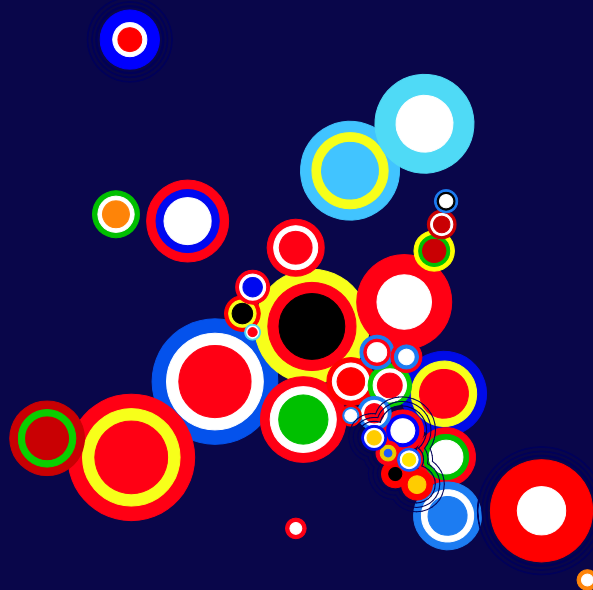




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

SERBIA

Support to Public Administration Reform



Action Summary

The overall objective of IPA 2014 for PAR sector is to support ongoing public administration reform efforts in order to establish a professional, accountable and fiscally responsible administration which provides efficient services to citizens and businesses. Specific objective of IPA 2014 PAR Action is to improve organisational and functional structures of the public administration system and provide the basis for sustainability of the restructuring efforts

IPA 2014 PAR Action is therefore backing up the Indicative Strategy Paper 2014-2020 for Serbia (hereinafter: Strategy Paper) with general determination to support the implementation of the new PAR strategy towards increasing the government effectiveness. On a more institutional side for the whole PAR system – rationalisation of public administration – its rightsizing, and creation of conditions for organisational and functional restructuring of institutions and other bodies within the public administration system, contributing thus to its sustainability (firstly in a fiscal context).

Action Identification	
Programme Title	Annual Action Programme for Serbia (2014)
Action Title	Support to Public Administration Reform
Action Reference	
Sector Information	
ELARG Sectors	
DAC Sector	15110
Budget	
Total cost (VAT excluded) ¹	2 500 000 EUR
EU contribution	2 500 000 EUR
Management and Implementation	
Method of implementation	Indirect management/ delegation agreement ²
<i>Indirect management:</i> Responsible Unit or National Authority/Implementing Agency	Indirect Management Delegation Agreement (IMDA) EU Delegation is in charge for the arrangement with World Bank
Implementation responsibilities	Ministry in charge of Public Administration and Local Self-Government
Location	
Zone benefiting from the action	Republic of Serbia
Specific implementation area(s)	<i>n/a</i>
Timeline	
Deadline for conclusion of the Financing Agreement	31 December 2015
Contracting deadline	3 years after the signature of the Financing Agreement
End of operational implementation period	6 years after the signature of the Financing Agreement

¹ The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

²Indirect Management refers to Indirect Management Delegation Agreement (IMDA) with international organisations, ie. implementation is entrusted to the international organisations by indirect management/delegation agreement

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

The new Public Administration Reform Strategy (hereinafter: PAR Strategy) adopted in January 2014 defines the overall objective of the reform as further improvement of public administration (PA) in accordance with the principles of European Administrative Space and the provision of high quality services to citizens and businesses, as well as the creation of the PA in Serbia such will significantly contribute to economic stability and raising living standards. Taking the EU principles of good governance³ as starting points for the operation of the modern PA, further public administration process in Serbia will rely on already proven concrete principles such as: decentralisation, depoliticisation, professionalisation, rationalisation and modernisation. Restructuring of the public sector to improve efficiency and effectiveness of service delivery is at the core of the public administration reform. Restructuring implies numerous changes in organisation structures, job definitions, and staff levels. These changes can be summarized as “rightsizing” as they aim to create optimal headcount for the public sector. This pertains notably to the support for implementing the first specific objective of the PAR Strategy (section III.A.1. in the PAR Strategy document) on the organisational and functional redressing of the whole institutional system of PA. The PAR Strategy summarises the results achieved in the implementation of the State administration reform strategy (2004-2013), and in the Section I.A it recognises that certain activities have not been implemented fully in accordance with the essentials of the rationalisation, which implies cancelation of redundant tasks, simplification of procedures, reduction of the excessive number of employees no longer needed and other savings, not undermining at the same time effectiveness and efficiency of the execution of the administrative tasks. This implies the necessity for conducting of prior analysis of the need for execution of particular tasks and their scope, existence of the overlapping or duplicated tasks, analysis of the modalities of the execution of particular tasks and possibilities of their modernisation.

The restructuring of the public sector is one of the main pillars of the Serbia’s’ new Government agenda, underlined explicitly in the Prime Ministers exposé: “Reduction of the number of employees in the public sector, especially those which there are thanks to the membership in the political parties, and not because of their expertise, and the reduction of the amount of their salaries to the level which can be sustained by the private sector which is financing these salaries.”. When the structural changes in period 2015-2017 are concerned the exposé foresees systematic reforms in four segments of the public sector which represent the most important providers of the public services – health, education, state administration and local self-government.

The diversity of **State administration** operations governed by the legal framework and volume of operations thereby falling under the scope of State Administration authorities in certain areas, significantly contribute to the complexity and inefficiency of administration performance in general. Since there is no single record of bodies or other entities at any criteria, standardisation of tasks and duties, as well as no clear or consistent typology of organisational forms, i.e. entities that are to be legally entrusted with administrative public authority, the ultimate consequence of this situation is having an inexplicably large number of bodies, organisations and authorities within the PA. Moreover, certain number of bodies, organisations and authorities within the PA act in the same area of policy, often with overlapping of competences and duties. All this results in ineffective and inefficient performance of PA, disproportionately large number of employees in some bodies, organisations and authorities, and inadequate use of resources, as well as unnecessarily high expenditures of the PA.

The proposed Action is addressing the outlined challenges and directly concerns the implementation of respective PA reforms in Serbia through targeted and adequate assistance in order to achieve planned results. Technical assistance is planned for Ministry in charge of Public Administration and Local Self-Government to embark in consolidating organisational and functional structures of public

³ EU principles include: reliability and predictability and/or legal dependability; openness and transparency of the administrative system and promotion of the participation of citizens and social entities in the decision-making processes; accountability; and efficiency and effectiveness

administration system as an initial pillar of PAR Strategy implementation, building upon results of previous assessments and recommendations from various sources, especially those from the World Bank.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The **Strategy Paper** notes that “EU assistance aims to support Serbia's ongoing public administration reform efforts in order to establish a more professional, depoliticised, accountable and fiscally responsible administration, which provides services to citizens and businesses. It also aims to support Serbia becoming a functioning market economy by enhancing Serbia's economic policy and its governance”. The Strategy Paper makes an assessment that the needs for the assistance suitable for IPA II exist particularly with regards to implementation of PAR strategy, but also for enhancement of the economic policy.. It provides also a further precision on the expected results of such support, which justify the relevance of the proposed Action for IPA 2014, such as: putting the emphasis on policy-coordination,; enhancing macro-economic stability; etc.

In the document on **National priorities for international assistance (NAD) 2014-2017 with projections until 2020** (hereinafter: NAD), section B 3.2. Strategic framework - defines five priorities for the Public administration sector. One of the priorities is “Enhancement of Efficiency and Effectiveness of Public Administration” which encompasses organisational measures to improve the processes within the administration, stepping-up of decentralisation process, as well as reducing public expenditure for administration..

National Plan for Adoption of the Acquis 2014-18 (NPAA) emphasizes the importance of adoption of Strategy for Public Administration Reform and it recognizes that implementation of comprehensive PAR reform should be ensured, thus creating favourable conditions for implementation of many activities and measures in different areas of public interest. Overall objective of the reform as further improvement of public administration (PA) in accordance with the principles of European Administrative Space and the provision of high quality services to citizens and businesses, as well as the creation of the PA in Serbia such will significantly contribute to economic stability and raising living standards.

According to the **Public Administration Reform Strategy of the Republic of Serbia** (adopted in January 2014) rationalisation of public administration should be a continuous process that should include, among others: the elimination of unnecessary tasks, simplifying procedures, reducing the number of employees, and other cost savings. Strategy identifies five specific objectives of the reform of which three are directly related to the proposed action: „Improvement of organisational and functional sub-systems of PA”.

The 2013 EC Progress Report also emphasised the need for comprehensive reorganisation and observed that public administration reform remains hampered by the lack of clear steer and coordination structures. The system is assessed as fragmented, with unclear lines of accountability and low policy development and coordination capacity. Recruitment and promotion need to be further reformed and developed to achieve a transparent, merit-based civil service system.

Fiscal Strategy of the Republic of Serbia for year 2014 with projections for years 2015 and 2016 recognizes the fact that *the objective of the PAR* is to provide rational, accountable and sustainable PA, which will be professionally capable and efficient in performing public work. For that purpose, PAR among others refers to: reorganisation and rationalisation of the PA system; improvement of the PA productivity through a reduction of the number of employees on all levels; better coordination between central and local level of PA; certain delegation of authorities to lower levels of the PA, completion of administrative procedures and disputes; and capacity building of the state administration staff. *Within the PFM* in the next three years, in addition to restrictive indexation of wages and pensions, significant effects are expected from the enhancement of the system of control of wages and number of employees on the basis of a single Registry and centralized accounting of earnings of all employees in the PA that is established and managed by the Treasury Administration. The goal is to achieve significant budget savings and to increase the efficiency of the PA and public services through the reform of the policy of salaries and other incomes in public sector in 2014, based on analysis data from single Registry.

SECTOR APPROACH ASSESSMENT

Strategic Framework

PAR Sector covers a wide range of public sector institutions, together with the executive power branch at the central level (ministries, special organisations, and public agencies), autonomous provinces, local government authorities and public utilities and services. Also covered are independent state bodies (e.g. state audit), parliamentary competences, central monetary policy and banking, and the relevant reform aspects concerning anti-corruption, protection of citizens' rights, access to information of public importance. The most important horizontal administrative functions are: strategic planning, creation, coordination and implementation of public policies; the management and development of human resources and administrative decision making. Moreover, the PAR Strategy particularly highlights the importance of the following (additional) horizontal administrative functions: public finance and public procurement, e-Government.

Public Administration Reform is an important prerequisite for the effectiveness of reform in all socially-relevant areas and it is closely related to it. Accordingly, public administration reform continues to be the most significant element of the overall development, not only in this country, but also in the majority of European countries. There are eight strategies within scope of the PAR sector, including PAR Strategy which has been adopted at the beginning of the year and e-Government which will be replaced in the forthcoming period, and two (spatial data and official statistics) which were designed to run until end 2012, but whose objectives remain relevant. The analysis of strategic challenges, looking at the whole sector, is naturally less reliant on hard data than others, the exceptions being public debt management (which is naturally data-rich) and regulatory reform (which needs to measure the number of unnecessary and excessive regulations and their impact).

A newly adopted PAR Strategy envisages broad scope for public administration reform process in accordance with EU standards (by introduction of areas such as public finance management and fight against corruption etc.) and commits special attention to harmonisation of PAR process with EU integration process. Also, it envisages line of concrete measures which should be implemented in different areas of PAR. The Action Plan 2013-16 is under preparation and should be finalized in the second half of 2014.

New strategy for public administration covers broader field known as public administration – state administration, local self-government and other forms of exercising public authority, while keeping continuity with the previously adopted principles of public administration reform. An attempt is being made that main reform directions, currently outlined in various strategies, are brought together within the scope of new PAR Strategy.

In the perspective, with the view of consolidating the strategic framework, in the case of the PAR sector the aim will be and the tendency is to maintain the PAR Strategy as the overarching sector framework strategy, with several focused vertical sub-sector strategies and action plans covering:

- Better governance - policy-making and coordination, impact assessment, regulatory reform, spatial data and official statistics;
- Public finance management - revenue collection, programme budgeting and execution, public procurement, control of state aids, PIFC and public debt management;
- Decentralisation – which will seek to determine the most appropriate level of the Government for the execution of competencies with the aim of providing the services as close as possible to the citizens and businesses with an optimal balance of quality, efficiency, costs and capacities;
- Accountable administration – Parliament and independent regulatory bodies;
- Professional training (as a cross-cutting theme).

The NAD 2014-1017 (with 2020 projections) presents basic document for applying the sector approach allowing for channelling of available external assistance funds through a comprehensive

framework for each sector. The national objective identified in NAD for this sector is to achieve standards of "Good Governance" by creating efficient, effective, transparent and professional public administration that fits the needs of the citizens and business and contributes to sustainable social and economic development of Serbia. It indicates that one of the priorities for PAR is "Enhancement of Efficiency and Effectiveness of Public Administration" aimed at organisational measures to improve the processes within the administration, stepping-up of decentralisation process, reducing public expenditure for administration, as well as the reduction of administrative burden for citizens and business.

Sector Lead Institution and Capacity

The sector lead institution (SLI) for the public administration reform sector (PAR) is the Ministry in charge of Public Administration and Local Self-Government. Although the sector is extremely diversified by nature, such role of a single institution – ministry in charge for PA stems out of its competences in coordinating preparation, implementation and monitoring of the PAR Strategy. However, where the assistance actions are clearly within the mandate of different line ministries/institutions, the SLI relies substantially on respective line institutions in all practical elements of planning, identification, formulation, contract management, reporting, etc., but maintains the coordinative role on the (PAR) sector level.

Sector budget and medium term perspective

A well-functioning public finance management (PFM) system should provide the basis for sustainable structural socio-economic reforms. In this sense, the Strategy Paper explains that the legal basis for a well-functioning public finance management system is generally in place, but implementation is lagging behind. The Law on the 2013 Budget of the Republic of Serbia introduced for the first time three-year capital expenditures budgeting, which will ensure better development project planning. In December 2013 the Parliament adopted a set of 11 financial Laws which follows the Budget for 2014 and the changes in the Budget System Law. The Strategy Paper states that there is a need for improvement a medium-term expenditure framework based on well-founded assumptions and targets. Performance indicators are not widely used.

The mid-term, sector-based, budgetary planning process in Serbia that could be used to develop mid-term expenditure frameworks across a whole sector is yet to be established. A major reform of the Serbian budgetary process will take place with the introduction of programme-based budgets (PBBs) for all direct budget beneficiaries from 2015 onwards. However, this reform aims to introduce strategic budget planning at the individual institutional level rather than at sectoral level. It will take several years yet before the PBB methodology can be used to develop mid-term sector budget planning. At present it is only possible to estimate sector budgets on the basis of individual annual budgets for the sector institutions and to gain a mid-term perspective by using the forward projections of these budgets made by government in the most recent Fiscal Strategy (*'Fiscal Strategy 2014 with projections for 2015-16'*).

Table 1 below, shows the annual budgets of the sector institutions over the period 2014-16. The figures for 2014 are taken from the *'Amended Budget Law of Republic of Serbia for 2014'*⁴ and show actual budgets for the sector lead institution and other sector institutions.

Table 1: Budget beneficiaries' expenditure ceilings, (in EUR) for the Public Administration Reform Sector

Institution	2014	2015	2016
Ministry of Public Administration and Local self-Government	6.136.254	-	-
Ministry of Finance	2.787.879.411	3.320.286.504	3.376.973.611
Republic Geodetic Authority	36.574.250	34.082.862	31.269.151
Republic Commission for the Protection of Rights	1.169.208	1.163.594	1.069.722

⁴ Adopted October 2014

in Public Procurement Procedures			
National Assembly	25.623.906	16.457.398	33.793.294
General Secretariat of the GoS	4.520.682	-	-
SEIO	4.774.478	-	-
HRMS	746.372	-	-
Audit Authority	236.827	-	-
State Audit Institution	4.305.690	7.170.455	8.929.405
Customs Administration	33.514.865	-	-
Tax Administration	86.907.912	-	-
Treasury Administration	22.267.189	-	-
Public debt Administration	4.554.685.421	-	-
E-governance Directorate	226.094	-	-
Budget fund for LSGs	89.487	-	-
Secretariat for Public Policies	408.367	-	-
Statistical Office of RS	9.405.387	6.609.740	6.041.706
Public Procurement Office	481,120	604,682	564,031
Administrative districts	4,026,069	-	-
Secretariat for legislation	654,815	678,032	604,746
Total	7,584,633,804		

* The amounts in the Budget for 2014 and in the Fiscal Strategy for 2015 and 2016 are presented in RSD. Amounts in the Table above have been converted at the following exchange rates: 118.8 RSD: 1 EUR for 2014, 123 RSD: 1 EUR for 2015 and 126 RSD: 1 EUR for 2016 (National Bank)

Sector and donor coordination

Inter-institutional cooperation and coordination as well as increased efficiency and effectiveness of international assistance in the PAR sector has been improved through establishing Sector Working Groups (SWGs) for all assistance sectors (8). PAR SWG includes representatives of the national sector institutions (ministries in charge for: public administration, finances, regional development, local self-government, telecommunications, economy and defence; also representatives of the National Assembly, National bank of Serbia, State Audit Institution, General Secretariat, Legislation Secretariat, Public procurement Office, the Review Commission and Body for Centralized procurement, Anti-corruption Agency, Gender Equality Administration, Republic Geodetic Authority, Statistical Office and the Human Resources Management Service; the representatives of the National Fund and the CFCU, the Standing Conference of Towns and Municipalities (as representative organisation of LSG), and the Lead Donor (EU)). In forthcoming period SWG will also include representatives of newly established Republic Secretariat for Public Policies. The Lead Donor represents the interests of all donors active in the PAR sector at the SWG meetings and takes part in consultation processes for analysing sector priority goals, measures and operations supported by EU funds and other international assistance.

According to the SWG's Rules of Procedure, SEIO is responsible for coordination and ensuring the efficient functioning of all activities of the SWG. Coordination and leadership of the SWG is supported by a Task force made up of representatives from the Sector Lead Institution, Lead donor and SEIO. The SWG is acting as Sectorial Monitoring Subcommittee. As a monitoring tool, the EU Delegation and NIPAC have also created monthly "bottleneck meetings" between DEU, NIPAC and line ministries to discuss the progress of IPA funded projects and to ensure their smooth implementation.

In order to enable more inclusive and transparent dialogue, consultation and communication with all relevant stakeholders in the PAR sectors, SEIO established a consultation mechanism with the Civil Society Organisations (CSOs). This mechanism is based on the consultative process with Sectorial Civil Society Organisations (SECOs) and serves as a platform that enables exchange of information and contribution of CSOs in relation to planning development assistance, particularly programming and monitoring of the Instrument for Pre-Accession Assistance (IPA).

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Project “Support to Public Administration Reform” started in May 2011 and was finished in May 2013. Total project value was 1 700 000 EUR financed from the European Union donation (IPA 2010). Project offered contribution to improvement of efficiency, effectiveness and liability of public administration of the Republic of Serbia in accordance with the Public Administration Reform Strategy in the Republic of Serbia and in accordance with the requirements of the European integration process. Project covered activities relating to the preparation of the PAR Strategy, improvement of strategic management, rationalisation of public administration and securing consistency of professional development of public servants.

In 2009 the SIDA funded Project “Support to the Strategy of Public Administration Reform in the Republic of Serbia – Second Phase” (1 850 000 EUR) provided supported for conduction of functional reviews in the Ministry of Public Administration and Local Self-Government and the Ministry of Foreign Affairs. Based on the experience gained in the implementation of the functional analyses in two pilot ministries, as well as previous experience in conducting functional analysis in the Republic of Serbia and other countries, proposal of methodology for functional analysis in the Serbian public administration bodies was developed, providing a basis for the implementation of similar initiatives in the future.

Project “Support to Public Administration Reform in the Republic of Serbia in the period from 2010 to 2013” started in January 2011 and it is planned to last until end of 2014. Total project value is 2 100 000 EUR financed from the Kingdom of Sweden donation (SIDA). Project has been implemented as a complementary one to the PAR IPA 2010 Project with more targeted interventions in undertaking vertical functional analyses in the Administration for Human and Minority Rights (administration within the Ministry of Human and Minority Rights, Public Administration and Local Self-Government), the Ministry of Justice and the Ministry of Environment, Mining and Spatial Planning (part environment). The outputs of the project should serve as the valuable elements in designing the analytical work for the first component of the IPA 2014 Action.

Towards the end of 2013, the MDTF-JSS started a Functional Review of the Justice Sector. The review focuses on the courts and the main institutions of the justice system in Serbia. The scope will include those aspects of the functioning of institutions that contribute to, or are an obstacle for, justice service delivery. Thus, the analysis will not provide entire functional reviews of the institutions per se but rather focus on the extent to which each of these institutions supports the delivery of justice services within their remit. Analysis is under finalization and will feed into IPA 2014 Action.

At the beginning of 2014, WB initiated consultations with the Ministry of Finance in regards to implementation of “Rightsizing” initiative. Aim of this initiative is to, in systematic manner, provide methodological and analytical basis for making decisions on optimisation/rationalisation of costs in selected PA sectors. The Ministry of Public Administration and Local Self-Government have stepped in, according to its new competencies regarding the system of salaries in public sector, into the ongoing consultations between the Ministry of Finance and the World Bank related to planning of scope of process through which this initiative should be realized. IPA 2014 Action proposed herewith is in the very core of this rightsizing endeavour.

The various SIGMA Assessments in 2013 find out there is not enough awareness of the need to support the programme budgeting with other public management reforms and that the costing of capital projects still remains weak. They point out the insufficient capacity for budget preparation and forecasting. They stress that there is not enough time in the current budgetary procedure for the National Assembly to properly review the budget submission, nor is their sufficient technical capacity

to do so. Overall, SIGMA emphasizes the need for improvement of the coherence between different strategies and policies.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
To support ongoing public administration reform efforts in order to establish an efficient, professional, accountable and fiscally responsible administration which provides high quality services to citizens and businesses.	- Positive evaluation of progress in implementation of Public Administration Reform process (NAD indicator);	- EC Progress Report; - Conclusions of the Special group for PAR in the scope of monitoring SAA implementation; - Reports on implementation of the NPAA.	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
To improve organisational and functional structures of the public administration system in accordance with the Strategy for Public Administration Reform	-WB Governance Effectiveness indicator for Serbia (index) (NAD indicator) - Targeted savings achieved within the selected sectors - PAR Action Plan implemented in accordance with the planned timeframe and including relevant indicators	-World Bank report - Annual Report on work of the Government, - Reports on the implementation of the PAR Strategy and Action Plan	- Comprehensive political commitment and support for the implementation of the PAR Strategy
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1 Implemented rightsizing exercise in several sub-systems of PA (Phase 2 of rightsizing) as a complementary measure to the substantial downsizing effort across the PA (phase 1 of rightsizing), to address priorities and measures identified in the PAR Strategy and the Action plan for its implementation</p> <p>Result 2 Change management and communications strategy implemented as a complementary measure to both Phase 1 and Phase 2 of rightsizing</p>	<p>- Functional reviews in selected sectors conducted with WB support -Recommendations deriving from functional reviews implemented. <i>Process indicators for result 1.1:</i> - Established Special working group under the auspices of the PAR Council to manage the rightsizing exercise across the PA established, - Adjusted WB methodology for conducting functional reviews in subsystems of the PA system which are selected to be covered with rightsizing initiative, - Provided methodological training to a team of civil servants in MPALSG, the Ministry of Finance and Secretariat for Public Policy and relevant line ministries, - Final reports on conducted functional reviews with recommendations prepared, - Rightsizing methodology for use in additional sub-systems of PA, in line with the PAR Council decision adopted, - Support to responsible PA bodies in implementation of the roadmaps provided; - Streamlined communication towards interested public facilitating the reform process <i>Process indicators for result 1.2:</i> - Comprehensive change management and communications strategy developed, - Communication campaign implemented in line with the communication strategy.</p>	<p>- Annual Reports on the work of the Government; - Reports on implementation, - Reports for IPA Sub-sector monitoring Committees (PAR sector monitoring reports); - ROM reports.</p>	<p>- Envisaged positive effects of rightsizing programs conducted in selected subsystems of PA system are achieved; - Reforms in the functioning of Socially Owned Enterprises (SOEs) are implemented in a complementary manner and mutually coordinated with PA rightsizing.</p>
ACTIVITIES	MEANS	OVERALL COST	ASSUMPTIONS

<p>Activities to achieve Result 1:</p> <ul style="list-style-type: none"> - Setting up of a special working group under the auspices of the PAR Council to manage the rightsizing exercise across the PA (1st month) - PAR Council decision on the allocation of responsibilities between stakeholders (2nd month) - Adjustment of the WB methodology for conducting functional reviews in subsystems of the PA system which are selected to be covered with rightsizing initiative (in cooperation with MPALSG and line ministries responsible for selected sectors) and integration of lessons learnt from functional review of the judiciary and its implementation stats (3rd month of Action implementation) ; - Methodological training provided to a team of civil servants in MPALSG, the Ministry of Finance and Secretariat for Public Policy and relevant line ministries, to enable them to participate in this and future functional reviews (with the training of trainers component) (3rd month of Action implementation) - Conducting comprehensive functional reviews in selected subsystems of the PA system, identification of preliminary findings and consultations with responsible line ministries; (9th month of Action implementation) - Preparation of final reports on conducted functional reviews with recommendations, ensuring active participation of MPALSG and responsible line ministries; (10th month of Action implementation) - Preparation of concrete roadmaps for implementation of recommendations deriving from final reports on functional reviews in selected subsystems of the PA system (which will, among other, contain measures related to improvement of organisational framework and distribution of tasks and responsibilities in the subsystems, organisation of working processes among and within PA bodies which comprise the subsystems and improvement of their organisational performance, reduction of costs through identification of possibilities for savings, optimisation of workforce, HRM and HRD aspects, etc.); (12th month of Action implementation) - Progress report prepared for PAR Council with recommendations on the roll-out of the rightsizing methodology to additional sub-systems not covered by this Action and PAR Council decision based on political feasibility (14th month of Action implementation); - Adaptation of the rightsizing methodology for use in additional sub-systems of PA, in line with the PAR Council decision (14th month of Action implementation); - Provide support to responsible PA bodies in implementation of the roadmaps (technical support in preparation/revision of relevant legislative pieces, preparation of additional analytical materials necessary for implementation of particular recommendations/measures, provision of support for implementation of recommendations related to HRM and HRD aspects in particular PA subsystems, assessment of the success of targeted subsystems of the PA system in implementing the recommendations, etc.). (implemented continually during the second year of Action implementation) <p>Activities to achieve Result 2:</p> <ul style="list-style-type: none"> - Review of international best practices on communication and change management in public sector reform and rightsizing/downsizing; (3rd month of Action implementation) - Development of a comprehensive change management and communications strategy in line with best practice; (6th month of Action implementation) - Implementing communication campaign in line with the strategy; (implemented continually from 6th month until the end of Action implementation) - Conducting workshops and seminars with public sector managers; (implemented continually during the second year of Action implementation) 	<ol style="list-style-type: none"> 1. Delegation Agreement with the WB for the implementation of activities under Results 1. and 2 2. 	<p>Total cost for the entire Action: 2 500 000 EUR IPA financing: 2 500 000 EUR</p>	<ul style="list-style-type: none"> - Strong political support to the implementation of rightsizing programs - Reform of SOEs proceeds in line with commitments taken by Serbian authorities - Existence and sustainability of institutional capacities to implement activities envisaged under this Action; - Availability of relevant information and data related to implementation of activities. - Close coordination, regular exchange of information and synchronisation in planning of activities between interlinked projects; - Institutions involved in rightsizing initiative actively participate in implementation of activities under the Action,
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<ul style="list-style-type: none"> - Conducting awareness raising workshops and other events to communicate planned support mechanisms for staff that is being let go (support measures will be implemented in parallel through other mechanisms); (implemented continually during the second year of Action implementation). - 			
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Pre-conditions for the implementation of the Action:

- Government decision/act on headcount reduction in the public administration in line with the Prime Minister's exposé adopted and under implementation (Phase 1 of Rightsizing).
- Law regulating salaries and wages in the public administration adopted.
- Action Plan for Implementation of PAR Strategy adopted.

ADDITIONAL DESCRIPTION

The overall objective of IPA 2014 for PAR sector is to support ongoing public administration reform efforts in order to establish professional, accountable and fiscally responsible administration which provides efficient services to citizens and businesses.

Specific objective of IPA 2014 PAR Action is:

- *To improve organisational and functional structures of the public administration system in accordance with the Strategy for Public Administration Reform;*

Achievement of this objective is in line particularly with the following Strategy Paper PAR sector objectives:

- To support Serbia's ongoing public administration reform efforts in order to establish a more professional, depoliticised, accountable and fiscally responsible administration, which provides services to citizens and businesses;
- To support Serbia becoming a functioning market economy by enhancing Serbia's economic policy and its governance.

Result 1: Implemented rightsizing program in selected sectors.

Restructuring of the public sector to improve efficiency and effectiveness of service delivery is at the core of the public sector reform. Restructuring implies numerous changes in organisational structures, job definitions, and staff levels. Currently, public administration system comprises a large number of agencies, organisations and government bodies. In addition, it appears in practice that a number of these bodies are acting in the same policy area often with overlapping responsibilities and tasks. All this leads to ineffective and inefficient performance of public administration, a disproportionately large number of employees in certain organs, organisations and bodies, inadequate use of resources and unnecessary high costs of public administration, low quality of services delivered to citizens and business, as well as to legal uncertainty.

Strategy of Public Administration Reform, which was adopted in January 2014, particularly emphasizes need for undertaking comprehensive analysis within public administration system with an objective to identify necessary jobs and tasks and avoid overlapping of responsibilities in order to create basis for establishment of optimal organisation of tasks, functions and organisations in whole system. Action Plan for the Implementation of the Public Administration Reform Strategy, which is under finalisation, contains a set of logically connected activities and measures related to the implementation of analysis in public administration system, for which functional reviews have been identified as a primary instrument. In regards to that, the rightsizing initiative represents direct answer on priorities and measures identified in the Strategy and the Action plan for its implementation.

In the second half of 2014 MPALSG in cooperation with the Ministry of Finance and the WB intends to initiate implementation of the rightsizing initiative in the public administration system. The implementation of this initiative is envisaged in two phases.

Phase 1 of rightsizing will target the entire public administration system and will be more focused on downsizing due to the fiscal pressures that the Government is under. However, its objective is to ensure that staff reductions across the PA are not done across-the-board and to ensure that no damage is done to the provision of services to businesses and citizens. It will proceed through preparation of envelopes for the individual parts of the PA system (health, education, culture, judiciary, etc.) based on the budget constraints, within which targets for staff reduction will be made in time to inform the preparation of the 2015 budget. Implementation of these targets will proceed in 2015 so as to best align with the progress of the rightsizing project (this action), with the view to ensure timely adjustments in the PA subsystems so as to ensure smooth delivery of services to citizens and businesses.

Additionally, Phase 1 of rightsizing will entail a systemic review of the entire PA system ("general government" in WB terminology, without entering the details of the specific sub-systems), to identify

main inconsistencies in the organisational forms, relations between different types of organisational forms as well as to identify redundant/obsolete institutions, which could be closed. This will provide an overall analytical review of the existing PA employees and skill mix by sector for the entire PA (excluding public enterprises and SOEs), as well as benchmarking to new EU member states, including staffing norms ratios for specific sub-systems. This analysis will be used as the basis to confirm the selection of sectors/sub-systems which will undergo “deep-dive” functional reviews in Phase 2 of rightsizing. Selection will be undertaken on the basis of criteria identified among involved stakeholders after finalisation of previous analysis. Criteria for this selection may, among other, include: size of the sub-systems in terms of employment (largest employers will be prioritised), discrepancies in key indicators in the context of international comparisons made with peer countries (especially new EU member states) and with regards to the needs/requirements of the EU accession process, political agreement with regards to reforms of the specific sub-systems (e.g. reforms of security sectors might prove to be politically difficult to agree on), etc.

Support to the Ministry in this phase will be two-fold:

- EU assistance provided through a framework contract (FWC) funded under IPA 2012 will be organised to fully support the systemic review and staff reduction targeting within sub-systems of PA based on existing analyses/reports, as well as to help define guidelines for ensuring transparent and targeted downsizing.
- WB will provide 1 expert to assist the MPALSG in methodological guidance to the FWC project, in order to ensure linkage to the WB methodological approaches and create a “bridge” between Phase 1 and Phase 2 of rightsizing.

Phase 2 of rightsizing would be implemented with EU support, from the IPA 2014 portfolio, with the understanding that implementation would proceed through a direct grant to the World Bank and should start in spring 2015. WB involvement is beneficial in order to ensure continuity in the work already initiated as well as to ensure maximum use of the wide international expertise possessed by the Bank in this area. Based on analyses done in the previous phase, this phase would proceed through functional reviews of selected sub-systems of PA system, based on the results of the analytical review and selection criteria prepared in Phase 1. Already now, on the basis of assessments undertaken in the previous period it can be expected that certain subsystems will deserve special attention, such as state administration (enlarged to include agencies of all types - arms’ length bodies, and specific executive institutions such as the National Employment Service), local self-government (including indirect LSG budget beneficiaries – agencies and other entities – but excluding Public Utility Companies), health and education⁵. The analyses done in Phase 1 will, however, provide the evidence-base for the choice of sub-systems to undergo deep-dive reviews and might cause a change in the final choice of subsystems, however without excluding the state administration sub-system.

The functional reviews will pay special attention to the requirements of the EU accession process, in order to ensure that as a result of the reviews these parts of the PA are better equipped to respond to the challenges of transposition of EU legislation, implementation of specifically demanding aspects of the acquis, programme and implement IPA, etc.

In addition to achieving additional staff reductions where possible, focus in the methodology will be placed on increasing efficiency and performance in all targeted sub-systems. It will contain measures related to improvement of organisational framework and distribution of tasks and responsibilities in the sub-systems, organisation of working processes among and within PA bodies which comprise the sub-systems and improvement of their organisational performance, reduction of costs through identification of possibilities for savings, optimisation of workforce, HRM and HRD aspects, etc. All recommendations related to performance management within the sectors will be linked to the programme budget methodology and will strive to improve the quality of its implementation. Whereas the methodology applied in the judiciary functional review (FR) will be considered as a starting point, it will be adapted to better respond to the stronger emphasis on identifying redundancies in the targeted sub-systems; additionally, adaptations for the specific sub-systems will

⁵ It should be noted that the overall number of employees in mentioned parts of the PA system is close to 500 000.

be made so as to ensure that the methodological approaches for each of them corresponds to the specific needs and aspects of inefficiencies which need to be addressed (i.e. the chief focus in the education sector might be on the need to rationalise the schools network, whereas in the local government sector it might be on the redefining of the working processes).

As a support measure, assistance will be provided to the development of legislative framework, where needed, to enable the execution of the implementation plans, as well as the assistance in the implementation of the transition from the existing to the new structures envisaged by implementation plans (developing performance indicators for measuring reform progress and results, targeted advisory support to implement the reform). Assessment of the success of targeted sectors in implementing the recommendations will be done in the budgetary cycle for 2016, with recommendations for improvements in the 2017 budgetary cycle.

Each sector assessment would require a team of experts (sector specialists, lawyers, finance, and HR specialists as well as EU law and policy experts where appropriate). Task Forces (TFs) are envisaged to combine desk research (a review of existing structure, current legislation and internal documentation, etc.) and field work (survey of existing practices, functions, performances of different parts of selected sectors, etc.). The exact composition of the TFs with regards to involvement of representatives of the relevant PA bodies will be defined as part of the development of the FR methodologies, although it is understood that such involvement is necessary to ensure access of TFs to data, interviews, etc. MPALSG will closely cooperate with the Ministry of Finance in all phases of these reforms. For the involvement of other relevant line ministries, the structures for implementation and monitoring of public administration reform will be utilised (PAR Council, College of State Secretaries, PAR Implementation Inter-ministerial Special Group as well as the PAR Implementation Unit within the MPALSG). The steering role of the PAR Council, presided over by the Prime Minister (with the Deputy Prime Minister, also in charge of Public Administration and Local Self-Government in presiding the Council), is paramount in order to secure and maintain full political support and commitment of all relevant members of government during the entire rightsizing exercise. More focused working groups for the implementation of specific activities will be created as necessary under the auspices of the PAR Council, such as for the regulation of salary grids for public services and/or rightsizing of specific parts of the public administration.

Result 2: Change management and communications strategy implemented

Implementation of the change management needs to be accompanied by the communication strategy supporting the rightsizing process and facilitating a transition from the existing to the new structures and anticipated discussions with various stakeholder groups, above all trade unions. The activities to perform in order to achieve this result may include review of international best practices on communication and change management in public sector reform and rightsizing/downsizing, development of comprehensive change management and communications strategy in line with best practice, its implementation through communication campaign, conduction of workshops and seminars with public sector managers, and awareness raising workshops and other events to communicate planned support mechanisms for staff that is being let go.

All of the activities envisaged under this Component are reflected in the Draft Action Plan for Implementation of Public Administration Reform.

MAIN ASSUMPTIONS AND PRECONDITIONS

The **main assumptions** that should be considered are:

- Comprehensive political commitment and support for the implementation of the PAR Strategy;
- Strong political support to the implementation of rightsizing;
- Reform of Socially Owned Enterprises (SOEs) proceeds in line with commitments taken by Serbian authorities;
- Existence and sustainability of institutional capacities to implement activities envisaged under this Action;
- Availability of relevant information and data related to implementation of activities.

- Close coordination, regular exchange of information and synchronisation in planning of activities between interlinked projects;
- Institutions involved in rightsizing initiative actively participate in implementation of activities under the Action;

For the implementation of the Action, there are following **pre-conditions** fulfilment of which is upon the national administration:

- Government decision/act on headcount reduction in the public administration in line with the Prime Minister's exposé adopted and under implementation (Phase 1 of Rightsizing) (component 1);
- Law regulating salaries and wages in the public administration adopted (component 1);
- Action Plan for Implementation of PAR Strategy adopted (component 1).

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

This Action Document under IPA II assistance was prepared and will be implemented and managed in accordance with provision of respective legislation, implementing and operating agreements and procedures.

In the context of the institutional framework for Public administration reform sector, the following institutions have been responsible for programming, implementation, monitoring and evaluation of the interventions foreseen under this actions document: the Ministry in charge of public administration reform and local self-government as well as SEIO as a NIPAC TS/Body responsible for coordination of programming, monitoring and evaluation (BCPME).

Other bodies and actors such as the CFCU as a Contracting Authority, NAO SO, NF, and EU Delegation have specific roles in the programming and implementation process in line with respective legislation and procedures and depending on the determined modality of implementation (Direct vs. Indirect).

The final beneficiary of the Action is Ministry in charge of Public Administration and Local Self-Government, which is also the final recipient of this support. This ministry will be directly responsible as the main institutional stakeholder for the implementation of the results under the proposed Action. Ministry of Finance (MoF) will have important role and responsibility in the drafting and endorsement of the Delegation agreement with the WB, especially for the result 1. Additionally, in the course of the Action, relevant line ministries for the sectors covered by the rightsizing programs will be involved and consulted through formally established consultation mechanisms as part of PAR implementation structures (College of State Secretaries and an inter - ministerial Special Group), led by the Ministry in charge of Public Administration and Local Self-Government. To ensure smooth implementation of the Action, steering committee shall be established in line with monitoring provisions and requirements under direct management. Committee is expected to be of a broader nature and can include as appropriate the representatives of all stakeholders who are deemed to have capacity and competences to contribute to the realisation of activities.

World Bank represents the recipient of support since in line with implementation arrangement which is envisaged in case of this intervention the implementation is delegated to it by Delegation agreement.

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

Ministry in charge of public administration and local self-government is responsible for the implementation of activities to achieve the project results. Both results 1 and 2 will be implemented through Delegation Agreement with the WB. The World Bank has participated in the previous period in the assessments of the PA system in Serbia. A close cooperation has been established with the MoF, and preparatory analyses and reports have been developed, according to which, draft plan of the activities on this Action has been elaborated. The engagement of the World

Bank in this Action is of the crucial importance given its familiarity with the PA system in Serbia as well as in other neighbouring countries, new member states and countries with traditionally similar PA systems. The World Bank possesses wide experience in development and implementation of the rightsizing programs and is therefore recognized as the most suitable implementing partner for the activities envisaged under this Action. The overall budget of the intervention amount € 2,5 million, and no co-financing has been envisaged.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

Monitoring of the progress in implementation of actions will be done in accordance with the respective rules and procedures for monitoring under indirect/ delegation agreement management mode (IMDA with WB) management mode.

IPA II monitoring process is organized and led by the EU Delegation and NIPAC TS. Monitoring process is aimed to improve programming, implementation and sustainability as well as timely identification, remedying and alleviation of potential issues in the process of programming and implementation of Actions

In line with institutional set up in Public administration reform sector, monitoring and reporting on activities foreseen under this Action document will be organised and performed within the monitoring framework elaborated above and through the structure and roles described under sections 2. Roles and responsibilities and 3. Implementation method and type of financing.

So as to avoid duplication of monitoring systems, the system of NAD indicators and indicators of Strategy/Action plan for public administration reform were used for the preparation of the Action, thus allowing harmonization of PAF with the monitoring provisions defined by the procedures.

INDICATOR MEASUREMENT

Indicator	Description	Baseline (year)	Last (year)	Milestone 2017	Target 2020	Source of information
STRATEGY PAPER indicators						
Action outcome indicator 1 Positive evaluation of progress in implementation of Public Administration Reform Process	Indicator used in the NAD	<i>N/A</i>	<i>N/A</i>	<i>YES</i>	<i>YES</i>	- EC Progress Report; - Conclusions of the Special group for PAR in the scope of monitoring SAA implementation; - Reports on implementation of the NPAA.
Action outcome indicator 2: WB Governance Effectiveness indicator for Serbia	Indicator measured regularly by WB Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies; Measurement is expressed as percentile rank (P-rank), on the scale: 1 (Worst) – 100 (Best)	(2011) 53	(2012) 51	 51-53 ⁶	 56-58	WB report
Action outcome indicator 3 Targeted savings achieved within the selected sectors	Savings are expected to occur first with the downsizing and the subsequent rightsizing interventions in year 2014 and afterwards. Achievements shall be measured against targets which are yet to be set for the selected sectors.	<i>N/A</i>	<i>N/A</i>	<i>YES</i>	<i>YES</i>	- Annual Report on work of the Government
Action outcome indicator 4 PAR Action Plan implemented in accordance with the planned timeframe and including relevant indicators	Adoption of the Action Plan will take place in year 2014; Measurement is formulated as the overall assessment of the implementation of PAR AP which will be outlined in respective reports	<i>N/A</i>	<i>N/A</i>	<i>YES</i> ⁷	<i>YES</i>	- Reports on the implementation of the PAR Strategy and Action Plan
Action output indicator 1 Functional reviews in all selected sectors conducted with WB support		<i>N/A</i>	<i>N/A</i>	<i>YES</i> ⁸	<i>YES</i>	- Annual Reports on the work of the Government; - Reports on implementation, - Reports for IPA Sub-sector monitoring Committees
Action output indicator 2 Recommendations deriving from functional reviews implemented		<i>N/A</i>	<i>N/A</i>	<i>YES</i> ⁹	<i>YES</i>	
Action output indicator 3		<i>N/A</i>	<i>N/A</i>	<i>YES</i>	<i>YES</i>	

⁶ Milestone for year 2017 is based on the estimate of the values of indicators available in years 2016-2017. The same logic applies also for the targeted value of the indicator for 2020.

⁷ Action Plan for the Implementation of the Strategy for Public Administration Reform covers period from 2014 till 2016.

⁸ Functional analysis conducted within this Action will be finalized by the end of 2015.

⁹ Recommendations from conducted functional analysis will be implemented by the end of 2016.

Indicator	Description	Baseline (year)	Last (year)	Milestone 2017	Target 2020	Source of information
Streamlined communication towards interested public facilitating the reform process						(PAR sector monitoring reports); - ROM reports.
Process indicator for results 1 and 2 - Established Special working group under the auspices of the PAR Council to manage the rightsizing exercise across the PA established, - Adjusted WB methodology for conducting functional reviews in subsystems of the PA system which are selected to be covered with rightsizing initiative, - Provided methodological training to a team of civil servants in MPALSG, the Ministry of Finance and Secretariat for Public Policy and relevant line ministries, - Final reports on conducted functional reviews with recommendations prepared, - Rightsizing methodology for use in additional sub-systems of PA, in line with the PAR Council decision adopted, - Support to responsible PA bodies in implementation of the roadmaps provided; - Comprehensive change management and communications strategy developed, - Communication campaign implemented in line with the communication strategy.	<u>Process indicators are based on the activities envisaged for the achievement of results 1.1 and 1.2</u>	N/A	N/A	YES	YES	- Annual Reports on the work of the Government; - Reports on PAR implementation, - Reports for IPA Sub-sector monitoring Committees (PAR sector monitoring reports); - ROM reports.
		N/A	N/A	YES	YES	
		N/A	N/A	YES	YES	
		N/A	N/A	YES	YES	
		N/A	N/A	YES	YES	
		N/A	N/A	YES	YES	
		N/A	N/A	YES	YES	

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

5. CROSS-CUTTING ISSUES

Cross-cutting issues will be addressed throughout the Action, so to ensure that those horizontal issues are appropriately mainstreamed whenever applicable in the envisaged activities. For the reference, best practices and EU standards would be used, but also the national strategies and legislation reflecting such standards and requirements as incorporated into domestic system.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

By their nature the activities envisaged for the PAR Action do not imply direct and major impact to environmental issues, but will however be implemented in a manner which is environmentally friendly e.g. to insist on reduction of the paperwork whenever possible and use electronic communication tools.

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

According to already established practice, the concept of work within PAR Sector working group allowed for verification on the usefulness and timeliness of the action by relevant stakeholders from the Government, Donor Community and CSO's. In particular, when it comes to CSOs, their direct association is ensured via the mechanism of representation through Sectorial Civic Society Organisations (SECOs or SCSOs) while also the involvement of the Government Office for Cooperation with civil society in the work of the PAR SWG contributed to verification of the relevance of proposed Action. Therefore, the inputs have been provided on the ongoing consultations with civil society concerning the drafting of the National Strategy for an Enabling Environment for Civil Society Development in the Republic of Serbia.

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

Observance of equal opportunities and non-discrimination is promoted in the majority of strategic documents defining the PAR sector. This principle is to be applied throughout action plans and activities undertaken by public administration at all levels. Enforcement of those principles is ensured through specific administrative procedures applied in accordance with the Law on non-discrimination. In the implementation of activities under this Action, the same principles shall apply, so that participation in the envisaged activities will be guaranteed on the basis of equal access regardless of sex, ethnic origin, religion or belief, disability, age, etc. Gender equality incentives will be incorporated particularly in activities concerning capacity building.

MINORITIES AND VULNERABLE GROUPS

This Action will, in line with the principle of equal opportunity, fully promote inclusion of minority and vulnerable groups as a general principle. Sensitivity towards minorities and vulnerable groups, where meaningful, should be reflected in the improved provision of public services.

6. SUSTAINABILITY

The sustainability of the PAR Action objectives and results for IPA 2014 support is given by the fact that all envisaged activities are deeply rooted within the mainstream of the overall PA reform currently undergoing in the country, and are backed up by the relevant legislation which implies the commitment of the Government.

Sustainability of intervention relies on purpose of intended result. It can be argued that the public sector is always prone to overstaffing and overcompensation. Governments, unlike private firms, do not have to operate efficiently in order to stay in business. They support themselves through taxes. Right sizing of the PA is therefore, in the context of the high fiscal deficit, a measure which will contribute to the sustainability and, combined with the performance indicators, to the effectiveness and efficiency of the PA. Right sizing of sectors and sub-sectors of the PA is thus aimed at providing their sustainability.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action.

The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions.

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

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

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

Implementation of each result within the scope of this Action shall be designed taking into consideration the applicable rules on the visibility of external action laid down and published in the "EU guidelines on visibility" available on: http://ec.europa.eu/europeaid/work/visibility/index_en.htm. Likewise, communication shall be aligned with requirements of the relevant manual of procedures concerning communication.

Standard formats will be used in press conferences (presentations or similar events), workshops, invitation for the events, etc., in a manner to ensure communicating to a broader public the fact that the sector support is funded by the EU and to promote best practices and achieved results. The potential outreach of the Action is very extensive and also the participation of variety of subjects from the public sector and business community (state owned enterprises, etc.). All materials for the participants of trainings, presentations and workshops will contain designed promotional features and the same will be presented on posters on the occasion of such events.

During the implementation of the Action, all the beneficiary institutions shall upload at their respective web-sites background information on advancement of activities, again marked with the standard EU visibility signs and adjusted as per the poster design solution. The SEIO Aid Matters newsletter (<http://www.evropa.gov.rs/Evropa/PublicSite/TrainingsAndPublications.aspx>) shall also inform the public on major developments and on examples of good practices obtained through the IPA 2014 PAR Action.