Action Plan for IPA 2008 Programming in the Republic of Serbia

DEFINITIONS

Expressions used in Action Plan have the following meanings:

National IPA Coordinator: Institution that is, in line with its responsibilities, nominated by the Government as in charge for coordination of EU funds programming process.

Decentralized Deconcentrated Implementation System: EC Delegation or institution nominated by the EC (European Agency for Reconstruction) is responsible for contracting and control of EU funds management. This system should be changed by Decentralized Implementation System.

Decentralized Implementation System: gradual transfer of responsibilities over the EU funds management from the EC to the beneficiary country. The EC Delegation has ex-ante control.

Multi Indicative Financial Framework: document prepared by the EC that defines indicative allocations of funds per country and per year.

Multi Indicative Planning Document: document prepared by the EC for each candidate and potential candidate. Document is prepared in consultations with beneficiary country. MIPD defines the main priorities and funds for their implementation.

Draft of Project Proposal: concept of project proposal prepared in line with NIPAC’s template during identification phase.

Project Fiche: project proposal prepared in line with IPA template during formulation phase.

ISDACON IS: Government’s data base for international assistance managed by the Ministry of International Economic Relations.

1. INTRODUCTION

The European Commission adopted a new financial framework for 2006-2013 period, by which a new financial instrument for candidate countries (FYR Macedonia, Croatia and Turkey) and potential candidates (Albania, Bosnia and Herzegovina, Montenegro and Serbia) had been established. The European Union Council Regulations (European Council Regulation No. 1085/2006) adopted on July 17, 2006 established the legal basis of the Instrument for Pre-accession Assistance (IPA). The Directive sets forth basic provisions of IPA implementation. Pursuant to the Directive, the financial value of IPA

In order to simplify the way of planning and managing its budgetary funds, the European Commission has decided to replace all pre-accession funds used until 2006 (Phare, ISPA, SAPARD, CARDS and Turkey pre-accession assistance) with a new Instrument for Pre-accession Assistance (IPA). The main purpose of establishing IPA was to have candidate and potential candidate countries use unique and more simplified financial rules that would enable faster cohesion and integration. IPA consists of five basic components:

1. Transition Assistance and Institution building
2. Regional and cross-border cooperation
3. Regional development
4. Human resources development
5. Rural development.

Support to candidate and potential candidate countries through IPA should develop their democratic institutions and rule of law, European integration process, public administration reform, economic development, employment and education, human and minority rights, gender equality, civil society organizations, regional and sustainable development and reduction of poverty. Beneficiaries of IPA Components 1. and 2. are potential candidate countries, while beneficiaries of IPA Components 1. to 5. are candidate countries.

The Republic of Serbia, as well as other countries that are potential candidates for the EU membership will use resources for financing priorities, i.e. programmes/projects from the first two components. It is also possible to use resources of the first component to finance programmes/projects from the components three, four and five. The reason for such allocation is the difference in position in relation to the EU membership, as well as the inexistence of appropriate regulations, institutions and trained public servants to manage all the components in compliance with the EU regulations, which establish through a Decentralized Implementation System (DIS).

The EC from IPA beneficiary countries insists on establishment of appropriate structures, improvement of capacities of public administration and clearly defining roles and responsibilities during programming process with the aim of efficient use of pre-accession assistance and gradual preparation of the Republic Serbia for taking over responsibility in EU funds management from the EC after EU membership.

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1 The indicated components are used to finance corresponding programmes/projects
2. BASIS, PRINCIPLES AND OBJECTIVES


Programming is a process of establishing priority programmes/projects financed from EU funds (IPA). IPA Programming covers setting out of priorities based on three complementary basic strategic documents:

- **Country Strategy Paper** presents the Commission’s overall enlargement policy for the candidate countries and the potential candidate countries in a single, annually published document. For each country, the strategy paper takes up progress made, the accession and pre-accession strategy, and support to reforms such as EU assistance and financial instruments.

- **European Partnership** lists short- (12-24 months) and mid-term (3-4 years) priorities for the preparations for further integration in the EU. This mechanism shall exclusively determine relations between the EU and our country until the Stabilization and Association Agreement has been signed. It is important to mention that all the priorities identified through the process of EU funds programming must correspond to the priorities of the European Partnership.

- **Multi-annual Indicative Planning Document** is prepared in the consulting process with relevant institutions of the Government of the beneficiary country. Priorities are defined in this paper by individual areas, together with financial resources for implementation of set priorities during three budgetary years. Multi-annual Indicative Planning Document identifies priorities of the European Union within the European Partnership priorities established for the Republic of Serbia, main intervention areas, and financial resources for their implementation.

The above mentioned documents define necessary goals, expected results, preconditions and financial allocation of resources by sectors/areas of assistance. In line with the indicated documents and based on project fiches the annual national IPA programme is developed.

Beside these documents EC’s Annual Progress Reports for Serbia in the Sap and PRAG are of outmost importance for programming process.

Along with indicated documents prepared by the EC, the National IPA Programme has to conform to national strategic documents, such as the National Strategy for Serbia’s EU Accession, Public Administration Reform Strategy, Regional Development Strategy, Poverty Reduction Strategy, Budget Memorandum, Government’s Yearly Plan of Activities etc.
Starting from the needs to improve capacities of public administration, to define roles and responsibilities during programming process and gradually prepare the Republic Serbia for taking over responsibility in EU funds management from the EC after EU membership, the purpose of the Action Plan is to:

a) Enhance the efficiency of absorption Instrument for Pre-accession Assistance (IPA) funds provided by the Commission to the Republic of Serbia in the pre accession period;

b) Set out principles, participants and their responsibilities during the process of identification of priorities in line with principal documents and preparation of Project Fiches (programming of IPA Programme);

c) Define relations and responsibilities between the relevant institutions, at the national level involved in the process of IPA programming particularly emphasizing project preparation, evaluation and selection for the Transition and Institution Building Component;

d) Ensure the use of uniform procedures in the IPA programming;

e) Build the administrative absorption capacity and enhance the cost-efficient utilization of IPA funds allocated by the European Union (EU) to the Republic of Serbia by improving inter ministerial coordination and cooperation;

f) Support to the preparation of the Decentralized Implementation System (DIS) of EU funds in the Republic of Serbia.

In case of ambiguities with the interpretation of the provisions of Action Plan, the interpretation prepared by the National IPA Coordinator (NIPAC) is binding. Potential changes and amendments of to the Action Plan will be made to adjust needs of IPA programming and implementation process in accordance with financial regulations establishing IPA. Line ministries, Serbian European Integration Office, EC, EC Delegation and European Agency for Reconstruction can make suggestions for changes and amendments of the Action Plan. NIPAC submits changes and amendments to the Government.

3. ROLES AND RESPONSIBILITIES

Implementation of Action Plan aims requires clearly defined roles, responsibilities and activities during programming process in order to identify priorities and formulates Project Fiches for IPA financing.

3.1 Roles and responsibilities of NIPAC

By the Government decision number 05 No: 119-3913/2006 from 29 June 2006, the Ministry of International Economic Relations has been nominated as NIPAC.
Roles and responsibilities of NIPAC during the programming process are to:

a) Ensure the overall coordination of the EU financial instruments provided to Serbia at national level and to act as the main contact point and channel of communication for the Commission in any matter related to IPA.

b) Cooperate with individual ministries, other central state administrative bodies and other institutions to define priorities, formulate draft project proposals and project fiches during programming process in compliance with principal programming documents;

c) Cooperate the European Commission (EC), EC Delegation, EAR, line ministries and other stakeholders in determination of priorities for programming of EU assistance in Serbia;

d) Cooperates with the EC Delegation, the EAR and line ministries regarding the allocation of IPA funds in accordance with the adopted priorities in line with EU principal documents;

e) Submits to the EC Delegation and the EAR, Project Fiches selected through the annual programming of IPA, as well as evaluation documents referring to this assistance and discusses with the EC Delegation and the EAR all issues regarding the EU financial assistance provided to the Republic of Serbia;

f) Signs Financial Agreement with the European Commission after an approval by the Government;

g) In cooperation with the EC Delegation coordinates the preparation and amendments of Multi Indicative Planning Document (MIPD) and Multi Indicative Financial Framework (MIFF).

h) Oversees compliance of draft project proposals and project fiches with programming documents and their priority objectives during programming process;

i) Supports the timely budget planning process with the Ministry of Finance to ensure availability of necessary co-financing from the state budget for EU financial assistance;

j) Coordinates monitoring of the programming, preparation, and implementation of programmes and Project Fiches with the aim of timely identification and elimination/minimization of potential problems in the process of programming and improvement of the programming process;

k) Informs the Government of the Republic of Serbia about the programming process, project formulation and implementation;

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2 In deconcentrated implementation system EU has the main responsibility in allocation of EU funds. In this process EU cooperates with NIPAC
m) Informs the EC Delegation and the EAR on the progress of programming process;

n) In partnership with the EC Delegation and the EAR is responsible for informing the public about the EU assistance programmes in the Republic of Serbia;

o) Coordinates participation of the Republic of Serbia in the Community Programmes;

p) Coordinates other forms of donor bilateral and multilateral financial assistance;

q) Submits to the EC, EC Delegation and EAR request for reallocation of EU funds;

r) Notifies the direct applicants on terms and conditions for submission of the draft project proposals and Project Fiches for current programming year;

s) Posts binding application forms, the terms and conditions under which draft project proposals and Project Fiches are submitted, their evaluation criteria and report templates on the web page www.europa.sr.gov.yu (ISDACON IS);

t) Keeps records of projects planned, implemented and completed, financed from the EU financial instruments;

u) Keeps complete records of draft project proposals and Project Fiches submitted by the line ministries in compliance with published call for the submission of Project Fiches for the EU financial assistance;

v) Prepares a technical and priority assessment of each draft project proposal and Project Fiche and verifies that any particular project has not been financed with the funding from EU financial assistance or from the other donor bilateral and multilateral assistance in the past;

w) Organizes evaluation of programmes and projects implementation and coordinates the preparation of consolidated annual evaluation report on the implementation of EU assistance for the Government;

3.2 Roles and responsibilities of line ministries

In order to improve interministerial coordination, coordination among other institutions, improvement of capacities and efficient IPA programming, line ministries, until the moment of establishment of PIUs within DIS, will establish working group responsible for IPA programming in line with the Action Plan. The line ministries will nominate person/persons who will manage work of appointed working group and be in charge for fulfillment of all responsibilities in line with the Action Plan. Line ministry will inform in written NIPAC about their nomination. If NIPAC estimates that coordination of programming is not been performed properly by the line ministry NIPAC can recommend to the respective minister to replace nominated person/persons.

Role and responsibility of each line ministry during the programming process is to:
a) Coordinates EU financial assistance within a ministry and prepares draft project proposals and Project Fiches proposed under the IPA by ministry;

b) Informs authorized bodies from their scope of work about template, conditions and appraisal criteria for the submission of draft project proposals and Project Fiches;

c) Submits to NIPAC draft project proposals and Project Fiches for EU funds and draft project proposals and Project Fiches from authorized bodies in the particular ministry’s scope of operation;

d) Keeps record of all draft project proposals and Project Fiches that were submitted by other authorized body in the Ministry’s scope of operation;

e) Carries out pre-selection of the draft project proposals and Project Fiche under the IPA Programme proposed by the ministry or other authorized bodies in their scope of work prior to their submission to NIPAC;

f) Submits to NIPAC report on selected and rejected draft project proposals and Project Fiches and provides justification;

g) Submits to NIPAC report on participation in Community Programmes and Community Agencies, especially on cost benefit participation in these activities;

h) Informs the NIPAC about the programming process within their scope of work in line with programming calendar of current year;

i) Submits to NIPAC Information, Decisions and other documents regarding IPA on formal approval before its submitting to the Government on adoption in line with the Government Internal rules.

3.3 Roles and responsibilities of the Serbian European Integration Office (SEIO)

Role and responsibility of SEIO is to provide support to NIPAC during programming process defined in bullet 5. of the Action Plan. SEIO in particular:

a) Controls compliance of proposed draft project proposals and project fiches with Revised Action Plan of the Republic of Serbia for Implementation of European Partnership Priorities;

b) Informs NIPAC on needs during the SAA process;

c) Informs NIPAC on implementation of NPAA;

d) Coordinates implementation of twinning and TAIEX projects;
e) Informs NIPAC on needs for implementation of Action Plan for strengthening of institutional capacities during European integration process.

3.4 Roles and responsibilities of the Ministry of Finance

The roles and responsibilities of the Ministry of Finance during the programming process is to:

a) Cooperates with NIPAC on possibilities for co-financing from the national budget;

b) Provides opinion on the draft project proposals and Project Fiches regarding provision of co-financing from the state budget;

e) Prevents duplication or overlaps with projects that were or are currently being implemented with the funding from the national budget.

4. ESTABLISHMENT OF JOINT COMMITTEES

4.1 Joint Monitoring Committee

Joint Monitoring Committee is established by the Government decision on NIPAC’s request. The Joint Monitoring Committee is responsible for monitoring the progress of IPA programming, as well as CARDS and IPA implementation.

Members of the Joint Monitoring Committee are: NIPAC, the Ministry of Finance, SEIO, the EC Delegation and the European Agency for Reconstruction. Line ministries and other beneficiaries can be invited at the sessions of the JMC.

The JMC is co-chaired by the NIPAC and the EC Delegation who are responsible for the agenda and delivery of supporting documents to its meeting.

The JMC convenes at least three times a year.

4.2 Sectoral Monitoring Committees

The Sectoral Monitoring Committees are established by the Government Decision on NIPAC’s proposal. The Sectoral Monitoring Committees are identified in line with MIPD main areas of intervention as follows: a) Political Requirements; b) Socio Economic Development; c) EU Agenda; d) Multi Beneficiary IPA. NIPAC can propose establishment of new or the closure of existing ones.

The Sectoral Monitoring Committees consists of the representatives of NIPAC, the Ministry of Finance, SEIO and relevant line ministries.

3 List of line ministries will be inserted after elections and nomination of the new Government structure.
The Sectoral Monitoring Committees at the meetings can invite other central state administration bodies, representatives of civil society organizations, educational institutions, EU institutions and other relevant institutions.

The Sectoral Monitoring Committees convene at least twice a year. The NIPAC or line ministry nominated by NIPAC chairs the Sectoral Monitoring Committees.

The Sectoral Monitoring Committees:

a) Monitor the progress in the implementation of European Partnership priorities, MIPD, Action Plan for Implementation of European Partnership Priorities;

b) Asses if the implementation projects are in line with national Strategies and Action Plans;

c) Make recommendations on MIPD annual review;

d) Submit reports to the Commission for coordination and harmonization of international assistance through NIPAC.

4.3 Joint Committee for Projects Evaluation

The Joint Committee for Projects Evaluation is established by the Government Decision on NIPAC’s proposal. Members of the Joint Committee for Projects Evaluation are members of Prime Minister Cabinet, NIPAC, the Ministry of Finance, SEIO and the EC Delegation. The Joint Committee for Projects Evaluation makes priority assessment and identification of a list of Project Fiches. The Joint Committee for Projects Evaluation is charred by NIPAC.

5. PLAN OD ACTIVITIES DURING PROGRAMMING PROCESS

5.1 Authorized applicants of draft project proposals and Project Fiches

Depending of model of submission of draft project proposals and Project Fiches to NIPAC, authorized applicants can be direct and indirect.

Direct authorized applicants are:

- Line ministries;
- Special organizations established by the Law on ministries;
- Governments Organizations;
- National Parliament;
- National Bank of Serbia.
Indirect authorized applicants are:

- Agencies, with written support by the responsible ministry in their scope of operation;
- Commission for local self government financing, with written support by the responsible ministry in their scope of operation.

From civil society organizations through consultative and advisory role it is expected, within the Sectoral Monitoring Committees, to support identification of priorities and formulation of draft project proposals and Project Fiches.

Line ministries, special organizations that are established by the Law on ministries, Governments Organizations, National Parliament and National Bank of Serbia shall submit their draft project proposals and Project Fiches directly to NIPAC. Agencies shall submit their draft project proposals and project fiches through line ministry in their scope of work. Commission for local self government financing submits their draft programmes through responsible ministry in their scope of work. Commission for local self government financing submits draft programme in line with MIPD main area of intervention.

**5.2 Annual budget and priority review established**

NIPAC informs the line ministries on the budgetary allocations per MIPD main areas of intervention and per year. NIPAC makes an assessment of absorption capacities of institutions which are beneficiaries of on-going projects financed by EU. For assessment NIPAC uses EU report as well. In addition, NIPAC analyzes to what extent the on-going projects have achieved the objectives and expected results are in line with basic strategic framework for programming.

**5.3 Beginning of the submission of the draft project proposals**

NIPAC notifies the line ministries about the beginning of the submission of the draft project proposals for the individual programming year within the indicated deadline for their submission. Line ministries inform institutions from their scope of work on the beginning of programming process.

NIPAC posts overall calendar of activities, binding application templates, terms and conditions under which project proposals and project intents are submitted, as well as their evaluation criteria on the webpage of the NIPAC (www.evropa.sr.gov.yu) and if necessary in another appropriate way;

NIPAC and SEIO provide technical support to the direct applicants during the process of priorities identification. In addition, NIPAC and SEIO provide technical support to the direct applicants during the process of project proposals drafting upon their request.

Daft project proposal submitted by the line ministries, including proposals submitted by other applicants and supported by responsible ministry, will be submitted with signature
of minister or state secretary. Draft project proposals submitted by special organizations established by the Law on ministries or Governmental organizations will be submitted with signature of director of that institution. Analog to this it is recommended that president of the National Parliament should sign draft project proposals submitted by the National Parliament and that Governor should signed project proposals submitted by the National Bank of Serbia.

Prior to dispatching the project proposals to the NIPAC, authorized applicants verify that the draft project proposals have been prepared in the requested template. Authorized applicants verifies that any particular project is not duplicating and overlapping with projects that were or are currently being implemented with the funding from other EU programmes, from the bilateral and multilateral donor assistance or national funds. Authorized applicants also verify that any particular project is not submitted to other donor on reconsideration or it has been reconsidered within national budget.

Draft project proposals are submitted to the NIPAC in written and electronic form in Serbian or English on e-mail address determined by NIPAC.

5.4 Formal assessment of the draft project proposals

NIPAC and SEIO give technical assessment of draft project proposals. In the technical assessment, the project proposals are assessed according to the following criteria:

a) Adherence to the prescribed template of the project proposal and completing all its parts;

b) Clear description of activities and results;

c) Measurability and relevance of indicators for achievement of objectives;

d) The project proposal neither overlaps with previous CARDS/IPA, bilateral and multilateral cooperation projects, nor with projects financed by national funds;

e) The beneficiary of the assistance is clearly defined.

In case of formal shortcomings or incompleteness of the project proposal, NIPAC in written requests from the relevant applicant to remove the detected formal shortcomings within 14 days of receiving written acknowledgement.

5.5 Modification of the Project Fiches ideas

Authorized institutions revise the draft project proposal and enclose the necessary relevant changes in the project in 14 days of receiving written acknowledgment from NIPAC.

NIPAC and SEIO provide technical support to the direct applicants during the process of modification upon their request.
5.6 Identification of a wider list of Project Fiches ideas

Authorized institutions shall submit revised draft project proposals in line with procedure defined in the bullet 5.2 to NIPAC. Authorized applicants put proposed draft project proposals in to ISDACON IS data base (www.evropa.sr.gov.yu).

NIPAC and SEIO discuss the draft of project proposals with the Ministry of Finance with the request for preliminary opinion on co-financing of the projects from the state budget.

NIPAC and SEIO give assessment of draft project proposals in line with evaluation grid for identification of a wider list of draft project proposals. After evaluation NIPAC and SEIO compile a wider list of draft project proposal, which should not exceed 150% of the available budget, taking into account the financial resources envisaged by the IPA Programme for the corresponding year. Draft project proposals that have not been included in a long list will be included in reserve list of Project Fiches.

NIPAC submits the summary of priorities that have been identified through existing draft project proposals to the EC Delegation and the EAR. At the same time NIPAC informs line ministries on the projects that have not been included in a wider list and provides justification.

The EC Delegation and the EAR provide opinion and comments on priorities that have been delivered by NIPAC. If it is necessary the EC Delegation and the EAR can identify and recommend additional priorities that have not been included in the NIPAC summary report. Upon receipt of the opinion and comments on the summary of priorities from the EC Delegation and the EAR, within seven days NIPAC ensures their dispatch to the responsible institutions. In addition, NIPAC asks from the responsible institutions to incorporate comments into the draft project proposals or to develop new.

5.7 Development of Project Fiches

Authorized applicants develop draft project proposals from wider list into Project Fiche. Project Fiche will be developed in IPA Project Fiche template in deadline determined by NIPAC.

Line ministries shall submit Project Fiches in line with procedure defined in the bullet 5.2. NIPAC and SEIO provide technical support to the direct applicants, upon their request, during the process of Project Fiches development. In this stage, authorized applicants submit Project Fiches in English in line with procedure determined in bullet 5.3. Applicants are responsible for translation of the Project Fiches in English.

5.8 Formal assessment of the draft project proposals

NIPAC and SEIO give technical assessment of Project fiches in line with criteria determined in bullet 5.4. In case of formal shortcomings or incompleteness of the project fiche, NIPAC in written requests from the relevant applicant to remove the detected formal shortcomings within 14 days of receiving written acknowledgement.
5.9 Modification of the Project Fiches

Authorized institutions revise the project fiche and enclose the necessary relevant changes in the project in 14 days of receiving written acknowledgment from NIPAC.

NIPAC and SEIO provide technical support to the line ministries during the process of modification upon their request.

5.10 Identification of a list of Project Fiches

The NIPAC and SEIO discuss the Project Fiches with the Ministry of Finance with the request for opinion on co-financing of the projects from the state budget.

Joint Committee for Project Evaluation gives priority assessment of Project Fiches in line with evaluation grid and compiles a list of Project Fiches, which should not exceed 120% of the available budget, taking into account the financial resources envisaged by the IPA Programme for the corresponding year. Project Fiches that have not been included in the list of Project Fiches will be included in reserve list together with draft project proposals from bullet 5.6.

NIPAC presents the Project Fiches to the Commission for harmonization and coordination of donor assistance.

NIPAC submits the list of Project Fiches to the EC Delegation and the EAR. NIPAC informs in written line ministries on the Project Fiches submitted to the EC Delegation and the EAR.

5.11 Presentation of the Project Fiches to the EAR and the EC Delegation

NIPAC and SEIO in cooperation with the line ministries present the list of Project Fiches to the EC Delegation and the EAR.

The EC Delegation and the EAR evaluates submitted Project Fiches in line with their internal evaluation rules.

The EC Delegation and the EAR provides comments on the Project Fiches and in cooperation with NIPAC, SEIO and line ministries start a Final programming mission.

5.12 Final list

In line with the comments from previous stage the EC Delegation, the EAR, NIPAC, Ministry of Finance, SEIO and line ministries develop final list of Project Fiches. Final list which should fully correspond to the IPA approved yearly budget and allocations per MIPD main areas of NIPAC informs line ministries on final list and informs relevant institutions on Project Fiches that have not been included in final list and provides justification. Bearing in mind, that in the Republic of Serbia, as well as in other potential
candidate countries decentralized deconcentrated system is applicable final decision on Project Fiches is made by the EC.

5.13 Inter Service Consultations (ISC) and Financing Agreement

The EC Delegation submits IPA Annual Action Programme to the European Commission on ISC. Responsible DG provides comments on IPA Annual Action Programme. IPA Management Committee approves IPA Annual Action Programme. Financing Agreement between the Government of Serbia and the European Commission is signed and provides the legal basis for the IPA programme implementation.

5.14 Language

The Project Fiches and other documents regarding IPA submitted to the EC Delegation shall be issued in English. The call for the submission of Project Fiches, samples of standard templates for project ideas and proposals must be drawn up in Serbian and English. Should there be any discrepancy between the Serbian and English version of a documents submitted to the EAR and the EC Delegation, the English version prevails.