfully.

Under CIP/EIP there were envisaged activities related to promotion of entrepreneurship aiming at fostering entrepreneurship culture and creating better framework conditions for SMEs operating in EU. In Serbia two projects related to the promotion of Women's Entrepreneurship such as European Network of Ambassadors for Women Entrepreneurship in Serbia. Lead partner was National Agency for Regional Development and other partners at the project were Serbia Investment and Export Promotion Agency, Chamber of Commerce and Industry in Serbia and Association of Business Women in Serbia, and Mentors for Women Entrepreneurs in Serbia. The second one is Mentors of Women entrepreneurs in Serbia. Lead partner at this project was also National Agency for Regional Development and partner was Association of Business Women in Serbia.

In December 2011 European Commission undertook the final evaluation of CIP program which showed that CIP is considered coherent and relevant to the needs, problems and issues intended to address, as well as a concentration in areas where EU action can make a difference was achieved. The evaluation assessed positively the flexibility of CIP and considered that accessing support under the CIP is easier than in other comparable programmes. Additionally the final evaluation of EIP commissioned by EC came to conclusions that the program directly meets SME needs. The EIP actions, notably the financial instruments and eco-innovation, have effectively created conditions for real replication in the market. Concerning the Enterprise Europe Network, the evaluators found that the Network was well focused on its main objectives of promoting innovation, business co-operation and cross-border trading.

Both Needs Assessment Document 2007-2009 and 2009-2011 recognize that the major focus in the sector of Economy was on the support of Competitiveness development through raising the quality of human capital, development of local potential and economic infrastructure, increasing innovative potential, and investing in the skills levels and adaptability of the work force. As mid-term priority, under Competitiveness sector, the NAD 2011-2013 defines Increase competitiveness and exports of enterprises" Serbian SMEs should be supported to strengthen their ability to compete in domestic and international markets, and have a more significant impact on the economy, particularly in generating the export revenues which can finance the Republic of Serbia's consumption and growth"...."the focus should be placed on strengthening the preconditions for greater number of innovative products, by increasing investment in research and development and bringing together the academic community and the business sector to be able to cooperate and increase the competitiveness of the Serbian economy."

**As a general conclusion Serbia's participation in CIP/EIP Programme should be considered relevant and justified.** However taking into account that major part of the CIP/EIP budget is related to the Access to finance for SMEs and Eco-innovation where Serbia achieved limited results, picture of achieved effects of the CIP/EIP program in Serbia are mixed since the potentials of the program was higher than

was actually used. **Evaluator would recommend access to new generation of Programme related to the CIP/EIP for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Improve visibility of the overall CIP/EIP program and its components
- Introduce urgently relevant information related to the CIP/EIP Programme on internet presentation of the Ministry;
- Enhance the role of the program as integrated instrument for SMEs policy in the country and as channel of communication with SMEs in the country;
- There is a need for more active involvement of other Departments of the Ministry providing information to NCP in order to ensure more relevant participation in the work of the Program Committee
- The Ministry and the EEN consortium should further strengthen cooperation in order to improve efficiency of the implementation program activities of the Network
- Further increase the visibility and outreach of the Enterprise Europe Network among SMEs in Serbia through involvement of RDAs
- Ministry should re-assess the rationale for continuing with a participation in the component Access to finance or to negotiate lower entry ticket for Serbia.
- Continue targeted assistance to the identified SMEs active in Eco-innovation through stimulating further cooperation with research institution in Serbia
- Better exploitation of European Enterprise Network in Serbia for preparation of the Serbian SMEs to make the most of EU research and innovation funding in the new budgetary period 2014-2020

#### **b) The Information Communication Technologies Policy Support Programme (ICT-PSP)**

**The Information and Communication Technologies Policy Support Programme** is one of the sub-programmes of CIP with a budget of EUR 730 million EUR for 2007- 2013 period (20% of CIP budget). Main activities supported by this program are aimed at stimulating the new integrated market of electronic network, media content and digital technologies. The main direction of interventions is related to searching for the solutions for removing obstacles to wider use of electronic services in Europe. This programme also provides support to modernization of the public sector services. The ICT PSP supports the realisation of European policies and in particular the Digital agenda for Europe and is aligned with its priorities. It aims at stimulating smart sustainable and inclusive growth by accelerating the wider uptake and best use of innovative digital technologies and content by citizens, governments and businesses. The ICT PSP covers technological and non-technological innovations that have moved beyond the final research demonstration phase.

The Republic of Serbia signed the Memorandum of Understanding (MoU) on participation in this component of CIP Programme in October 2009. Responsible Ministry for coordination of the program is Ministry of Foreign and Internal Trade and Telecommunications. NCP has been appointed since 2010 when Republic of Serbia became a full member of the Program. **The entry ticket costs for period 2009-2012 are 784.320 EUR.** Ministry has not requested recovery from IPA component I.

In the period 2009-2012, according to data received from the Ministry of Foreign and Internal Trade and Telecommunications **17 projects have been granted to Serbian applicants with the total value of 2.4**

**million euro.** Project applicants have been cultural institutions, such as National Library, University Library Svetozar Markovic, University of Belgrade, Faculties of Mathematics and Faculty of Mechanical Engineering, private companies Belit, Evrogeomatika, ION Solutions, Institute Mihailo Pupin etc.

Eleven (11) projects were Pilot Type B projects, 1 was Pilot Type A project and 5 Best Practice Networking projects. This structure of awarded projects showed that Serbian applicants mainly participated in the Pilot Type B projects where bottom-up demand-driven projects can provide new and innovative cross-border services in new government service-related areas and promote interoperability and the development of wider markets for innovative public services.

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
784.320 euro	0 euro	784.320 Euro	2.418.470 euro	2.418.470 euro	0 euro
<b>Other costs:</b> Running costs for the Program: 6.000 euro					

Talking from the pure mathematical point of view **Serbia has received 3.2 times more funds through approved projects then invested through entry tickets and national co-financing until 2013.** However ICT PSP program did not bring only financial benefit to the awarded applicants. Through project implementation Serbian SMEs developed new business partnerships, improved and modernized their business and their competitiveness at the European market. Few successful SMEs which have been awarded projects focused their business activities on projects which can be funded through the EU programs. The main challenges in the application process for potential applicants from Serbian SMEs sector were complex application procedures as well as finding adequate consortium for participation in the open Calls for Proposals. During project implementation lack of experience in EU funded project management and VAT exemption were the major problems for program beneficiaries from Serbia.

Besides NCP no other staff from the Ministry is engaged in the program implementation. As in the other Programs the main problem of NCPs is that they are also assigned to other tasks in their ministries and coordination of the programs is not their only duty. Taking into account the methodology of program implementation it would be useful to have a team of people within the Ministry (up to three people) which will be in charge of administration, providing technical assistance and monitoring of the programme implementation. The workload in program administration rises especially before and during the Call for Proposals opening. NCP for ICT PSP has not been trained for the program implementation, however has high level of knowledge and experience in program implementation. NCP regularly provided information related to the program to the potential applicants, advices for preparation of applications, support for partner search etc. Additionally NCP with the support of GiZ organized 6 trainings for potential applicants. Moreover in cooperation with Chamber of Commerce NCP organized promotional events for SMEs. Cooperation with the NCP for the first CIP EIP component as well as with the Ministry of Education, Science and Technological development that is coordinating FP7 program is good. Moreover the cooperation with relevant EC DG is satisfactory, however opportunities provided by the membership in the Program Committee has not been used at satisfactory level.

In 2011 the Interim Evaluation of the CIP 2007-2013 has been commissioned by the European Commission. The final evaluation of the ICT PSP underlined the uniqueness of the programme and its

innovative role as its projects design new platforms for innovative cross-border services in areas of public interest, in particular in areas where there are continuing systemic and organizational risks. The further increase of stakeholders participation is amongst the recommendations given by the panel of experts, together with overcoming hurdles to SME participation. It is also recommended to improve information flows and linkages with other EU programmes such as the ones relating to regional policies.

Both Needs Assessment Document 2007-2009 and 2009-2011 recognize that the major focus in the sector of telecommunications was on the support of development of the Information Society and implementation and development of e-government as the reform and modernization of public administration based on wide application of information and communication technologies (ICT).” As mid-term priority, under Public Administration Reform sector, the NAD 2011-2013 defines mid-term priority “Reengineer administrative processes through introduction of new IT solutions” while under Competitiveness sector the NAD 2011-2013 defines mid-term priority “Increase competitiveness and export of enterprises” which should encourage greater and more effective use of ICT and e-business by Serbian enterprises as drivers for increasing their competitiveness.

According to the feedback received awarded projects under ICT PSP partially addressed strategic goals of the ICT sector in Serbia. However program priorities have been used in the process of preparation of domestic strategy in the ICT sector. Taking into account that the main direction of PCP ICT interventions is related to searching for the solutions for removing obstacles to wider use of electronic services in Europe by SMEs, citizens and governments and also providing support to modernization of the public sector services, Serbia’s participation in CIP ICT PSP should be considered relevant and justified.

Program is visible among relevant stakeholders and within the Ministry however not among the general public. There is sufficient information related to the ICT PSP programme in Serbian language available at the official internet presentation of the Ministry. However the visibility of the program at the official internet site of the Ministry is low.

**As a general conclusion Serbia’s participation in ICT PSP Programme should be considered relevant, justified and successful. Evaluator would recommend access to new generation of Programme related to the ICT PSP for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Increase the number of persons involved in the Program implementation in order to extend the range of technical services to the potential applicants as well as to intensify promotion of the Program among SMEs and potential beneficiaries;
- Improve visibility of the Programme on internet presentation of the Ministry;
- Ensure more active role of the Ministry in the work of the Program Committee
- Strengthen cooperation and ensure synergy effects with other components of CIP and FP7 programs in Serbia

#### **4.5 CULTURE PROGRAMME**

The Culture programme has been established to enhance the cultural area which is based on a common cultural heritage, through the development of cooperation activities among cultural operators from eligible countries, with a view to encouraging the emergence of European citizenship.

The Culture programme aims to achieve **three main objectives**: to promote **cross-border mobility** of those working in the cultural sector; to encourage the **transnational circulation** of cultural and artistic output; and to foster **intercultural dialogue**. The program has **three main strands**: Strand 1: Support for cultural activities of multiannual cooperation projects, cooperation measures, and special activities; Strand 2: Support for organizations active at the European level in the field of culture; Strand 3: Support for analyses, collection and dissemination of information, and for maximizing the impact of projects in the field of cultural cooperation. Total budget of this Programme for period 2007-2013 is 400 million euro.

The Education, Audiovisual and Culture Agency Executive Agency (EACEA) is responsible for the management of most parts of the EU's Culture Programme 2007-2013 under supervision from its parent Directorate-General for Education and Culture (DG EAC of the European Commission).

Serbia signed the Memorandum of Understanding (MoU) on participation in this programme in February 2008. **Ministry in charge for culture plays the role of the National Contact Point** and participates in the work of the Program Committee. **Cultural Contact Point (CCP) Serbia**, established in January 2008, **represents an implementation body of the Program Culture**, working on the national level.

**The entry ticket costs for period 2007-2013 are 642.000 euro or 107.000 euro annually.** Part of these funds, 211.000 euro<sup>3</sup>, has been recovered from IPA component I. However, recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national needs. Therefore, for the purposes of this evaluation total entry ticket will be calculated as the cost.

In the period 2007-2013, according to data received from the CCP, **withdrawal of funds from this Programme is 2.5 million euro**, out of which around 0.3 million euros is national co-financing.

*Table 1 Overview of benefits and costs*

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
642.000 euro	211.000 euro	431.000 euro	2.504.186 euro	2.200.013 euro	304.173 euro
<b>Other costs:</b> Running costs for the CCP Office: 184.185 euro					

Talking from the pure mathematical point of view **Serbia has received 1.9 times more funds through approved projects than invested through entry tickets and national co-financing.**

Number of project applications from Serbia demonstrates great interest of Serbian cultural operators for this programme. The total number of successful organizations in Serbia 52, participating in 65

<sup>3</sup> Allocations for 2012 and 2013 still need to be recovered from IPA component I. This would increase IPA recovery figure.

projects financed by the “Culture Programme 2007-2013” (few organization involved in several projects). Out of successful applicants, 11 institutions are participating in the Strand 1.1. Multi-annual cooperation projects and 41 in Strand 1.2.1 Cooperation projects, and in Strand 1.2.2 Literary translation- the total of 27 publishers, with 34 projects. At the same time, in competition with 27 member states and other non-EU countries, rate of approved applications from Serbia demonstrate a great success of Serbian applicants in the Programme 2007-2013. Serbian applicants, such as Dom omladine Beograd, Bitef Theatre, Archaeological institute, etc., have been successful in different strands, as follows.

*Table 2 Total numbers of applications and approved projects for period 2007-2013*

<b>Strands</b>	<b>Total No. of applications</b>	<b>Total No. of applications from Serbia</b>	<b>Success rate of Serbia</b>	<b>Total No. of approved projects</b>	<b>No. of approved projects from Serbia</b>	<b>Success rate of Serbia</b>
<b>Cooperation projects</b>						
Multi-annual cooperation projects (Strand 1.1)	360	50	13.8%	79	12	15.1%
Cooperation projects (Strand 1.2.1)	2105	201	9.5%	684	56	8.1%
Cooperation projects with third countries (Strand 1.3.5)	214	7	3.2%	62	0	0%
<b>Literary translation projects (Strand 1.2.2)</b>	997	76	7.6%	523	26	4.9%
<b>Support for European Cultural Festivals (Strand 1.3.6)</b>	1184	25	2.1%	51	1	1.9%
<b>Support for organisations active at European level in the field of culture (Strand 2)</b>	610	23	3.7%	264	32 (within the network)	12.1%

Results under strand 1.3.5 and 1.3.6 look weak, but in practice the one should understand the nature of actions under these strands in order to understand the results. Namely, strand 1.3.5 includes cooperation with several targeted countries (Canada and Australia in 2013 or Mexico in 2012). In practice these countries are selected in December and the call is in May which is very short period for Serbian institutions, which have capacities and co-financing issues, to prepare good applications.

Concerning strand 1.3.6 the main issue is strong competition among 37 countries for 11 projects that are usually approved. Projects that have been approved are scored with minimum 95 points out of 100.



CCP Serbia performs several tasks, such as advisory and technical support (seminars and workshops etc.), promotional and attentive activities, networking, matchmaking and lobbying. However, structure and financial resources of the office have not been changed since its establishment. CCP Serbia has on its disposal 2 persons contracted full time and one part time. CCP Office engages on the voluntarily basis and temporary in connection with some events cultural management students. CCP office has provided the strategic support of 84 different institutions at local, national and European level and in period 2008-2012 organised 9 seminars and workshops. CCP Office has printed 18 different types of promotional material, 17 publications, 2 more till the end of the 2013.

Evaluator believes that the human resources within the CCP Serbia are not sufficient having in mind the scope of work of the office.

**Hierarchically, organizational structure of CCP Serbia is generally confusing.** CCP Serbia does not have its own, independent legal or financial status. The role of beneficiary is given to Centre for Study in Cultural Development (Zavod za proučavanje kulturnog razvitka/ZAPROKUL), a public body under direct steering and funding competence of the Ministry of Culture. Thus, CCP Office is both, international contractual obligation and the program of the Ministry and the project of ZAPROKUL, role delegated to an institution whose activity corresponds in some segments to the office activities.

Although the CCP office is operating under the Sector for International cooperation, European integrations and management in culture in the Ministry of Culture and Information, Evaluator believes that model of CCP office establishment is complicated, with unclear roles and responsibilities of three sides involved and can influence the work of the Ministry of Culture and Information and CCP Serbia.

**In 2013 the Cultural Contact Point (CCP) office in Belgrade (CCP Serbia) published the Analysis of Serbia's participation in the Culture Programme 2007-2013.** The analysis was performed in May 2012 by sending an e-survey to 52 institutions from Serbia with 93% of respondents. Some of the key findings of this analysis are:

- 64% who believe that participating in the Culture Program strengthens the capacities of the cultural sector;
- 76% assessed that the program strongly affected the creation of new high quality artistic and cultural artworks and events, proving that participating in the program is a good way to activate high quality artistic and managerial employees that can work on demanding projects;
- 80% of organizations replied that building long-term partnerships has been achieved to a high degree;
- 76% of respondents are satisfied with CCP Serbia's dissemination of information about successful projects in which Serbian institutions are taking part etc.

In situation where evaluation culture of public administration performance does not exist in Serbia, this approach of the CCP Serbia is innovative and very much welcome. However, without intention to influence on quality and objectivity of the Analysis and professionalism of the CCP Serbia, in the future, in order to ensure impartial approach, such evaluation should be done by external experts, independent from the Ministry in charge of culture and the CCP Serbia. Namely, the practice in EU member states

shows that monitoring and evaluation of policies is performed ex-ante and, mid-term and ex-post by research centres/private companies/NGOs independent from those institutions managing the programme/projects. To illustrate this recommendation it is indicatively that mid-term evaluation of the Culture programme has been performed by ECORYS UK on behalf of the EC DG Education and Culture and not by this DG or the Education, Audiovisual and Culture Agency Executive Agency.

**In 2010 the Interim Evaluation of the Culture Programme 2007-2013<sup>4</sup> has been performed by the European Commission.** This report is focused on the Programme as whole and describes the programme and its context, presents research findings based on the criteria of relevance, efficiency, effectiveness and sustainability and offers a set of conclusions and recommendations – for the current programme and for any future programme on culture. Findings of the evaluation report related to the key criteria of relevance, efficiency, effectiveness and sustainability are in principle positive.

According to the evaluation report “The programme has mostly met expectations in terms of participation by type of organisation; the largest group of participants were from the performing arts sector (more than half), but a relatively high proportion are “interdisciplinary”. The programme is proving successful in enabling non-profit cultural organisations and small and medium-sized organisations in general to participate. There has been a good geographic balance in applications and in participation, although with some important differences between countries and within specific strands.”

**According to the Needs Assessment Document (NAD) 2007-2009** “the medium-term strategic goals of the Ministry of Culture and Information are focused on the promotion of program, human resources and special conditions, as well as on the normative framework for activities in the area of modern creativity, cultural industry, international relations in line with the European standards.”

**According to the NAD 2009-2011** “the strategic goals of the Ministry of Culture and Information is related to the establishment of cultural policy standards and development of the systems in the field of culture, upgrading and modernization of cultural institutions, preservation of cultural heritage and cultural diversity and their inclusion in the modern cultural flows in the world, creation of conditions for the expansion of creativity in all branches of arts, raising the level of citizens participation in cultural activities and uniform development in the domain of culture through the territory of Serbia – decentralization of culture, active participation of artist and modern artist creativity in international cultural flows, improving the quality of media production, encouraging the development of self-regulation and harmonization of the media legislation with European standards.”

**As defined by the NAD 2011-2013,** one of the mid-term priorities of CSO, media and culture sector is to “develop a system which respects the right to culture, equality of all cultures on the territory of Serbia and the sustainability of cultural identities and cultural differences”.

Taking into consideration NAD priorities Serbia’s **participation in Culture programme should be considered relevant and justified.** Taking into account the constant lowering of the budget for culture in the last several years, it is obvious that seeking funds outside the state and city budgets is necessary.

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<sup>4</sup> Interim Evaluation of the Culture Programme 2007-2013, ECORYS UK on behalf of the European Commission DG Education and Culture

In analysis of the “Culture” programme and CCP Office’s Effect on the Cultural Sector in Serbia results, all the participant consider the **importance of existence of a legal mechanism for co-financing of successful projects of the Ministry of Culture and Information**. The fact that the state - Ministry of Culture, in most cases is the main co-financier of successful projects, speaks positively about the interest of the state to support the participation in European projects. However, it is not clear if existing rule book of procedures for awarding these funds clearly takes into account objectives of the calls, as well as clearly defined evaluation and transparency criteria. In October 2012 the Ministry of Culture and Information has established the Commission for co-financing the successful projects within the Culture programme with intention to support continuously the participation of Serbian organizations and institutions in this programme and to intensify the proactive cooperation with partners from *cultural sector Europe wide*, in order to improve its contribution to respect and promote the diversity of cultures and languages in Europe.

However, **both CCP Serbia and institutions benefiting the Programme are facing with difficulties concerning tax exemptions**. Namely, tax exemption is not regulated by the Culture programme MoU nor some other document related to the EU Programmes. It is estimated that annually about 35% of the budget CCP Serbia office goes to cover the cost of some unnecessary administrative procedures and taxes, instead of being directed to the program activities of the CCP office. Evaluator believes that such practice is not in line with the nature of EU Programmes and should be clarified by the SEIO and Ministry of Finance.

Although information on Culture programme could be considered of good quality beneficiaries believe that **visibility** events should be enhanced. Surprisingly, some of targeted cultural institutions mentioned that they have never heard about Culture programme.

Besides already mentioned activities, the CCP banner exists also at the official site of the Ministry however it could be much more visible. Additionally it is not clear why obviously successful results of the Programme have not been promoted by the Ministry of Culture and Information.

It is interesting to notice that most of the applicants who sent their inputs believe that they have moderate or good capacities for development of project applications. However, they see that capacities of other strategic local partners’ capacities are moderate. It is not clear on which grounds this has been mentioned when there is no systematic approach in building their knowledge and these institutions are not project oriented.

Project beneficiaries and applicants believe that **the main factors that can be considered as obstacles to a more effective participation in Culture programme are**: high competition for limited resources, inappropriate project assessment criteria and not very transparent assessment process. At the same time they believe that **possible actions to overcome obstacles are**: direct technical assistance and CCP Serbia providing technical assistance.

**Culture beneficiaries and potential applicants strongly support continuation of Culture programme in post 2013 period.**

**As a general conclusion Serbia’s participation in Culture Programme should be considered relevant, justified and successful. Evaluator would recommend access to Culture successor for period 2014-**

**2020.** At the same time in order **to enhance performance of the Programme in the future**, Evaluator believes **it is necessary to**:

- Find the right legal status for the CCP Serbia office and clearly define the roles and responsibilities between the Ministry of Culture and CCP Serbia;
- Perform work load analysis (WLA) of the Ministry and CCP Serbia office and increase number of employees if it is proven by the WLA. Obligations under new Programme Creative Europe should be taken into consideration as well;
- Increase visibility activities. Ministry of Culture should be involved in these activities especially in promotion of achieved results in the Programme. Also, Ministry should improve its web presentation related to Culture programme. Specific type of activities should be focused on requirements of the calls since majority of beneficiaries believe that main obstacles are related to Programme requirements;
- Analyse and introduce an internal pre-selection of projects to be elaborated and submitted for upcoming calls. This approach would help the potential applicant to prioritise according to sector development strategy and their needs. For this recommendation adoption of the Strategy of cultural development 2013-2023 is crucial;
- Analyse existing criteria for selection of projects („Rule book on the method, criteria and standards for selection of projects in the area of culture financed and co-financed from the budget of RS“) and, if proven necessary, amend it;
- Since new Programme Creative Europe will be comprised of the Culture, Media and Media Mundus programmes it is necessary to conduct the analysis which will present potentials, obligations and institutional modalities for future management of the Programme or its parts.

#### **4.6 CUSTOMS PROGRAMME**

Customs 2013 is an EU cooperation programme providing national customs administrations with the possibility to create and exchange information and expertise. It allows developing and operating major trans-European IT systems in partnership and establishing various human networks by bringing together national officials from across Europe. It connects customs services across borders, fosters the exchange of information and ensures that the EU rules are implemented and applied in a uniform manner. The financial framework for the six years of the programme's implementation was set at **323.8 million euro**.

The Customs 2013 programme was designed to meet **five objectives ensuring that customs administrations**:

- Carry out coordinated action to make sure that customs activities match the needs of the internal market, including supply chain security and trade facilitation, as well as support the strategy for growth and jobs;
- Interact and perform their duties as efficiently as though they were one administration, ensuring controls with equivalent results at every point of the Community customs territory and the support of legitimate business activity;

- Provide the necessary protection of the financial interests of the EU;
- Contribute to strengthening security and safety; and
- Take the necessary steps to prepare the countries for accession, including by means of the sharing of experience and knowledge with the customs administrations of those countries.

Specific Customs 2013 objectives are adopted each year by the European Commission, in the form of an annual work programme, addressing priorities in the fields of customs. All actions organised must link to the related work programme's objectives and priorities.

**The actions funded include:** Joint actions such as seminars, workshops, steering groups, project groups and working visits (costs relating to organising and participating in an event) and trans-European IT systems and training modules (development and maintenance costs).

The programmes are managed by the European Commission in the Taxation and Customs Union Directorate General. Each participating country also has its own programme coordinators, who advise staff how to use the programmes. The national coordinators are also the main contact point for the European Commission. The role of national coordinator is performed by the Serbian Custom Administration.

Serbia signed Memorandum of understanding on participation in the Customs Programme on 27<sup>th</sup> February 2009. **Annual entry ticket is 100.000 euro.** It is important to mention that for this programme repayment of entry ticket is not yet provided by IPA. At the beginning 93% of this amount has been directly transferred throughout three pre-financing payments to Customs Administration account without obligation to transfer unspent funds to the EU budget. However, in period 2011-2013 the rules have been changed and slightly different pre-financing has been introduced (now first instalment is 80% and second 20% if the first is disbursed), as well as obligation to transfer unspent fund to the EU budget. Management indicative costs on annual level are around 6000 euro.

**In period 2009-2012 Serbia has withdraw 216.157,36 euros.** In line with new rules, in period 2010-2012 Serbia has transferred 103.950,03 euros of unspent funds to the EU budget (2011: 9.348,11 euro and 2012: 26.684,42 euro, plus 67.915,50 euros, unspent amount in fiscal 2010). Although the new financial rule started in 2011, unspent amount in 2010 was first transferred to fiscal year 2011 and was put under a payment obligation.

*Table 1 Customs 2013 Total actions 2009-2012*

TOTAL			
Year	Total (study tours and other events)	Number of participants	Number of participations
2009	20	25	36
2010	25	33	43
2011	54	91	126
2012	53	57	87
<b>Total</b>	152	124	292

*Table 2 Number of working visits 2009-2012*

Year	Number of working visits	Number of participants	Number of participations
2009	2	9	9
2010	3	12	13
2011	13	53	70
2012	2	8	9
<b>Total</b>	20	82	101

*Table 3 Other events (meetings, working groups, trainings, workshops, seminars) 2009-2012*

Year	Number of working visits	Number of participants	Number of participations
2009	18	16	27
2010	22	21	30
2011	41	38	56
2012	51	49	78
<b>Total</b>	132	124	191

**Financial contribution has never been spent in the amount that was paid, especially in the first two years, mainly due to the lack of experience within the Customs Administration in EU programme participation, while program itself was not opened in all aspects for the participation of Serbian Custom Administration.** The major turn point was meeting organized by DG TAXUD in 2010 where Serbian Custom Administration was advised to focus not only but especially on working visits and seminars as major components of the program for Serbia.

In total 3 people from Customs Administration has been appointed for implementation of the programme in Serbia (National Contact Point, NCP for Working Visits and Financial assistant). Programme implementation is not solely duty of the appointed staff, but taking into consideration nature of the Programme such composition of the team looks satisfactory. Major fluctuations among assigned staff for program implementation have not been recorded, but unfortunately staff did not have any formal training related to management of the Programme.

**In June 2011 mid-term evaluation of the Customs programme has been performed.** “The conclusions of the evaluation presented in the previous chapters have demonstrated that the Customs 2013 programme does not exist in a vacuum. Instead, its relevance, effectiveness and added value are intimately linked with the wider customs union, which functions mainly through several pieces of EU customs legislation (such as the Community Customs Code). Ultimately, it is the implementation and application of this legislation that is the key to achieving different policy objectives (such as trade facilitation or ensuring the safety and security of EU citizens and traders); C2013 plays primarily a supporting and enabling role.

C2013 has provided significant support to candidate countries and potential candidates, in particular by providing four of them (Croatia, former Yugoslav Republic of Macedonia, Serbia and Turkey) the opportunity to participate fully in the programme, and thereby take part in a large number of joint actions. The feedback gathered directly from those countries through the evaluation questionnaire and case studies indicates a high level of satisfaction, and shows that their participation has contributed

significantly to their preparations for accession to the EU by helping to adjust customs legislation, working methods and (to the extent possible at this stage) IT systems to those being used in the EU. Furthermore, it was also noted that the participation in many joint actions has led to sharing of information and experiences with colleagues from the MS, which in turn has helped to improve the effectiveness of customs controls. The case studies confirmed the appreciation of customs officials from Croatia, former Yugoslav Republic of Macedonia, Serbia and Turkey of the opportunities to participate in C2013, and showed that working visits, workshops, seminars and other types of joint actions with a specific regional focus are especially effective when it comes to supporting candidate countries and potential candidates<sup>5</sup>.”

Both **Needs Assessment Document 2007-2009 and 2009-2011** recognize that “it will be necessary to continue technical and institutional capacity building and modernization of specific organizational parts of the Ministry (first of all Tax Administration and Customs Administration), with the purpose of combating corruption, cross-border crime, and tax evasion.” As mid-term priority, under Public Administration Reform sector, **the NAD 2011-2013** defines “Enhance professional development and institutional capacity of civil service at all levels” defined within the NAD. Therefore, **Serbia’s participation in Customs Programme should be considered relevant and justified.**

According to the feedback received working visits was the most useful part of the programme for Serbian Customs Administration. Contacts established with customs officers from different countries during the Programme activities help Serbian Custom’s officers to communicate easily and solve possible dilemmas directly. The major problem for higher participation of custom employees is lack of knowledge of English language.

It should be noted also that NCP for CUSTOMS program does not have regular meetings with NCP Fiscalis programme although that both Programs are managed by the same DG and that both programs have the same implementation methodology.

Programme has been promoted at the level of the Customs Administration for all customs offices in the country, but it can be noted that there are limited information related to the Programme on internet presentation of Customs Administration.

As a general conclusion **Serbia’s participation in Customs Programme should be considered relevant and justified, but with limited range due to the unspent funds and implementation of one type of activities. Evaluator would recommend access to new generation of Customs Programme for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes **it is necessary to:**

- Negotiate lower entry ticket that will follow Serbia’s absorption capacities and scope of activities that will be covered;
- Introduce urgently relevant information related to the Programme on internet presentation of Customs Administration;
- Continue with promotional activities related to the Program implementation among custom offices in Serbia

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<sup>5</sup> Mid-term evaluation Report, June 2011

- Introduce annual planning of the working visits based on the experience of other EU member countries. Introduce preparatory meetings with the selected candidates before going to the seminars or working visits.
- Make combination of junior and senior customs officers at the same events (it is assumed that junior officers speak English and can be of help to colleagues who do not speak English;
- Introduce obligatory practice that each participant after finishing working visit or seminar is obliged to submit official report to the NCP. NCP would then decide whether to disseminate report or to organize presentation to other employees. Such practice already exists within the Tax Administration which implements Fiscalis programme.
- Organise demand driven trainings for staff in charge for management of the Programme;
- Organise regular meetings of Fiscalis and Customs NCPs and ensure timely exchange of information and working practices.

#### **4.7 FISCALIS PROGRAMME**

Fiscalis 2013 is an EU cooperation programme enabling national tax administrations to create and exchange information and expertise. It allows developing and operating major trans-European IT systems in partnership, as well as establishing various person to person networks by bringing together national officials from across Europe. Budget of the Fiscalis programme is 159.9 million euro.

##### **The specific objectives of the Fiscalis programme are:**

- to secure efficient, effective and extensive information exchange and administrative cooperation;
- to enable officials to achieve a high standard of understanding of EU law and its implementation in Member States;
- to ensure the continuing improvement of administrative procedures to take account of the needs of administrations and taxable persons through the development and dissemination of good administrative practice;
- to meet the special needs of candidate countries and potential candidates so that they take the necessary measures for accession in the field of tax legislation and administrative capacity.

Specific Fiscalis 2013 objectives are adopted each year by the European Commission, in the form of an annual work programme, addressing priorities in the fields of taxation. All actions organised must link to the related work programme's objectives and priorities.

**The actions funded include:** Joint actions such as seminars, workshops, steering groups, project groups and working visits (costs relating to organising and participating in an event) and trans-European IT systems and training modules (development and maintenance costs).

The programme is managed by the European Commission in the Taxation and Customs Union Directorate General. Each participating country also has its own programme coordinators, who advise



staff how to use the programmes. The national coordinators are also the main contact point for the European Commission. The role of national coordinator is performed by the Serbian Tax Administration.

Serbia signed Memorandum of understanding on participation in the Customs Programme on 15<sup>th</sup> April 2009. **Annual entry ticket is 80.000 euro.** It is important to mention that for this programme repayment of entry ticket is not provided by IPA. At the beginning 93% of this amount has been directly transferred to Tax Administration account without obligation to transfer unspent funds to the EU budget. However, in period 2011-2013 the rules have been changed and pre-financing has been introduced (now first instalment is 80% and second 20% if the first is disbursed), as well as obligation to transfer unspent fund to the EU budget.

**In period 2009-2013 Serbia has withdraw 57.414,13 euros.** However, in period 2011-2013 **Serbia has transferred 109.739,07 euros of unspent funds to the EU budget** (2011/12: 46.115,92 and 2012/13: 63.623,15). Last instalment of 80.000 EUR for period 2013/14 has been paid and results are not known at this moment.

**The main reason for reduced participation in the programme lays in the decision of the Government from 2011 to suspend all trips abroad as part of one of saving measures.**

*Table 1 Number of participants and activities*

Year	Activities	Participants	Spent funds	Repayment to the EU budget
2009/2010	3	4	3.570,30	
2010/2011	11	14	10.776,85	
2011/2012	4	6	5.964,08	46.115,92
2012/2013	28	39	37.103,20	63.623,15
<b>Total</b>	46	63	<b>57.414,43</b>	<b>109.739,07</b>

From these data it is obvious that Serbia repaid twice more to the EU then benefited from the Programme.

There are number of reasons which caused the low level of funds absorption by Serbian Tax Administration. **The main reason was related to the lack of experience within the Tax Administration in EU program participation while program itself was not opened in all aspects for the participation of Serbian Custom Administration.** In addition, in the first years of participation in the Program there was low number of employees of the Tax Administration who participated in the thematic seminars due to:

- Low visibility and inadequate dissemination of information related to the Program within the Tax Administration (information related to the opportunities offered by the program has been transferred to the Director of respective sector interested in the offered seminar topic while information have not been communicated regularly to the Tax administration branches in 5 regional centres in Serbia);
- Low level of English language knowledge among Tax Administration staff;
- Inappropriate offer of thematic seminars where Serbian Tax Administration staff could participate.

- Internal procedures for approval of participation for selected candidates are time consuming and inappropriate.

**Only one person acting as NCP from Tax Administration has been appointed for implementation of the program in Serbia.** There is a need at least 3 people from Tax Administration to be engaged in program implementation in Serbia (NCP, NCP for Working Visits and Financial assistant). Programme implementation is not solely duty of the appointed staff. Since 2009 two NCPs has been changed while third has been appointed one month ago. However these changes of NCPs have no adverse effects to the programme implementation in Serbia.

**In July 2011 the mid-term evaluation of the Fiscalis programme has be performed.** According to the evaluation findings, “in general, all sources indicate that Fiscalis contributed to a very high extent to the development and dissemination of good administrative practice, especially in the area of VAT and excise duties. The contribution of Fiscalis 2013 to improving the proper functioning of the taxation systems in the internal market is positive and significant. The programme has contributed to a uniform, effective and efficient application of the EU law, and has contributed to a more effective fight against fraud.

At the operational level, answers from the National Coordinators indicate that participation in Fiscalis activities has direct, positive impact on administrative capacity of candidate countries and potential candidates, since the direct contribution of Fiscalis to improved administrative practices or/and procedures in relevant taxation fields is assessed rather positively<sup>6</sup>.”

According to the evaluation report “In the case of potential candidates, however, like the Former Yugoslav Republic of Macedonia or Serbia, a certain amount of Fiscalis activities does not match their specific needs, since there are still a lot of EU law and common systems that they have not implemented. As a result, they can only participate as spectators in many activities, if they can participate at all.

In addition, in case of candidate and potential countries the report has pointed out some hindering factors as well:

- Fiscalis does not contribute directly to taking the necessary measures for accession and no specific activity has been targeted to this objective.
- A causal link is difficult to draw between participation in the programme and progress towards meeting the criteria for accession, but candidate countries and potential candidates mainly benefit from the programme through a better understanding of the taxation systems in the EU and building a network of partners within the EU to prepare for accession.
- Language, visas, and limited human resources and capacities are hindering factors to the achievement of the programme’s objective<sup>7</sup>.”

Taking into consideration these finding, it is obvious that Pre-accession programmes like IPA and TAIEX are complementary to Fiscalis and offer appropriate and more specific support to candidate countries for them to take the necessary measures for accession in the field of tax legislation and administrative capacity. Therefore, **Evaluator conclusion would be that actions funded within the Fiscalis programme should be closely linked with the NPAA, Country Strategy Paper, Annual EC Progress Reports and**

<sup>6</sup> Mid-term evaluation report, July 2011

<sup>7</sup> Mid-term evaluation report, July 2011

**future IPA intervention**<sup>8</sup>. Evaluator would like to recommend to relevant authorities to include section in application form where such link will be elaborated.

Both **Needs Assessment Document 2007-2009 and 2009-2011** recognise that “it will be necessary to continue technical and institutional capacity building and modernisation of specific organisational parts of the Ministry (first of all Tax Administration and Customs Administration), with the purpose of combating corruption, cross-border crime, and tax evasion.” As mid-term priority, under Public Administration Reform sector, **the NAD 2011-2013** defines “Enhance professional development and institutional capacity of civil service at all levels” defined within the NAD. Therefore, **Serbia’s participation in Fiscalis Programme should be considered relevant and justified.**

According to feedback received from Tax Administration participation in the Programme has ensured:

- Improvement the operation of taxation systems in the internal market;
- Enhancing the fight against tax fraud;
- Continuously improving administrative procedures and practices to the benefit of administrations and business within the EU;
- Ensuring the exchange of information between national tax administrations as well as with traders through projects such as trans-European tax IT systems.

Although that Programme has been located in the Sector for Education and Communication of the Tax Administration, the Programme has not been recognized as capacity development tool by the Sector Management. Also involvement of 5 regional branch offices in Serbia was weak. Also it can be noted that there is no information related to the Programme on internet presentation of Tax Administration.

Good practice introduced by the NCP was preparatory meetings with the selected candidates before going to the seminars or working visits. Moreover after their return from the seminars/working visits NCP organized meeting between seminar/working visit participants and management of the Tax Administration in order to exchange information and experience acquired at the seminars/working visits. These meetings served as tool for wider dissemination of acquired information and knowledge to the all relevant sectors in Tax Administration. Furthermore NCP introduced reporting templates for seminar/working visit participants which they were obliged to submit after their return in the country.

It should be noted also that NCP for Fiscalis programme does not have regular meeting with NCP for Customs programme although that both Programmes are managed by the same DG and that both programmes have the same implementation methodology. Additionally NCP did not have any contacts with Ministry of Finance during programme implementation.

As a general conclusion **Serbia’s participation in Fiscalis Programme should be considered relevant and justified, but with limited range due to the unspent funds and implementation of one type of activities. Evaluator would recommend access to new generation of Fiscalis Programme for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes **it is necessary to:**

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<sup>8</sup> National Priorities for International Assistance 2014-2017/20 does not contain such level of detail relevant for individual applications.

- Appoint additional two contact persons;
- Negotiate lower entry ticket that will follow Serbia's absorption capacities and scope of activities that will be covered;
- Introduce urgently relevant information related to the Programme on internet presentation of Customs Administration;
- Make combination of junior and senior customs officers at the same events (it is assumed that junior officers speak English and can be of help to colleagues who do not speak English);
- Embed planning of the activities (participation in seminars and planning of the working visits) in the annual planning process of the Sector for Education and Communication of the Tax Administration;
- Enhance involvement of 5 regional offices in Serbia. Tax Administration has educational facilities equipped with video link connections with 5 regional branches in Serbia which can be used for dissemination activities of seminar/working visit participants. In the future all selected candidates for seminars and working visits from Tax Administration could have task to present acquired knowledge and good practices to other colleagues in Tax Administration;
- Organise demand driven trainings for staff in charge for management of the Programme;
- Organise regular meetings of Fiscalis and Customs NCPs and ensure timely exchange of information and working practices.

#### 4.8 LIFELONG LEARNING PROGRAMME

The Lifelong Learning programme (LLP) supports learning opportunities from childhood to old age in every single life situation. LLP is divided in four sectorial sub programmes and four so called 'transversal' programmes. The sectorial sub programmes focus on different stages of education and training and continuing previous programmes:

- **Comenius for schools:** for general education activities concerning schools up to and including upper secondary level;
- **Erasmus:** for education and advanced training activities at higher education level;
- **Leonardo da Vinci:** addresses all other aspects of vocational education and training;
- **Grundtvig:** is concerned with adult education and lifelong learning.

The transversal programmes aim to complement the sectorial sub programmes and to ensure that they achieve the best results possible. They aim to promote European cooperation in fields covering two or more of the sub-programmes. In addition they seek to promote quality and transparency of Member States' education and training systems.

**Four key activities focus on:**

- Policy cooperation and innovation;
- Languages;
- Information and communication technologies – ICT;
- Dissemination and exploitation of results.

The Jean Monnet programme also falls under the LLP umbrella, in addition to the sectorial and transversal programmes. The Jean Monnet programme stimulates teaching, reflection and debate on the European integration process at higher education institutions.

**The concrete activities in which Serbia is eligible to take part are institutional projects are:**

**Multilateral projects:** European cooperation activity with a defined and exploitable outcome developed jointly by a formal or informal grouping of organisations or institutions.

**Multilateral networks:** formal or informal grouping of bodies active in a particular field, discipline or sector of lifelong learning, focussing on strategic reflections, needs analyses and networking activities in the field concerned.

**Accompanying measures:** support for various activities which, though not eligible under the main actions of the sectoral programmes, should clearly contribute to achieving the LLP's objectives.

**Jean Monet key action 1 activities:** the actions supported under this key activity aim to stimulate excellence in teaching, research, reflection and debate in European integration studies in higher education institutions within and outside the European Union.

All LLP actions are divided on centralized ones managed by Education, Audiovisual & Culture Executive Agency (EACEA) and decentralized ones managed by National Agencies in beneficiary countries. Participation of countries is based on, but not limited to their contributions. The organisations from Serbia are fully eligible to participate both as partners and as applicants in the relevant **centralised actions of the last two Calls for proposals** (*for participation of Serbia in centralized actions, the establishment of the national LLP agency was not necessary*).

Position of Serbia is specific due to the fact that there is no existing National Agency covering decentralized actions. However, after signing the Memorandum on participation in the LLP (end of 2011), position of Serbia in the Programme transformed from being a third country with limited options to full membership in centralized actions (in Calls for 2012 and 2013). **The annual financial contribution to be paid to the EU budget is 370.000 euro.** Due to the delays in paying entry ticket in 2012 **the Ministry of Education and Science paid 3.813,13 euro interest rate.** Evaluator was not in position to get information if part of the entry ticket has been reimbursed by IPA. Anyhow, recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national needs.

In case of Serbia there were 2 so called "third-country" participations, 16 full project partnerships in centralized actions and 2 Jean Monnet projects in the period 2010-2012. It is worth mentioning that before 2012, it was not possible for an organization from Serbia to act as the applicant and it was also not recommended in 2012, when Serbia first joined the programme. Only in 2013 we have one successful applicant organization – the University of Kragujevac will be the coordinator of a Comenius project. Project compendia for the project generation 2013 are preliminary published and 19 projects have been selected.

Although it is known in how many projects Serbian applicants have participated, it was not possible to calculate how much money has been allocated to them, except general finding that allocation in 2010 and 2011 was modest, while projects from 2012 are still ongoing. Therefore, it was not possible for Evaluator to compare financial costs with benefits.

**Promotional and advisory activities** for local institutions in Serbia (schools, universities, NGO etc.) for their participation in the LLP were done jointly by the National Tempus Office of Serbia (three persons) and the Ministry in charge of Education, for the previous and the current Call for proposals.

The National Tempus Office staff is mainly responsible for Programme promotion and instructing applicants. However, National Tempus Office has a specific position due to the special authorisation received by the Serbian Ministry of Education, Science and Technological Development, delegating representative of the Office to be present at operational meetings in Brussels related to the novelties and further development of the Programme. Three employees working on promotion of the Programme is sufficient, but there is no one to deal with training of potential applicants.

Report from the Commission to the European Parliament, the Council, the European economic and Social Committee and the Committee of the Regions from July 2011 in which the main findings of the **Midterm review of the Lifelong Learning Programme have been presented**, states: „the Lifelong Learning Programme is considered by the external evaluation as relevant and instrumental to reaching the key Education and Training objectives agreed at EU level and thereby contributing to attaining the overarching strategic objectives of the European Union. It is also important for the lives of the individual citizens involved, user friendly, highly popular and addresses the needs of its various target communities. The control framework is working effectively.“

**Both Needs Assessment Document 2007-2009 and 2009-2011** recognise that “In view of the needs of the economy the goals of the reform of the secondary, postsecondary and university education are the following:

- Developing the readiness of young people for professional development and additional training, harmonization of the diplomas and qualifications with the international standards, and diversifying institutional models, programmes and working methods;
- Reforming curricula with an aim of achieving functional, computer and technological literacy, by stimulating creativity, critical thinking and necessary skills for each individual;
- The development of the educational system should be based on the philosophy of life-long learning.”

As mid-term priority, under Human Resource Development sector, **the NAD 2011-2013** defines “Improve the quality of and access to the education system to enable the full and equal participation of every citizen in the economic, political and social life in the context of a knowledge-based society”. Therefore, **Serbia’s participation in LLP should be considered relevant and justified.**

The audience for LLP is very broad, involving all levels of education – primary, secondary, tertiary as well as adult education institutions. It also encompasses institutions interested in policy cooperation and innovation, language learning, ICT, dissemination and exploitation of results and European integrations.

Tempus office organizes promotional events together with the Ministry in order to promote LLP program in Serbia. With the support of Swiss Agency for Development and Cooperation Office published excellent publication devoted to LLP program and opportunities for Serbian institutions in 2013. This publication is the most comprehensive material devoted to one EU program in Serbian language. TEMPUS office has very good internet presentation <http://www.tempus.ac.rs> (both Serbian and English) where potential applicants can find useful information related to the Tempus/LLP/Erasmus Mundus programmes. However, there are no data about LLP on the official internet presentation of the Ministry of Education.

Beneficiaries believe that more trainings and promotional material would help improving the degree of acquaintance to EU Programmes and increase the effective usage of the instrument and they see lack of capacities as the main obstacle in the Programme participation. Beneficiaries believe that these issues can be resolved with trainings, direct technical assistance, more publications and more focused programme actions in the country.

This finding is also confirmed by the Tempus Office. Namely, by communicating with people interested in the LLP projects, the Tempus Office found out that the employees often lack very important competences for participation in international projects – language skills, IT skills and project management skills. This is especially the case for a certain number of schools which, so far, did not have an opportunity to participate in projects of this kind. Another serious obstacle is related to financial rules and the obligation to provide 25% co-financing. For a good number of institutions (especially school) this is an insurmountable difficulty.

There also one technical issue that needs to be resolved at the system level. Namely, **according to the Programme rules all project participants have the right on VAT, customs and duty charges exemption** for purchase of equipment and services within project framework. **This issue has not been solved**, which causes difficulties and additional payments for the participants. Evaluator believes that such practice is not in line with the nature of EU Programmes and should be clarified by the SEIO and Ministry of Finance.

**As a general conclusion Serbia's participation in Lifelong Learning Programme should be considered relevant and justified.** However, due to short participation in the Programme **it cannot be said that programme achieved some visible results, but it is obvious that there are many difficulties and ad hoc approach in programme management.** Participation in the Programme looks more like unused potential. Therefore, **Evaluator would recommend only conditional access, if possible step by step, to LLP successor for period 2014-2020.** A basic condition would be preparation of the Action plan for management of the future LLP programme. The Action plan should define specific activities in relation to programme management (e.g. roles and responsibilities, its visibility, training of potential applicants etc, as well as indicators for their measurement and targeted dates for their achievement). Such Action plan should be developed by the Ministry of Education in cooperation with Tempus Office. Condition should be met before procedure for signing of the MoU with the EC is launched.

At the same time in order **to enhance performance of the Programme in the future**, Evaluator believes **it is necessary to:**

- Ensure more focused LLP actions in the country. An internal pre-selection of projects to be elaborated and submitted for upcoming LLP should be analysed and introduced. This approach

would help the education institutions to prioritise according to the sector strategy priorities and their needs. Such approach would require defined project milestones and indicators by the Ministry of Education in consultations with relevant stakeholders. Also such approach would help the ministry to target potential applicants and provide specific training for them;

- Greater involvement of the Ministry of Education in management of the Programme and communication with beneficiaries and applicants through NCP and greater involvement of IPA Unit in identification of projects. Ministry should improve its web presentation related to all EU Programmes they are involved, including LLP. Ministry should also participate in targeted monitoring visits of projects under implementation;
- Resolve the issues of tax and customs exemptions;
- Find the way to outsource the training for potential applicants and technical assistance for project preparation especially after full participation in the Programme starts. In first instance such trainings could be provided by donor funded projects similar to PPF, but in mid-term period the Ministry should find a sustainable model. Evaluator believes it is not realistic that the Ministry or Tempus Office is capable to deliver such training on its own for such diverse and large group of potential applicants;
- Perform the WLA related to programme management (e.g. related to organisation of training for potential applicants, visibility etc.) and engage more staff if necessary;
- To explore possibilities for co-financing of selected projects by the Ministry of Education;
- Increase visibility of the Programme in order to increase attractiveness of the Programme;
- Develop a plan for full participation in the Programme. This plan should especially include options and preferred one for establishment of the Agency for management of the Programme. Options that should be explored are usage of existing bodies, such as Tempus Office and establishment of a single Agency for management Educational and Youth Programmes.

#### 4.9 ERASMUS MUNDUS PROGRAMME

**Erasmus Mundus** is a cooperation and mobility programme in the field of higher education that aims to enhance the quality of European higher education and to promote dialogue and understanding between people and cultures through cooperation with Third-Countries. In addition, it contributes to the development of human resources and the international cooperation capacity of Higher education institutions in Third Countries by increasing mobility between the European Union and these countries.

Erasmus Mundus 2009-2013 is a cooperation and mobility programme in the field of higher education for:

- the enhancement of quality in European higher education;
- the promotion of the European Union as a centre of excellence in learning around the world;
- the promotion of intercultural understanding through cooperation with Third Countries as well as for the development of Third Countries in the field of higher education.

Erasmus Mundus 2009-2013 continues and extends the scope of the activities already launched during the first phase (2004-2008) of the programme. It now includes the Erasmus Mundus External



Cooperation Window scheme, which was launched in 2006 as a complement to the original programme. In addition, the Programme integrates cooperation activities with Industrialized Countries.

**The Erasmus Mundus programme provides support to:**

- **higher education institutions** that wish to implement joint programmes at postgraduate level (Action 1) or to set-up inter-institutional cooperation partnerships between universities from Europe and targeted Third-Countries (Action 2);
- **individual students, researchers and university staff** who wish to spend a study / research / teaching period in the context of one of the above mentioned joint programmes or cooperation partnerships (Action 1 and Action 2);
- **any organisation active in the field of higher education** that wishes to develop projects aimed at enhancing the attractiveness, profile, visibility and image of European higher education worldwide (Action 3).

The Programme Guide contains all the general information and the conditions on how to apply for funding. In addition, regular Calls for Proposals are published for the specific actions.

The European Commission is responsible for the running of the Erasmus Mundus Programme 2009-2013. It manages the budget and sets priorities, targets and criteria for the Programme. Furthermore, it guides and monitors the general implementation, follow-up and evaluation of the Programme at European level. The Education, Audiovisual and Culture Executive Agency (EACEA) is responsible for the implementation of the Erasmus Mundus Programme.

**The programme covers the period 2009-2013 and has an overall budget of € 470 million for Actions 1 and 3 and an indicative budget of € 460 million for Action 2.**

The Republic of Serbia has participated in Erasmus Mundus programme since 2004. National Tempus Office performs the role of the National Contact Point, while the Ministry in charge for education is involved in promotion of the Programme. In the last 8 years 1061 students had opportunity to participate in the programme, within different types of scholarships. Out of that number 400 students received scholarships for whole studies and 661 for exchange within the networks.

High participation of Serbian applicants confirms strong promotion of the Programme and interest of potential beneficiaries. The promotion of the Erasmus Mundus programme is organized through information sessions and consultations with applicants, media, scholarship fairs and booklets.

Participation in Erasmus Mundus is ensured through Multi Beneficiary IPA and entry ticket as such does not exist.

**Action 1 – Erasmus Mundus Joint Programmes (Masters Courses and Joint Doctorates)**

*Table 1 Erasmus Mundus Joint Doctorates – candidates selected per year<sup>9</sup>*

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<sup>9</sup> Source: [http://eacea.ec.europa.eu/erasmus\\_mundus/results\\_compendia/statistics\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/statistics_en.php)

Total 2010-2013	38
Per year	
2010	0
2011	9
2012	10
2013	19

*Table 2 Erasmus Mundus Master Courses – students selected per year<sup>10</sup>*

Total 2007-2013:	362
2007	30
2008	46
2009	65
2010	61
2011	55
2012	42
2013	63

*Table 2 Erasmus Mundus Scholars – candidates selected per year<sup>11</sup>*

Total 2004-2010	14
2004	0
2005	0
2006	0
2007	2
2008	6
2009	2
2010	4

## **Action 2 – Erasmus Mundus Partnerships (former External Cooperation Window)**

Under Action 2, Erasmus Mundus Partnerships bring together HEIs from Europe on the one hand and those from a particular region in the world on the other. Together the partnerships manage mobility flows between the two regions for a range of academic levels – bachelors, masters, doctorate, post-doctorate – and for academic staff.

Over these five years, selected partnerships involved the following institutions from Serbia: University of Belgrade (11 partnerships), University of Novi Sad (11 partnerships), University of Kragujevac (4 partnerships) and University of Nis (6 partnerships).

<sup>10</sup> Source: [http://eacea.ec.europa.eu/erasmus\\_mundus/results\\_compendia/statistics\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/statistics_en.php)

<sup>11</sup> Source: [http://eacea.ec.europa.eu/erasmus\\_mundus/results\\_compendia/statistics\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/statistics_en.php)

Partnerships selected over the years 2007-2012 organised or plan to organise mobility for the following number of Serbian nationals: 362 undergraduate, 201 masters, 98 doctorate, 32 post-doctorate, 153 staff (total: 846).

### **Action 3 – Erasmus Mundus Attractiveness projects**

This Action of the Programme funds projects to enhance the attractiveness, profile, image and visibility of European higher education worldwide. Action 3 provides support to activities related to the international dimension of all aspects of higher education, such as promotion, accessibility, quality assurance, credit recognition, mutual recognition of qualifications, curriculum development and mobility.

It also seeks to disseminate the programme's results and examples of good practice, and to exploit these results at institutional and individual level. Three Serbian institutions have taken part in Action 3 projects.

**In March 2012 the Interim Evaluation of Erasmus Mundus II (2009-2013) has been performed.** Overall conclusion is that Erasmus Mundus contributes to enhancement of quality in European higher education.

“While the needs of the candidate and potential candidate countries were not separately analysed, the overall findings suggest that EM II was relevant at least in several respects. At policy level, EM II provided both impetus and instruments for implementation of the Bologna principles. At organisational and individual levels, the programme provided opportunities for capacity building and cooperation with counterparts in the EU. These opportunities should contribute to closer integration of the European Higher Education Area.

The impact of the programme on graduate careers is very strong. A large share of Action 1 graduates is inclined towards academic jobs, which are vulnerable in the context of the economic downturn. There are regional differences in unemployment rates of former individual beneficiaries, with non-EU European students being particularly disadvantaged.

Therefore there is a need for more attention to candidate and potential candidate countries and recognition of alternative ways in which graduates could contribute to their development, not necessarily by returning to unreceptive labour markets.

Good practices for involving employers should be mainstreamed, and outreach activities in candidate and potential candidate countries are needed. In countries where labour markets are unable to absorb highly-skilled graduates it is recommended to reconsider the brain drain mitigation strategy and promote ways in which graduates could contribute to the development of their countries - not necessarily by returning to their labour market, which may be unable to absorb their skills<sup>12</sup>.”

Both Needs Assessment Document 2007-2009 and 2009-2011 recognise that “In view of the needs of the economy the goals of the reform of the secondary, postsecondary and university education are the following:

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<sup>12</sup> Interim evaluation of the Erasmus Mundus programme, March 2012

- Developing the readiness of young people for professional development and additional training, harmonization of the diplomas and qualifications with the international standards, and diversifying institutional models, programmes and working methods;
- Reforming curricula with an aim of achieving functional, computer and technological literacy, by stimulating creativity, critical thinking and necessary skills for each individual;
- The development of the educational system should be based on the philosophy of life-long learning.”

As mid-term priority, under Human Resource Development sector, the **NAD 2011-2013** defines “Improve the quality of and access to the education system to enable the full and equal participation of every citizen in the economic, political and social life in the context of a knowledge-based society”. Therefore, Serbia’s participation in Erasmus Mundus programme should be considered relevant and justified.

**Programme has been very visible for the potential beneficiaries.** Tempus office organized 20 info sessions per year and it has a very good internet presentation <http://www.tempus.ac.rs> (both Serbian and English) where potential applicants can find useful information related to the Tempus/LLP/Erasmus Mundus programmes. Tempus office is preparing internet presentation related to the opportunities provided by Erasmus Mundus programme in Serbia for foreign students. Foreign students will be able to come in Serbian Universities after October 15, 2013. However, there are no information on official internet presentation of the Ministry of Education.

Recently Tempus office has started to evaluate the students after their return from the mobility programme.

**There is a problem in implementation of Erasmus Mundus programme related to the tax treatment of scholarships that Serbian students receive through programme.** According to the domestic law Serbian students are obliged to pay taxes on income when they receive the scholarships if they are higher than prescribed by law. However, the scholarships are higher than prescribed by the law since the costs of life abroad are higher than in Serbia and if students pay the tax the scholarships will be almost halved and insufficient to cover all the costs abroad. Therefore, students do not pay the taxes.

As a general conclusion **Serbia’s participation in Erasmus Mundus programme should be considered relevant, justified and successful. Evaluator would recommend access to Erasmus Mundus successor for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Continue with intensive visibility activities. Specific focus of these activities should be devoted to employability of students who participated in this programme and promote them as a valuable human resource to employers. Ministry should improve its web presentation related to all EU Programmes they are involved, including Erasmus Mundus;
- Resolve the issue of the tax treatment of scholarships that Serbian students receive through programme. Solution for this problem has to be found soon because it is expected that number of students will increase in new Erasmus + programme 2014-2020.
- Identify and remove potential procedural barriers for residence and studying of foreign students in Serbia (e.g. procedure for temporary residence in Serbia, etc.)

#### 4.10 PROGRESS PROGRAMME

The PROGRESS programme is a financial instrument supporting the development and coordination of EU policy in the following five areas: Employment; Social inclusion and social protection; Working conditions; Anti-discrimination and Gender equality. **Total budget of the Programme is around 743 million euro.**

PROGRESS's ultimate objective is to help achieve the goals of the Europe 2020 Strategy and has 3 intermediate objectives – milestones towards this goal:

- **Effective application of EU rules on worker protection and equality**  
Promoting better standards of inspection, monitoring and enforcement by EU countries and reviewing how EU legislation has been applied
- **Shared understanding and ownership of EU objectives**  
EU countries have agreed to common guidelines and goals to inform, coordinate and strengthen national-level reforms
- **Effective partnerships**  
Involving stakeholders throughout the policy process: problem definition, information gathering, consultation, development of options, decision-making, implementation and evaluation.

Serbia signed the MoU on participation in this programme in 2007. **The entry ticket costs for period 2007-2013 have been 560.000 euro**, 60.000 euro for the year 2007 and 100.000 euro for the year 2008 and each subsequent year. Part of these funds has been recovered from IPA component I in amount of **173.500 euro**. Due to delays in paying entry tickets, Serbia had to pay interest rate in the value of 258,9 euro. Anyhow, recovery of IPA funds cannot be seen as the added value for the national budget, because IPA funds could have been used for some other national needs.

Therefore, for the purposes of this evaluation total entry ticket will be calculated as the cost.

In the same period, according to data received from the Ministry of Labour, Employment and Social Policy, **8 projects have been granted to Serbian applicants with the total value of 2.105.629,88 euro, out of which 378.381,2 euro is national co-financing.** In total there were 13 applications from Serbia.

Entry ticket costs			Project benefits and costs		
Total	IPA recovery	National co-financing	Total	EU contribution	National co-financing
560.000 euro	173.500 euro	386.500 euro	2.105.629,88 euro	1.727.248,68 euro	378.381,2 euro
Other costs: Interest paid due to delays in paying entry tickets in the value 258,9 euro					

Two more projects have been approved, but contracts with them still needs to be signed and therefore they are not included in previous calculations. In addition, in 3 projects Serbian beneficiaries have been requested to join implementation of these projects as project partners. For participation in these projects Serbian beneficiaries received some funds, but unfortunately there is no firm data to confirm exact amounts.

Talking from the pure mathematical point of view **Serbia has received around two times funds through approved projects then invested through entry tickets and co-financing.**

The highest number of awarded projects in Serbia was related to the antidiscrimination component of the Programme. Social inclusion was the second most used component of the Progress program in Serbia. Component related to the Working conditions was the least used component. Finally Gender equality component provided number of opportunities however due to the lack of capacities of NCP to provide technical support in the project preparation number of awarded projects is moderate.

**In December 2011 European Commission DG Employment, Social Affairs and Inclusion performed the Mid-term evaluation of PROGRESS.** According to the report: “On the whole PROGRESS has delivered positive results. The nature of PROGRESS-funded activities is often indirect, in the sense that the activities try to improve the quality of debate, processes, cooperation or sharing of best practices, rather than directly aiming at core policy final outcomes (such as employment targets).”

On the whole PROGRESS has delivered positive results on many of the evaluation questions. Whilst the various sources have allowed us to draw lessons on most relevant topics, there are still caveats surrounding our final findings. The nature of PROGRESS-funded activities is often indirect, in the sense that the activities try to improve the quality of debate, improve processes, enhance cooperation or share best practices, rather than directly aiming at core policy final outcomes (such as employment targets). As a consequence the achievements of final outcomes are also often indirect and dependent on further actions at the Member State level (e.g. extending knowledge to all or most EU countries on a certain subject through comparative studies, benefits of joint EU versus national action for improving design and implementation of law) and sometimes causality is simply too difficult to establish<sup>13</sup>.”

Based on this finding it is obvious that, in order to ensure impact and sustainability, PROGRESS type of projects require follow up actions on national level. Therefore, **Evaluator would suggest strong partnership between civil society organizations and state institutions when applying with future projects.**

“Based on our research, gender mainstreaming within PROGRESS is overall weak. There is little evidence of strong support for the concrete implementation of this principle in programme management. This view is further confirmed by low numbers of activities which carry out a gender analysis prior to implementation or which disaggregate project data by gender, and limited examples of gender mainstreaming in activities funded in policy sections other than gender equality<sup>14</sup>.”

**These findings calls for much stronger and more proactive involvement of the Gender Directorate** within the Ministry in charge for labour to ensure gender equality is mainstreamed in a meaningful way across all PROGRESS project applications and supported activity financed in Serbia.

“The findings suggest that dissemination of results is an area that needs to be further developed. There are significant communication and dissemination activities, from newsletters to websites, which underpin this area of activity. There are also instances however, where some products of PROGRESS

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<sup>13</sup> Mid-term evaluation report, December 2011

<sup>14</sup> Mid-term evaluation report, December 2011

activities are not fully disseminated. For example, reports that are used internally by the Commission despite being of high relevance to wider audiences. Similarly, some products are disseminated in an uneven fashion through various sources. There is scope to build on the significant communication and dissemination activities to ensure even wider appreciation of products<sup>15</sup>.”

This finding compared to Serbia’s experience looks sophisticated. Namely, **Serbia does not have national web page which contains basic information about PROGRESS** which definitely influence visibility and communication about PROGRESS. The easiest solution would be to include all relevant information on the official web site of line ministry in charge for the Programme. Therefore, we strongly believe that this finding, transferred into Serbian reality, should be implemented without delays.

**The Needs Assessment Document (NAD) 2007-2009** recognise that “in the coming middle-term period, the line ministry will be faced with the following key challenges: increase of employment of vulnerable populations, namely ethnic minorities (the disabled, the Roma, refugees and IDPs, long-term unemployed, unqualified) through implementation of specific programs intended for those populations; further improvement of labour relations and social dialogue; strengthening of labour market institutions, and development of the information system; improvement of the occupation safety and health system; reform of pension system (in cooperation with the Ministry of Finance); reform of the social welfare system.”

According to the **NAD 2009-2011** priorities of the Ministry can be defined in several groups as follows: “promotion of decent working conditions; prevention of poverty and prevention of social problems; harmonization of labour and social legislation with EU standards etc”.

As mid-term priority, under Human Resource Development sector, the **NAD 2011-2013** defines “Raise employment in the formal economy by more flexible and inclusive labour markets through improvement of employment, labour policies and social dialogue in line with EU standards” and “Reduce poverty and social exclusion in Serbia by addressing the needs of disadvantaged groups in a multidimensional way based on a stronger coordination of existing policies and services and the development of community-based solutions”.

Therefore, **Serbia’s participation in Progress programme should be considered relevant and justified.**

Besides NCP there are 5 other employees which follow the implementation of 5 program components. NCP and other staff involved in implementation of PROGRESS program are assigned also for other duties and tasks in the Ministry and not exclusively to the implementation of the program.

NCP promoted the programme only within the activities of approved project within the Progress programme which Ministry implemented in 2009/2010. SIPRU has been very active in program promotion and supportive in program implementation in Serbia. Web site of the programme is not updated regularly and this aspect of the visibility should improve in the future.

It has to be noted that the Ministry does not have access to project submitted to Brussels, final reports of implemented projects and they are not in charge for monitoring and evaluation. Such situation

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<sup>15</sup> Mid-term evaluation report, December 2011

creates a lot of difficulties for the Ministry and Contact Point because they are not aware about number of applications coming from Serbia, list of applicants, statistic data etc.

As a general conclusion Serbia's participation in Progress programme should be considered relevant, and justified. Proper assessment of results and success of the Programme was hindered due to the fact that NCP did not respond on evaluation questionnaire and feedback from beneficiaries was extremely weak. However based on the interviews and evidence found from available information as well as importance of this Programme, Evaluator would recommend access to Progress successor for period 2014-2020. At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Ensure more focused Progress actions in the country. Project milestones and indicators could be developed by the Ministry in charge for the Programme in consultations with relevant stakeholders;
- Ensure stronger partnership between civil society organizations and state institutions when applying with future projects;
- Ensure much stronger and more proactive involvement of the Gender Directorate within the Ministry in charge for labour to ensure gender equality is mainstreamed in a meaningful way across all PROGRESS project applications and supported activity financed in Serbia;
- Greater involvement of the Ministry in charge for the Programme in management of the Programme and communication with beneficiaries and applicants. Ministry should introduce information about Progress programme on their official web presentation;
- Prepare basic guidelines for potential applicant's participation in PROGRESS program and publish this material at Ministry web site. Publish also information related to the open calls for proposals within the program.
- Involve other Government bodies and NGO sector in promotion of the Programme (e.g. Government Office for Cooperation with CSO and SIPRU).

#### **4.11 TEMPUS PROGRAMME**

Tempus is a European Union programme designed to help the process of higher education reform in Partner Countries. It supports projects between the higher education sector in the EU and its 27 partner countries to facilitate university modernisation, mutual learning between regions and peoples and understanding between cultures. The Programme promotes voluntary convergence with EU developments in the field of higher education deriving from the Lisbon agenda and the Bologna process.

##### **Specific programme objectives:**

- To promote the reform and modernisation of higher education in the partner countries;
- To enhance the quality and relevance of higher education in the partner countries;
- To build up the capacity of higher education institutions in the partner countries and the EU, in particular their capacity for international cooperation and for a permanent modernisation



process, and to assist them in opening themselves up to the society at large, the world of work and the wider world

- To overcome the fragmentation of higher education between countries
- To enhance inter-disciplinarity and trans-disciplinarity;
- To enhance the employability of university graduates;
- To make the European Higher Education Area more visible and attractive in the world;
- To foster the reciprocal development of human resources;
- To enhance mutual understanding between peoples and cultures of the EU and of the partner countries.

With regards to the Western Balkans, including Serbia, Tempus programme will contribute to preparing the pre-accession countries for their future participation in the Lifelong Learning Programme.

Participation in Tempus is ensured through IPA, where national IPA funds have been transferred to Multi Beneficiary envelope. Entry ticket as such does not exist.

**From 2007 to 2013 40.1 million euro has been allocated to Tempus.** In the first five calls 66 projects have been selected with Serbian partners out of 328 project applications (success rate: 30%). In these 66 projects there are 31 with Serbian coordinators. Total amount of funds allocated to these projects is 23 million EUR. However this amount received from TEMPUS program is higher since it is not possible to identify how much money Serbian institutions received as project partners. The University of Novi Sad and University of Belgrade are universities with the highest participation and at the same time coordinating the highest number of projects.

*Table 1. Tempus programme statistics*

	Call No 1 (2008)	Call No 2 (2009)	Call No 3 (2010)	Call No 4 (2011)	Call No 5 (2012)	Call No 6 (2013)
Number of applicants	530	608	450	525	676	937
Number of applications with Serbian partners	66	81	49	74	58	109
Awarded grants with Serbian applicants	6	5	6	6	8	N/A
Awarded grants with Serbian partners	17	13	12	11	13	N/A
Serbian contribution	€5.2 mill	€5.9 mill	€7.0 mill	€6.1 mill	€5.3 mill	€10.6 mill

However, **in period 2007-2011 a total 5.5 million euro (16% of 2007-2011 allocation which was 35 million euro) has not been spent and funds were given to Multi Beneficiary envelope for other regional needs.** In order to reduce the risk of losing some of 2012-2013 allocations, SEIO has decided to reduce allocations for these two years.

The reason for this failure lays in the fact that during the last calls Serbian higher education institutions have been participating more and more in regional projects proposals as regional cooperation was encouraged from the side of EC/EACEA (and in a limited number of national projects), for which the selection of projects has to take into consideration different factors, in particular:

- The budget available for each country participating in the project proposal.

- The consolidated feedback received from the EU Delegations of all the countries involved in the project proposal.

As a consequence of this, it may have happened that one project relevant for Serbia was not supported in other countries and therefore not been selected. Or the budget available for the other countries was not sufficient to finance further regional projects involving this specific country. It is worth mentioning here that every year, in the consultation phase, the number of shortlisted project proposals proposed for funding by Serbian side (NTO, Ministry, Delegation) , always surpasses the available budget for the Call. Still the final decision for funding has been in hand of an EC selection panel in which more DGs are involved. The exact dates about project scores are not made available to the National Tempus Office.

Moreover, it has to be said that the quality of the projects involving Serbian institutions seems to have decreased during especially the fifth call. Whilst quality is not the only criterion on which the selection is decided, this has certainly an impact on the choice of the final projects to be recommended for funding.

According always to the information received from The Education, Audiovisual and Culture Executive Agency (EACEA), the budget breakdown for TEMPUS projects for the respective countries is the result of a rather theoretical exercise. The calculation of the budget committed to each country under the Tempus programme is an abstract calculation based on the number of the institutions of each country participating in the projects. This means that this does not necessary correspond to the real budget that institutions will receive during the implementation of the project. Moreover, as far as Serbia is concerned, considering that there are many more projects coordinated by Serbian institutions, on the basis of EACEA's experience, it can be said that Serbian coordinators will get during the implementation of the project much more money than the amount we theoretically calculated at the beginning. This should at least partially compensate the amount that was not formally committed to Serbia.

**In 2012 the Commission performed ex-post evaluation of Tempus IV Programme (2007-2013)<sup>16</sup>.** The mid-term evaluation confirms that Tempus is reaching its objectives, by fostering cooperation, building capacities and contributing to reforms in countries surrounding the EU. The new features introduced under Tempus IV clearly enhance the impact of the programme and the new management set-up is seen as highly beneficial to the programme performance. The programme's bottom-up approach is considered as one of the key factors for its success. It is worthwhile mentioning some of good practice example from the report.

In part of the report related to relevance it has been mentioned that: “Within several of the HEIs encountered during the country visits, there is an internal pre-selection of projects to be elaborated and submitted for upcoming Tempus calls which helps the HEI prioritise according to its strategic development plan. Based on the experience with Tempus applications, these and other HEIs established internal central support units of different scope which support applicants with the application and awarded projects with the implementation.” Such practice does not exist in Serbia, except the Universities of Belgrade and Novi Sad who have had careful discussions before making institutional decisions about which project to be supported, where to take role of coordinator and which responsibilities are likely to undertaken. Taking into consideration finding of the European Commission 2012 Progress Report according to which “Projects continue to be selected on an ad hoc basis rather

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<sup>16</sup> Mid-term evaluation of TEMPUS IV Programme, November 2012

than on the basis of strategic sectoral priorities” Evaluator strongly believes that such practice should be established and formalized in Serbia as well.

The report also recognizes good practice example from the Western Balkans: “In the Western Balkans Tempus has helped connect institutions in the region which cooperate, for example, through staff exchange, the exchange of and joint production of publications and even by enrolling young teaching staff in academic programs at institutions in neighbouring countries for their professional development.”

According to this report one of the findings relevant for Serbia as well is related to administrative procedures. Namely, “One of the main challenges for coordinators in partner countries is meeting the administrative procedures and requirements for the grant as per EU regulations and as per domestic regulations which are at times contradictory.” Therefore, Evaluator would encourage Ministry in charge for education, National Tempus Office and relevant institutions to define and remove those administrative barriers.

**Both Needs Assessment Document 2007-2009 and 2009-2011** recognize that “In view of the needs of the economy the goals of the reform of the secondary, postsecondary and university education are the following:

- Developing the readiness of young people for professional development and additional training, harmonization of the diplomas and qualifications with the international standards, and diversifying institutional models, programmes and working methods;
- Reforming curricula with an aim of achieving functional, computer and technological literacy, by stimulating creativity, critical thinking and necessary skills for each individual;
- The development of the educational system should be based on the philosophy of life-long learning.”

As mid-term priority, under Human Resource Development sector, the **NAD 2011-2013** defines “Improve the quality of and access to the education system to enable the full and equal participation of every citizen in the economic, political and social life in the context of a knowledge-based society”. Therefore, **Serbia’s participation in Tempus programme should be considered relevant and justified.**

There is huge interest among potential applicants (Universities) for participation in the programme. Experiences and feedback received from the program beneficiaries shows that the main and the most reliable source of information is National Tempus Office.

Tempus office has been established 12 years ago as domestic Foundation established by major Universities in the country. Tempus Office acts as NCP for Tempus, LLP and Erasmus Mundus programmes. In relation to Tempus programme five persons are employed in the Office, three engaged in following project implementation very closely and two persons assisting them. Tempus office provides different kind of support to the potential applicants but also to the beneficiaries through monitoring of approved projects. TEMPUS office has very good internet presentation <http://www.tempus.ac.rs> (both Serbian and English) where potential applicants can find useful information related to the Tempus/LLP/Erasmus Mundus programmes. Additionally office is using social

networks for communication with potential applicants as well. However, there are no information about Tempus Programme on official internet presentation of the Ministry of Education.

Currently Tempus office provides support to the beneficiaries in preparing their financial reports in order to avoid possible fund de-commitment due to the inadequate financial management and reporting. Tempus Office organizes also 6 preparatory workshops for project preparation per year. According to their information 120-150 participants from the Universities take part in the each workshop. Finally Tempus office during application process provides comments on devised log frame matrix to the applicants.

**Although information on Tempus programme could be considered of good quality beneficiaries believe that besides info days and thematic meetings, more workshops and campaigns should be organised.** Also online communication should be more intensive which includes newsletters, joint mailing lists. In addition, beneficiaries believe that there should be more thematic meetings where practical issues would be discussed. Exactly, better, more frequent and targeted communication between the NCP and potential applicants is the main recommendation in terms of the work of the NCPs.

**It is interesting to notice that most of the applicants who sent their inputs believe that they have good capacities for development of project applications.** However, they see that capacities of other strategic local partners' capacities are moderate. Good capacities could be direct result of established units at Universities for implementation of projects. Units consisted mainly of the people who were able to provide technical support to the applicants during application process and also during the implementation of approved projects. Additionally these units also developed their internal procedures of reporting and project implementation which had positive impact on successful project implementation at the Universities.

Project beneficiaries and applicants believe that **the main factors that can be considered as obstacles to a more effective participation in Tempus programme are:** high competition for limited resources, complicated application process and lack of knowledge related to project preparation and project management. At the same time they believe that **possible actions to overcome obstacles are:** training and technical assistance, as well as more focused Tempus actions in the country.

In addition, Tempus Office believes that one the key challenges in connection with the application process is maturity of projects "applicants usually come with a rather narrow scope/field of interest; there is a small number of teaching staff interested; or it may happen the opposite -they have an over-ambitious or unfeasible plans for the local contexts." Also they believe that application procedure is complex and application form with many overlapping parts, as well as that size of the grant is not comparable to the scope of the objectives set (e.g. we can have two projects of the same budget one aimed at creation of three full study programmes and the other aimed at revision of three subjects within already existing study programmes).

**Tempus beneficiaries and potential applicants strongly support continuation of Tempus programme in post 2013 period.**

As a general conclusion **Serbia's participation in Tempus Programme should be considered relevant and justified.** However, **it should be noted that in one period of time Serbia faced absorption**

**difficulties which resulted in reallocation of Tempus funds to MB IPA projects. Evaluator would recommend access to Tempus successor for period 2014-2020.** At the same time in order to enhance performance of the Programme in the future, Evaluator believes it is necessary to:

- Ensure more focused Tempus actions in the country. An internal pre-selection of projects to be elaborated and submitted for upcoming Tempus calls should be analysed and introduced. This approach would help the higher education institutions to prioritise according to the priorities of sector strategy and their needs. Such approach would require defined project milestones and indicators by the Ministry of Education in consultations with relevant stakeholders;
- Greater involvement of the Ministry of Education in management of the Programme and communication with beneficiaries and applicants through NCP and greater involvement of IPA Unit in identification of projects. Ministry should improve its web presentation related to all EU Programmes they are involved, including Tempus. Ministry should also participate in targeted monitoring visits of projects under implementation;
- Undertake necessary actions for removing existing administrative obstacles in implementation of projects.
- Ministry should explore possibilities of usage of existing capacities and experience of TEMPUS office in the preparation process for establishing institutional set up necessary for participation of the new generation of educational programs 2014-2020.

#### **4.12 YOUTH IN ACTION PROGRAMME**

The Youth in Action programme aims to inspire a sense of active European citizenship, solidarity, and tolerance among young Europeans and to involve them in shaping the Union's future. It promotes mobility within and beyond the EU's border, non-formal learning and intercultural dialogue, and encourages the inclusion of all young people, regardless of their educational, social and cultural background.

It aims to inspire a sense of active citizenship, solidarity and tolerance among young Europeans and to involve them in shaping the Union's future. Youth in Action promotes mobility within and beyond the EU borders, non-formal learning and intercultural dialogue, and encourages the inclusion of all young people, regardless of their educational, social and cultural background.

**The Youth in Action programme aims to achieve the following general objectives:**

- promote young people's active citizenship in general and their European citizenship in particular;
- develop solidarity and promote tolerance among young people, in particular in order to foster social cohesion in the European Union;
- foster mutual understanding between young people in different countries;
- contribute to developing the quality of support systems for youth activities and the capabilities of civil society organisations in the youth field;
- promote European cooperation in the youth field.

The Youth in Action programme has **four permanent priorities** and additional annual priorities which potential projects will have to be aware of as they frame their bids for support:

**European Citizenship:** A key goal of the programme is to raise awareness in young people that they are citizens of Europe, as well as citizens of their own countries. The aim is to get youth actively involved in shaping the future of the European Union. Projects will have to show a strong European dimension if they are to receive programme backing.

**Participation of young people:** Youth in Action promotes and supports young people's involvement in democratic life, spurring them on to be active citizens who care about their communities and understand the value of representative democracy.

**Cultural diversity:** Respect for people's cultural origins is at the heart of the Youth in Action programme, as is the desire to fight against racism and xenophobia – forces that undermine European values and people's solidarity.

**Inclusion:** The focus is on ensuring that young people with fewer opportunities get access to the Youth in Action programme, as well as on encouraging projects with a thematic focus on inclusion.

**Annual priorities:** In addition to these permanent priorities, each year the focus is also placed on specific annual priorities.

**With a total budget of 885 million euro for seven years (2007-2013),** the Programme supports a large variety of activities for young people and youth workers through five Actions.

**Action 1 - Youth for Europe:** Encourages young people's active citizenship, participation and creativity through youth exchanges, youth initiatives and youth democracy projects.

**Action 2 - European Voluntary Service:** Helps young people to develop their sense of solidarity by participating, either individually or in group, in non-profit, unpaid voluntary activities abroad.

**Action 3 - Youth in the World:** Promotes partnerships and exchanges among young people and youth organisations across the world.

**Action 4 - Youth Support Systems:** Includes various measures to support youth workers and youth organisations and improve the quality of their activities.

**Action 5 - Support for European Co-operation in the Youth field:** Supports youth policy co-operation at European level, in particular by facilitating dialogue between young people and policy makers.

**Depending on the Action or sub-Action of the Programme, different countries are eligible.** A distinction is made between Programme Countries<sup>17</sup>, Neighbouring Partner Countries<sup>18</sup> and Other Partner Countries in the World<sup>19</sup>:

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<sup>17</sup> The following are Programme Countries: Member states of the European Union (EU); Countries of the European Free Trade Association (EFTA) which are members of the European Economic Area (EEA); Iceland, Liechtenstein, Norway; Countries which are candidates for accession to the European Union; Turkey.

- Participants and promoters from Programme Countries can participate in all Actions of the Youth in Action Programme.
- Participants and promoters from Neighbouring Partner Countries can participate in Action 2 EVS and sub-Action 3.1 Cooperation with neighbouring countries of the European Union of the Youth in Action Programme.
- Participants and promoters from Other Partner Countries of the World can participate in Action 2 EVS and sub-Sub-Action 3.2: 'Cooperation with Other Countries of the World of the Youth in Action Programme'<sup>20</sup>.

In order from Serbia to fully participate it would need to establish a National Agency.

The Youth in Action Programme is managed partly centrally by the Education, Audiovisual and Culture Executive Agency or directly by the Commission, but the majority of the Programme is managed decentrally through National Agencies designated by the National Authorities.

Serbia participates in Youth in Action Programme since 2007 in centralized mode. Funds for projects are financed through MB IPA. In Serbia there were three officially accredited Contact Points NGO Group "Let's..." (Grupa "Hajde da...") from Belgrade, Balkan IDEA from Novi Sad and NGO Educational Centre Krusevac, from Krusevac. But in the last year it has been decided that only one organization, NGO Group "Let's ...", will play the role of National Contact. The Ministry of Youth and Sport has a role of supporting Contact Points' activities in Serbia. The activities of Contact point have the aim to increase the number, success and quality of project sent from Serbia to Brussels by promoting the Programme, enhancing the visibility, giving information and advice to project applicants and beneficiaries in Serbia, offering training possibilities in Serbia.

In the Ministry only one person is following the Programme, while NGO Group "Let's ..." has two persons on part time basis implementing activities and additional 18 person in a role of trainers, evaluators, designers and volunteers and they are engaged occasionally on project basis.

*Table 1 Youth in Action projects and budget in Serbia*

<b>Year</b>	<b>Number of Projects</b>	<b>Budget (euro)</b>
<b>2007</b>	19	339.232,40
<b>2008</b>	36	695.164,70

<sup>18</sup> the Neighbouring Partner Countries from the following country groupings: South East Europe; Eastern Europe and Caucasus; Mediterranean partner countries.

<sup>19</sup> Cooperation is also possible with Other Partner Countries of the World which have signed agreements with the European Community relevant to the youth field. This gives the Programme broad geographical coverage and includes, for example: Asian countries; African countries; North American countries; South American countries; Australasian countries.

<sup>20</sup> Currently, via Youth in Action Programme is only open to extent for beneficiaries from Serbia. Beneficiaries from Serbia can only use Action 2 and Action 3.1 within this programme

<b>2009</b>	34	642.702,00
<b>2010</b>	40	658.861,65
<b>2011</b>	53	875.357,00
<b>2012</b>	60	1.050.514,90
<b>Total</b>	242	4.261.832,65

Through these projects around 4 000 young people had a chance to be part of different educational activities, active and mobile. Youngsters from Serbia established cooperation with their peers from 45 European countries, which led to intensifying cooperation in youth policy field with many European countries.

**In February 2011 mid-term evaluation of the Youth in Action programme has been performed.** The evaluators come to very positive conclusions on a number of aspects regarding the relevance, complementarity and added value of Youth in Action Programme, its effectiveness and its efficiency. Their assessment is largely supported by the conclusions drawn by the national authorities in their reports. There are no specific findings and/or conclusions relevant for the Western Balkans, but some individual recommendations relevant for the management of programme are applicable to Serbia as well.

Namely, in the report it has been recommended to “Improve the targeting of youth, via additional communication strategies. Youth organisations and youth workers are sufficiently reached, but there is room for improvement for reaching young people. Hence, the visibility and promotion of the Programme should be channelled through additional channels in order to reach a wider group. Suggestions include promotion through schools, better internet use (with information that better relates to the interest of young people) and the use of social media, as well as including dissemination activities in all financed projects<sup>21</sup>.”

**This recommendation is very much relevant for Serbia since on the official web site of the Ministry in charge for youth there are no information about the Programme.** The only information is contained of the web page of Contact points which is the first web page in Serbian language that promotes the Programme. Therefore, evaluator recommends to the Ministry to introduce as soon as possible information about the Youth in Action Programme, as well as all practical details relevant for dissemination of information. In addition, in cooperation with the Ministry in charge for education, Youth in Action Programme could be promoted jointly with Tempus, LLL and Erasmus Mundus bearing in mind that all programmes are targeting similar population.

In addition, evaluators have recommended to “Consider which measures and improvements can be taken to reduce the administrative burden (and possibly management costs) as well as the administrative burden for applicants. The intervention mode, financing relatively small projects involving grass root organisations, is an explicit choice made within the Programme according to its legal basis, which contributes to capacity building on the one hand but entails a relatively high administrative burden and management costs on the other. It is recommended that an investigation is undertaken as to whether the administrative burden and management costs can be reduced by implementing some efficiency measures (e.g. by further improving the functionality of YouthLink), and to consider the possibilities and desirability of the adaptation of the implementation mode (e.g. by financing larger projects in cases where possible, or reducing the number of application rounds from five to four or

<sup>21</sup> Mid-term evaluation report of the Youth in Action Programme, February 2011



three). Consultation with the NAs is recommended on the options for the reduction of the administrative burden, and possibly the management costs, to identify the possibilities for reductions and their desirability<sup>22</sup>.”

Effective and efficient management and absorption of any EU programme depends on strong technical and administrative capacities of all relevant stakeholders. Lessons learned from the Youth in Action programme shows that average value of project financed in Serbia under the Programme is 17.610,87 euro. In case that in future larger projects are financed, Serbia will not be in position to respond with such small scale project pipeline. Therefore, **evaluator recognise the need and importance of preparing and having ready project pipeline that will easily respond on future requirements**. Implementation of this recommendation will require involvement of the Ministry in charge for youth and close cooperation between the ministry, youth offices and CSO.

According to the **NAD 2009-2011** “general strategic objective of the Ministry of Youth and Sports are as follows: to encourage young people to play an active role in their society, to develop cooperation among the young people and to provide preconditions for youth participation in the decision making process through sustainable institutional framework and based on the needs of young people, etc.” **Youth priorities are recognized in the NAD 2007-2009 and NAD 2011-2013 as cross cutting issues**. Therefore, **Serbia’s participation in Youth in Action programme should be considered relevant and justified**.

**During the past 4 years, Ministry of Youth and Sports and Contact Point have done much to spread the information to potential applicants and general public**. Through open calls the Ministry has invested 150.000 euro in promotion of the Programme and education of young people/youth organizations/local youth offices how to use the Programme. Ministry also provided 3.5 million RSD for co-financing of approved projects in 2012. Also promotional materials, program guidelines and very informative web site have been developed by Contact points. Contact points have created 5 different types of custom made trainings and mentorship programs and realized in period 2007-2012 more than 50 local, regional and national trainings/workshops/info days, attended by more than 800 representatives of NGOs, Youth offices, local governments, institutions and non-formal youth groups.

Although information on Youth in Action programme could be considered of good quality, **beneficiaries believe that more resources should be invested in communication and visibility activities**. Beneficiaries believe that especially Ministry of Youth and Sport should be more involved in these activities and the activities should be more targeted on local level. It is important to mention that the Ministry of Youth and Sport does not have any information about Youth in Action programme on their official internet presentation.

It is interesting to notice that most of the applicants who sent their inputs believe that they have excellent or good capacities for development of project applications. However, most of them see that capacities of other strategic local partners’ capacities are moderate.

Project beneficiaries and applicants believe that **the main factors that can be considered as obstacles to a more effective participation in Youth in Action programme are**: high competition for limited resources, and not very transparent assessment process. At the same time they believe that **possible**

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<sup>22</sup> Mid-term evaluation report of the Youth in Action Programme, February 2011

**actions to overcome obstacles are:** training and technical assistance, improving transparency, more flexible procedures and more focused actions in the country.

**Youth in Action beneficiaries and potential applicants strongly support continuation of Youth in Action programme in post 2013 period.**

**It has to be noted that neither the Ministry nor the Contact Point have access to project submitted to Brussels, final reports of implemented projects and they are not in charge for monitoring and evaluation.** Even communication is not directly done by EC or EACEA but with EU agency in Slovenia, Salto SEE Resource centre. Such situation creates a lot of difficulties for the Ministry and Contact Point because they are not aware about number of applications coming from Serbia, list of applicants, statistic data etc.

**The next step in program implementation will be establishing the National Agency which is necessary for full participation of the country in the Programme.** Law on Youth envisages establishment of the Agency. The Draft Law has been prepared however Ministry is waiting the final decision of the European Commission on the new Programme for the period 2014-2020 where the requirements and the structure of the agency would be defined. There are also possibilities that EC is discussing to assign only one agency in the country for management both of the Youth and Educational programs.

But all stakeholders should be aware that with establishment of the agency the job is not finished. Roles and responsibilities between the Agency and Ministry in charge which plays the role of National Authority should be clearly defined (e.g. the Government should take the necessary steps to ensure appropriate audit and financial overseeing of the National Agencies, the Ministry in charge is responsible for the funds that are not recovered in case of irregularity, negligence or fraud attributable to the National Agency, where this gives rise to claims by the Commission against the National Agency which are not completely recovered, monitoring roles etc.).

As a general conclusion **Serbia's participation in Youth in Action programme should be considered relevant and justified, as well as successful but with limited results due to limited participation in the Programme. Evaluator would recommend access to Youth in Action programme for period 2014-2020 in the similar/limited scope of activities. When it comes to full participation in the Programme, for which the Agency is required, Evaluator would recommend only conditional access to the Youth in Action successor for period 2014-2020.** A basic condition would be preparation of the Action plan for management of the future Youth in Action programme. The Action plan should define specific activities in relation to programme management (e.g. roles and responsibilities, its visibility, training of potential applicants etc, as well as indicators for their measurement and targeted dates for their achievement). Such Action plan should be developed by the Ministry of Youth and Sport in cooperation with Contact Point and other relevant stakeholders. Condition should be met before procedure for signing of the MoU with the EC is launched.

At the same time in order **to enhance performance of the Programme in the future**, Evaluator believes **it is necessary to:**

- Ensure more focused Youth in Action actions in the country. Project milestones and indicators by the Ministry of Education in consultations with relevant stakeholders could be set up;

- Ensure greater involvement of the Ministry of Youth and Sports in management of the Programme and communication with beneficiaries and applicants. Ministry should improve its web presentation related to Youth in Action programme;
- Improve communication with the Education, Audiovisual and Culture Executive Agency;
- Intensive promotion of the Programme, especially lessons learned and achieved results;
- In case of full participation in the Programme find the way to outsource the training for potential applicants and technical assistance for project preparation. In first instance such trainings could be provided by donor funded projects similar to PPF, but in mid-term period the Ministry, in consultations with relevant stakeholders, should find a sustainable model. Evaluator believes it is not realistic that the Ministry, future National Agency or Contact point is capable to deliver such training on its own for such diverse and large group of potential applicants;
- Develop a plan for full participation in the Programme. This plan should especially include options and preferred one for establishment of the Agency for management of the Programme. Option that should be explored is establishment of a single Agency for management Educational and Youth Programmes. Additionally substantial capacities of program contact points and gained experience from decentralised approach of program coordination in the country should be used in the establishment of institutional set up for participation in the new programme. Different options and the plan should be discussed with relevant stakeholders.

## 5 HORIZONTAL THEMES

Section 4 of the Evaluation covers findings of individual EU Programmes which are different in nature. However, all of them share some characteristics. In this section horizontal findings have been presented as follows:

- Weak position of NCPs within the ministry structures and unclear roles and responsibilities between ministries in charge for programmes and implementing bodies;
- Lack of systematic support for potential program beneficiaries
- Weak visibility of EU Programmes;
- Insufficient involvement of SEIO in coordination of the EU Programmes;
- Insufficient cooperation with the EC concerning EU Programmes;
- Regular offsets due to delays in payment of entry tickets.
- VAT exemption procedures has not been possible for all EU program beneficiaries in Serbia

Later in the document, in the subheadings next to the finding a solution in a form of recommendation has been proposed.

***Weak position of NCPs within the ministry structures and unclear roles and responsibilities between ministries in charge for programmes and implementing bodies – Strengthen the position of NCPs within the Ministry structures and define roles and responsibilities between ministries in charge for programmes and implementing bodies***

In case of some EU Programmes the role of National Contact Points lays with line ministry, while some other body performs the role of implementing agency (i.e. Tempus: Ministry of Education and Tempus Office, Culture: Ministry of Culture and CCP Serbia, Youth in Action: Ministry of Youth and NGO Hajde da..., CIP EIP: Ministry of Economy and Finance and EEN, etc.). However, the roles and responsibilities of structures involved in management of individual Programmes or between the structures are not always clearly defined. In case of other EU Programmes there are persons (NCPs) in charge to follow implementation of individual Programmes or their components however all NCPs have been assigned also to perform other duties within the Ministry which are not related to the EU program implementation. Additionally majority of the NCPs have not been trained for EU program implementation. Nonexistence of clearly defined roles, responsibilities, assignments and lack of trainings for NCPs negatively influence effective and efficient management of individual Programmes.

Therefore, Evaluator would recommend for each EU Programme, pending on the management structure, to develop a document(s) which will define:

- Roles and responsibilities of National Contact Points;
- Roles and responsibilities of implementing bodies;
- Relationship between NCP and implementing bodies.

The main purpose of these document(s) is to improve the consistency and quality of management of EU Programmes. It should elaborate in details responsibilities of individual institutions, bodies and/or individuals that are included in management of EU Programme and it should set out the implementation methods for the strategic, administrative, financial and technical management, as well as those for monitoring and evaluation.

***Lack of systematic support for potential program Beneficiaries- Introduce systematic support for potential program Beneficiaries***

This evaluation has showed that Ministries responsible for EU programmes organize trainings and technical support to the potential applicants mainly at ad hoc basis. Additionally there were no available written guidelines for applicants for participation in the EU programs activities which contain basic information related to the program requirements, application procedures and project implementation rules. However, in those EU programs where some other body out of the Ministry performs the role of implementing agency, project beneficiaries and applicants have received trainings and systematic technical support which resulted in better success in the opened calls for proposals. Moreover program beneficiaries and potential applicants believe that one of the main factors that can be considered as obstacles to a more effective participation in EU programmes is lack of knowledge related to project preparation and project management.

Therefore, Evaluator would recommend for each EU Programme to develop technical support system which will encompass following:

- Devise at least basic guidelines in Serbian language for beneficiaries participation in EU program
- Provide trainings, support for targeted networking, developing project ideas and writing project proposals. Possible options for co-financing of approved project proposal should be explored as well. Options that should be explored are usage of existing bodies as well as outsourcing of TA services.

### ***Weak visibility of EU Programmes - Improve visibility of EU Programmes***

Visibility of EU actions has been regulated by the “Communication and Visibility Manual for European Union External Actions”. This manual has been designed to ensure that actions that are wholly or partially funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in the country or region concerned, as well as the results and the impact of this support. The manual sets out requirements and guidelines for briefings, written material, press conferences, presentations, invitations, signs, commemorative plaques and all other tools used to highlight EU participation.

This manual contains compulsory requirements for all contractors and implementing partners who are receiving EU grants. However, this manual is not obligatory for National Contact Points who are coordinating individual EU programmes. It is important to mention that IPA visibility actions are regulated by the IPA Communication Strategy developed by the SEIO.

**This evaluation has shown that visibility of EU Programmes is organized by NCPs on ad hoc basis in the best case or it is not organized at all. The second major conclusion was that visibility for EU Programmes action lacked overall direction and leadership due to lack of political support in line ministries. Also, official presentations of line ministries concerning EU Programmes they are in charge of are extremely weak or they do not exist.**

For those Programmes where implementing bodies exist, such as Tempus Office, CCP Serbia etc. visibility activities are organized by these bodies following the EU rules. They are in charge for organization of conferences, workshops, info days, promotional material and they have very good internet presentations about EU Programmes they are following.

Concerning internet presentation it is valuable to mention that SEIO’s internet presentation [www.evropa.gov.rs](http://www.evropa.gov.rs) is the only internet presentation in Serbia which contains basic information about all EU Programmes where Serbia participates. In the similar format NGO European Movement in Serbia in 2009 has developed a brochure about all EU Programmes 2007-2013. However, both SEIO information about EU Programmes and European Movement’s brochure do not contain any information about success stories and lessons learned of EU Programmes. Unfortunately, internet presentation of the EU Delegation in Serbia and Euro Info Point Office do not contain any information about EU Programmes. EU Delegation supported ad hock activities such as publishing of promotional material for some EU Programmes or organization of info days on occasion of Europe Day.

In order to improve visibility of EU Programmes Evaluator would recommend the following:

- Better direction and political leadership to communicate more on results, rather than simply inputs;
- Where the available budget and resources permit, to develop a communication and visibility plan that will highlight in a dynamic way the impact of the EU Programmes support;
- SEIO to explore if the IPA Communication Strategy can be expanded to EU Programmes as well;
- Introduction of partnership dimension by involving different stakeholders in promotion of EU Programmes (e.g. NGOs, EU Delegation, EU Info Point etc.);

- Introduction of EU Programmes window on official internet presentations of line ministries (for EU Programmes they are in charge), EU Delegation and Euro Info Point;
- Reconstruction of EU Programmes section on the SEIO internet presentation [www.evropa.gov.rs](http://www.evropa.gov.rs). This section should announce all news related to EU programs activities in Serbia as well as Call for Proposals published in the framework of respective programs. Finally this section can uphold examples of good practices and basic guidelines for participation in the EU programmes ;
- Preparation of EU Programmes 2014-2020 Guide.

***Insufficient involvement of SEIO in coordination of the EU Programmes - Greater involvement of SEIO in coordination of the EU Programmes***

Serbian European Integration Office (SEIO) is a state body in charge for overall coordination of international development assistance, including the EU Programmes. Following the EC rules individual EU Programmes are coordinated by responsible line ministries. **Concerning EU Programmes the main responsibilities of SEIO are:**

- Programming of IPA assistance to cover parts of entry tickets;
- Reporting to the Government about international development assistance, including EU Programmes;
- Informing the public about international development assistance, including EU Programmes;
- Communication with the EC as the main interlocutor concerning EU Programmes;
- Resolving the offset issues;
- Organisation of coordination meetings between the NCPs.

However, almost all National Contact Points (NCPs) emphasized that there is a need for greater involvement of SEIO in providing incentives and coordination of all EU programmes in the country.

**Evaluator believes that there is a space for improvement of cooperation between SEIO and NCPs and that this cooperation should be defined in appropriate rules of procedures. Cooperation could be improved in the following areas:**

- **More focused EU Programmes actions in the country.** SEIO could oblige line ministries to define project milestones and indicators in consultation with relevant stakeholders, to ensure better link between project applications and NAD 2014-2017 and sector strategies.
- **Reporting.** First inputs provided by line ministries to SEIO for the purposes of this evaluation were weak. Also, information provided was not uniformed. Therefore, Evaluator believes that SEIO should standardize templates for reporting and define regular reporting requirements. Reporting period can be established on quarterly basis. Additionally SEIO while reporting on usage of EU funds should devote part of the report to the situation in usage of EU programmes in the country.
- **Role of Sector Working Groups (SWG).** SEIO established 9 SWG following NAD 2014-2017 sectors for the purposes of programming and monitoring of international development assistance. Therefore, SEIO should explore how to use this structure for the purposes of EU Programmes.
- **Strengthening cooperation with the EC.** From this evaluation it is obvious that there are weaknesses in management of the EU Programmes from the side of the EC. It is not likely that

NCPs can change situation individually, but rather more focused action should be organized by SEIO. However, to avoid ad hoc requests, SEIO should collect all issues raised by NCPs and discuss them with the EC.

- **More regular coordination meetings.** SEIO organizes from time to time coordination meetings with participation of all NCPs. Evaluator believes that in the future these meetings should be organized more regularly (e.g. minimum two times per year) with specific agenda proposed by SEIO and/or NCPs.
- **Capacity to coordinate.** Ideally, SEIO should have one person in charge only for EU Programmes who would ensure greater role of the SEIO in overall coordination of EU Programmes.
- **Improved monitoring of programmes' implementation.** Besides improved coordination SEIO should introduce practice of regular monitoring activities at the programme level through regular mid-term evaluation of EU programmes implementation in the country. Regular evaluations will provide recommendations for undertaking of corrective actions and improving efficiency/effectiveness of the EU Programmes implementation in the country.

### ***Insufficient cooperation with the EC concerning EU Programmes - Strengthen cooperation with the EC concerning the EU Programmes***

In case of EU Programmes in which Serbia participates European Commission's Directorate General or their agencies are responsible for implementation of individual EU Programmes which brings centralization in their management.

Almost all National Contact Points and implementing bodies have pointed out that there is a huge need for more insight into Programme details in order to ensure better flow of information and especially monitoring and evaluation of Programme performance, but also to better understand structure of applicants and beneficiaries, as well as their needs. Also, some information is needed for tax exemption procedure.

### **Suggestions from the NCPs refer mainly to an improved access to data about applications and project documentation, such as need for:**

- E-copies of all project proposals, both successful and unsuccessful with participation of Serbian institution together with evaluation letters sent to project applicants by relevant Commission service.
- E-copies of the grant agreements for projects coordinated by Serbian institutions and those in which Serbian institutions are co-beneficiaries.
- Other relevant e-copies of the relevant Commission service feedback letters during the implementation of projects.
- E-copies of the Commission service letters containing information/annex of the grant agreement for the extension of the eligibility period (for VAT exemption procedure reasons).

Currently exchange of information between the Commission services and relevant national institutions is on voluntary and ad hoc basis. In addition, the monitoring of projects implemented is essential for their success. Project participants need assistance once they encounter difficulties in achieving project goals. Therefore, if monitoring visits are organised solely by the EC they should be accompanied with Serbian ministry in charge for the Programme. It is hard to believe that NCPs can change this situation

on their own. This has to be coordinated action by SEIO or ideally SEIO with other NIPAC Offices from the region.

***Regular offsets due to delays in payment of entry tickets - Improve mechanisms for entry ticket payments***

Evaluation shows that all programs have suffered from off-setting operations by EC due to delays in payments of entry tickets. The payment system at the level of EU is designed in way that all line ministries from Serbia are recognized as a single entity therefore EC offsets the funds no matter which ministry is late in paying its entry ticket. In these circumstances problems in program implementation arises in all EU programs in Serbia no matter which ministry was late in payment of entry ticket. This operation also makes the later compensation between the beneficiaries more difficult, because of lack of information about offset claims and domestic legislation in regard to financial management of state budget.

In order to improve financial management of the EU programs and to avoid aforementioned situations Evaluator would suggest greater involvement of SEIO as NIPAC technical secretariat in monitoring of timely execution of annual entry tickets by individual Ministries. The most important thing is to carry out liabilities in the indicated deadlines (due date). Moreover sustainable solution for this problem will have to be found in cooperation with the Ministry of Finance, National Bank of Serbia and NF after DIS accreditation and conferral of management powers under decentralized management. IT system for financial management of EU funds could be of help for these purposes. Transfer of EU funds in foreign currency between project accounts affected by potential offsets should be enabled for these purposes. These transfers should be ex-ante endorsed by relevant stakeholders after submission of all documentation related to subject compensation.

***VAT exemption procedure has not been possible for all EU program beneficiaries in Serbia - Provide VAT exemption procedure for all EU program beneficiaries in the country***

Findings of the evaluation shows that program beneficiaries in several EU programmes encounter impediments related to the VAT exemption procedures in the country. The main reason lays in the fact that neither EU Programmes Framework Agreement nor specific MoUs (except in the case of FP7) envisage VAT exemption obligation. In the situation where EC considers VAT as ineligible costs for all grant funding, programme beneficiaries are under serious financial burden to cover these costs from their own resources. Consequently the performance of the Serbian applicants in awarded projects as well in the overall programme is seriously endangered. Therefore in order to resolve this problem Evaluator would suggest that SEIO as NIPAC technical secretariat together with the Ministry of Finance provide adequate solutions for the programme beneficiaries and allow them to benefit from the usual VAT exemption procedure established for EU funded projects while implementing awarded project in the country. This rule should be especially ensured in the MoUs which will regulate the new generation of EU programmes.



## 6 CONCLUSIONS AND RECOMMENDATIONS

The experience of Serbia shows that participation in EU Programmes is an extremely important feature of a successful pre-accession strategy. Furthermore, it is extremely important for Serbian citizens and institutions to have the opportunity to acquaint themselves with EU values, with EU policies in different fields as well as legal regulations and their implementation, successful solutions and experiences from other countries within the EU, and the methods and rules by which the EU functions. The participation of Serbia in EU Programmes has contributed to a deeper knowledge and capacity-building of different stakeholders when dealing with European issues and projects. However, there are still number of difficulties in relation to Serbia's participation to EU Programmes. The fundamental challenge facing Serbia's use of ODA in 2014-2020 will be to do better with less, with targeted interventions in support of mainstream public spending.

To meet this challenge, Evaluator proposes recommendations to improve the relevance, effectiveness, efficiency, impact, sustainability and overall management of the EU Programmes:

- Increase political support to the National Contact Points
- Increase visibility of the EU Programmes
- Enhance project pipeline and training of potential applicants
- Enhance involvement of SEIO in coordination of all EU programmes in the country
- Improve mechanisms for entry ticket payments
- Provide VAT exemption procedure for all EU program beneficiaries in the country
- Introduce cost benefit analysis before the MoUs are signed for the new generation of EU Programmes;
- Limit number of EU Programmes (and EU agencies) for which part of entry ticket should be reimbursed from IPA

### ***Increase political support to the National Contact Points***

Common problem for all EU Programmes is lack of political support for their implementation. High level politicians are willing to join the programme, but after that their involvement stops. It looks that management of EU Programmes is self-developed and self-sustainable. There are only few examples where a minister was involved in some of visibility events.

High-level political support for each launched Programme remains crucial for its implementation. Ministerial or State Secretary level meetings (on strategic issues related to the Programme) would have significant influence on Programme strategic direction, its management and results. This is particularly useful when the political level is linked to the cycle of Programme events.

National Contact Points and implementation structures in those programmes where they exist form the implementation core of the Programme. Their work needs further embedding in political and administrative structures. Their visible, central role requires institutional stability, political recognition and allocation of sufficient human resources. Adequate staff and support from ministries to enable them to fulfil their role is crucial.

Experience shows that national coordination works well in the forum of SEIO Sector Working Groups. NCPs should explore how these structures could be used more for specific Programme implementation. Finally for all EU Programmes an adequate WLA (work load analysis) and TNA (training needs assessment) – knowledge, skills, languages, of NCPs for EU programmes should be performed before entering the EU program in order to ensure proper implementation structures in the country.

### ***Increase visibility of the EU Programmes***

Based on desk phase and analysis of official web sites of line ministries and relevant implementation bodies, as well as based on analysis of questionnaires and interviews, the Evaluator would like to point a need for increased visibility of the EU Programmes. To illustrate the problem it is important to mention that for some programmes such as PROGRESS, CUSTOMS, FISCALIS, LLP, Safer Internet, CIP, Erasmus Mundus, YOUTH in ACTION etc. line ministries do not have a single information on their web sites.

In addition, there is no single information about EU Programmes on the EU info centre website or the EU Delegation. ISDACON web site has specific section about EU Programmes, but on the website, in general more specific information related to the EU programme implementation in Serbia are missing.

Objective of this recommendation would be:

- to inform different target groups about the EU Programmes, their objectives, activities, their potential impact and benefits;
- to increase frequency and quality of media coverage and public debate on EU related issues;
- to increase the information level at the level of potential applicants across the country.

To reach the objectives mentioned above, each lead ministry should:

- Prepare visibility action plan defining instruments and the range of activities that will be implemented depending on each Programme rules and communication context;
- Introduce EU programme section on their internet presentations in line with the best practices such as Europe for Citizens on the website of the Office for cooperation with CSO or TEMPUS on the website of the National Tempus Office could be good example;
- Provide regular information for the EU Programmes section on the SEIO internet presentation [www.evropa.gov.rs](http://www.evropa.gov.rs).
- Participation of high level official at visibility events.

### ***Enhance project pipeline and training of potential applicants***

The EU accession negotiation process changed significantly over the recent years. As early phases of the process became much more important than in the past, candidate countries must express their expectations, problems and also ways of their solutions in a much earlier stage of the EU accession negotiations process than before. If Serbia wants rapid progress in the negotiations, it is very important that it identifies areas where major issues in the implementation of the *acquis* can be expected as soon as possible. Participation in EU Programmes 2014-2020 could assist Serbia in meeting those requirements.

However, this evaluation has showed that project beneficiaries and applicants believe that one of the main factors that can be considered as obstacles to a more effective participation in EU programmes is lack of knowledge related to project preparation and project management. At the same time they believe that possible actions to overcome obstacles are training and technical assistance.

Therefore, Evaluator believes that training and technical assistance should be provided to potential applicants, NCPs and bodies responsible for implementation of specific programmes where they exist. Moreover developed practices and capacities in some bodies that participate in EU program implementation such as TEMPUS Office, CCP, Hajde da.. should be used in designing technical assistance services new programming period as well. Such assistance could mirror IPA funded Project Preparation Facility projects managed by SEIO and in first instance could be financed by IPA and later by the Government. Financing from the Government could be ensured by using Development Fund financial means. Other potential option is outsourcing of some of technical assistance activities to the private/public entities in Serbia which can provide required services to the potential beneficiaries.

Finally each NCP for specific program should devise basic guidelines for participation in respective program for potential applicants. These guidelines should encompass basic information on specific EU program, good practices and examples of successful projects, application procedure, financial rules and legal issues related to the project implementation, etc.

#### ***Enhance involvement of SEIO in coordination of all EU programmes in the country***

As it was already said almost all National Contact Points (NCPs) emphasized that there is a need for greater involvement of SEIO in providing incentives and coordination of all EU programmes in the country. There is an obvious need and a space for improvement of cooperation between SEIO and NCPs and that this cooperation should be defined in appropriate rules of procedures. In order to improve coordination of the programs SEIO should monitor the compliance of NCPs plans for program participation with NAD 2014-2017 and sector strategies as well as to standardize templates for reporting and define regular reporting requirements. Moreover SEIO should provide support to the NCPs in resolving common problems relevant for all programs (e.g. VAT exemption, etc), and strengthening cooperation with EC. Finally SEIO should support visibility of the EU programs in Serbia by providing in cooperation with NCPs regularly update information ( call for proposals, program documents, guidelines for program participation, etc) on the EU Programmes section on the SEIO internet presentation [www.evropa.gov.rs](http://www.evropa.gov.rs).

#### ***Improve mechanisms for entry ticket payments***

Evaluation shows that Serbia's participation in EU programmes have marked in some cases underperformance which caused off-setting operations by EC due to late payments of entry tickets. These situations jeopardize the implementation of the activities not only within the EU program which was late in payment of entry ticket but also in other EU programmes.

Sustainable solution for this problem will have to be found in cooperation with the Ministry of Finance, National Bank of Serbia and NF after DIS accreditation and conferral of management powers under decentralized management. Moreover IT system for financial management of EU funds could be of help for these purposes.

### ***Provide VAT exemption procedure for all EU program beneficiaries in the country***

Additional identified problem related to the implementation of projects awarded under different EU Programmes is VAT exemption procedures for program beneficiaries. The main reason lays in the fact that neither EU Programmes Framework Agreement nor specific MoU envisage VAT exemption obligation. Since VAT is ineligible cost from the point of EC, program beneficiaries have to recover VAT from their own resources. Adequate solution of this problem requires involvement of SEIO as NIPAC technical secretariat and the Ministry of Finance. The program beneficiaries should be allowed to benefit from the usual VAT exemption procedure while implementing awarded project in the country. This rule should be especially ensured in the MoUs which will regulate the new generation of EU Programmes.

### ***Introduce cost benefit analysis before the MoUs are signed for the new generation of EU Programmes***

In order to establish the legal basis for participation to each individual EU Programme, a Memorandum of Understanding is signed between the European Commission and the beneficiary country. Before its signing the MoU has to be justified and approved by the Government. However, justification of the MoU in Justification section of the decision of the Government is mainly about the relevance of specific Programme. Such justification is insufficient for decision makers to objectively decide whether to join or not specific programme based on quantified and qualified data. Therefore, the Evaluator would like to suggest introduction of cost benefit elements in the Justification section of the Governmental decision.

Elements of Cost-Benefit Analysis would make sure that all costs and benefits are included, properly quantified and analyzed before deciding whether to join the Programme or not. This approach will help the Government and its relevant services to evaluate the rationale and policy coherence of the proposed Programme. Elements of Cost-Benefit Analysis that should be covered include:

- Objectives that are expected to be attained through the Programme;
- Links of those objectives with the Needs Assessment and NPAA;
- Expectations of the lead ministry when it comes to benefits of the Programme;
- List of potential applicants and their interest to apply for projects;
- A plan how the lead ministry plans to promote the Programme and support potential applicants;
- Risk analysis for management of the Programme and risk analysis, including mitigation of risks.

### ***Limit number of EU Programmes for which part of entry ticket should be reimbursed from IPA***

According to the relevant programme's rules, the Commission will conclude a Memorandum of Understanding with the beneficiary wishing to take part in the programme. The Memorandum of Understanding lays down the rules governing participation, in particular the administrative capacities required, the planned financial contribution, the mechanism for taking part in the management of the programme and the financial control provisions. The exact financial allocation to be paid by the beneficiary for participating in EU Programmes is determined in the relevant MoU signed between the beneficiary and the respective line DG. The EU's contribution to the entry ticket will be negotiated between the beneficiary and respective line DG, normally before the MoU is signed. Since Serbia has

become a candidate country it is expected that in the period 2014-2020 Serbia will join some of the EU Agencies under the similar rules like for the EU programmes.

Pre-accession financial assistance can be used to help a candidate country to meet part of the costs of participation in EU programmes and EU agencies, on the basis of an increasing contribution from the candidate country. Experience from the enlargement context, shows that successful participation in EU Programmes requires a high degree of ownership and initiative by the beneficiary country. Proactive involvement by the beneficiary country in gathering the necessary information on programmes, procedures and working methods as well as in establishing networks and structures and informing the public are essential in order to gain the benefits of participation in programmes.

The overall highly positive results of Serbia's participation in EU programmes have at times been shadowed by substantial systematic weaknesses in management of programmes, in some cases underperformance led to occurrence of off-setting operations by EC due to late payments. These situations jeopardise the implementation of the activities within the Programmes and cause difficulties in their execution. From other side, according to information received, entry tickets for some of future EU programmes will be extremely high (e.g. Horizon 2020 and Erasmus for All around 10 million euro annually each).

Taking into consideration these facts, Evaluator would recommend limiting number of EU programme which can receive reimbursement from IPA through several possible ways:

- Define maximum number of EU programmes which can get IPA support, as well as maximum IPA annual allocation for EU programmes;
- Make conditional IPA support to recommendations for improvement of EU programmes performance.

## 7 ANNEXES

### LIST of INTERWIEVS

PROGRAMME	NAME	INSTITUTION
EUROPE FOR CITIZENS	Aleksandar Obradović	Government Office for Cooperation with CSOs
CUSTOMS	Biljana Mustapić Momčilović	Customs Administration
	Ivan Milošević	Customs Administration
	Ivana Pajkić	Tax Administration
FP 7	Radomir Žikić, Assistant Minister Zeljka Dukic NCP FP7, Milica Golubovic NCP FP7, Tijana Knezevic NCP FP7, Ana Stojanovic NCP for Financial and legal issues, Natasa Kecman NCP FP7 Chamber of Commerce	Ministry of Education Science and Technological Development
LLP	Nevena Vraneš	Ministry of Education Science and Technological Development
	Biljana Stojanović	
TEMPUS/ERASMUS MUNDUS/ LLP	Marija Filipovic Ozegovic	Tempus Office
YOUTH IN ACTION	Srđan Mitrović	Contact point for Youth in Action Programme "Hajde da"
	Aleksandra Mitrović	Ministry of Youth and Sports
CULTURA	Milica Pavlović	Ministry of Culture and Information
	Lola Joksimović	Office Cultural Contact Point
CIP ICT PSP/ SAFER INTERNET	Nataša Radović	Ministry of Foreign and Internal Trade and Telecommunications

<b>SAFER INTERNET</b>	<b>Dejan Mitrovic</b>	<b>Ministry of Foreign and Internal Trade and Telecommunications</b>
<b>CIP Ministry of Economy and Finance</b>	<b>Katarina Obradovic Jovanovic, Nina Samardzic, Assistant Minister, Ranka Miljenovic,</b>	<b>Ministry of Finance and Economy</b>
<b>CIP EIP</b>	<b>Zorica Marić</b>	<b>Ministry of Finance and Economy</b>
<b>CIP/EEN</b>	<b>Ana Zegarac</b>	<b>National Agency for Regional Development</b>
<b>CIP/EEN</b>	<b>Kristina Djuric /Natasa Kecman</b>	<b>Serbian Chamber of Commerce</b>
<b>PROGRESS</b>	<b>Dragana Radovanović</b>	<b>Ministry of Labour, employment and Social Policy</b>
<b>PROGRESS</b>	<b>Ivan Sekulovic</b>	<b>SIPRU</b>
<b>CIP</b>	<b>Nikola Ranitovic</b>	<b>Cacanska banka</b>
<b>FP 7</b>	<b>Ljiljana Kundakovic</b>	<b>Innovation Fund</b>
<b>FP 7</b>	<b>Steve Query</b>	<b>Former Office for FP 7 projects</b>
	<b>Ognjen Miric</b>	<b>SEIO</b>
	<b>Tanja Cincar Knezevic</b>	<b>EU Delegation</b>