Republic of Serbia  
Ministry of Agriculture and Environmental Protection

**Program**: IPA 2012

**Partner Country**: Serbia

**Area of Cooperation**: Agriculture

**TWINNING LIGHT PROJECT FICHE**

Assistance to the Managing Authority of the Serbian MAEP in negotiation and accreditation of the IPARD 2014-2020 Program

Project budget (EU Contribution): **230,000,00 EUR**
1. **Basic Information**

1.1 Program: IPA 2012

1.2 Twinning Number: 12SER01/11/71

1.3 Title: Assistance to the Managing Authority of the Serbian MAEP in negotiation and accreditation of the IPARD 2014-2020 Program

1.4 Sector: Agriculture

1.5 Beneficiary Country: Republic of Serbia

2. **Objectives**

2.1 Overall Objective(s):

Assist the preparation of the Serbian Agriculture and Rural Development Sector for the implementation of the EU’s Common Agricultural Policy (CAP)

2.2 Project purpose:

To strengthen the institutional capacities of the Managing Authority of the Serbian MAEP in order to implement the Rural Development component of the Instrument for Pre-Accession (IPARD) [Council Regulation (EC) No 1305/2014.

2.3 Contribution to National Development Plan/ Cooperation Agreement/ Association Agreement/ Action Plan:

**EU Accession Strategy** and the **Strategy for Agriculture and Rural Development 2014-2024** identify the need for development and diversification of the rural economy.

The higher incidence of poverty is caused by resource-poor farming structures (especially in central and south-Serbia), a lack of alternative off-farm or on-farm non-agricultural gainful activities and the rural population’s limited access to social (health-care, schooling, etc.) and recreational services. These limited income earning and consumption opportunities in turn exacerbate the out-migration of the younger and more educated who leave behind them the elderly and less educated who have lower levels of employment mobility.

To break this vicious circle, the authors of the Poverty Reduction Strategy Program proposed the preparation of a national rural development plan focused upon supporting investment in rural areas, assisting rural communities to take advantage of local comparative advantage, and raising non-agricultural employment. It was noted that social and environmental issues as well as economic ones would need to be taken into account and that there would need to be a joined-up response of the Government, the active involvement of decentralized authorities, and the engagement of social and economic partners and civil society.

The **2006-2012 Action Plan** for the implementation of the **National Strategy of Economic**
Development of Serbia identifies the need to establish a Program for Rural Development to be funded from national funds and donor contributions as well as the need to establish the required payment systems.

The National Rural Development Program for 2015 – 2020, is in the process of preparation, and should be adopted at government level till the end of 2014. It represents the complementary program for rural development to IPARD II Program and defines the following strategic goals for the sector (i) Improving the competitiveness of the agricultural, forestry and food sectors; (ii) Environment protection, conservation and improvement in accordance to the sustainable rural development policies; (iii) Preparation and promotion of local rural development initiatives and strategies for improving the competitiveness and the life quality in rural areas; and (iv) Improving the life quality of the rural population through increasing the possibilities for economic activity expansion, both in the agricultural production and processing areas as well as in the non-agricultural economy.

Serbia’s Agricultural Strategy for Agriculture and rural development 2014-2024 commits the country to the process of accession to the EU, and underlines that the Serbia must prepare for and adopt the support systems of the Common Agricultural Policy. It foresees a gradual process of decoupling support from production, so that government policy becomes only a minor factor in the farmer’s choice of what to produce, and agriculture may truly be said to be operating in a free market economy.

The National Agriculture and Rural Development Strategy (NARDS) of the Republic of Serbia for the period 2014-2024 are based on the following vision for development of agriculture and rural areas in Serbia:

Efficient and innovative agri food sector based on knowledge, modern technologies and standards, offering high quality products to domestic and foreign markets, and sustainable development of the natural resources, environment and cultural heritage of the rural areas, providing economic activities and employment opportunities and quality of life for young people and other rural population.

In accordance with the vision of the Strategy, the following strategic development goals are defined:

- Increase of the production growth and producers’ income stability;
- Competitiveness improvement with adjustments to requirements of the domestic and international markets and with technological and technical improvement of the sector;
- Sustainable resources management and environment protection;
- Improvement of the quality of life in rural areas and poverty reduction;
- Efficient public policy management and institutional framework improvement for agricultural and rural areas development.

To achieve these strategic development goals the following policy principles have been defined

- Agricultural and rural development policy should be oriented to the above goals
- Adoption and full overtaking of the acquis communautaire should be assured and
- Institutional reforms with regard to efficient policy management and building capacities for implementation of EU CAP – policies should be implemented.

As a result of the situation analysis and perceived internal and external challenges the sector is facing the following priorities for intervention have been selected:

✔ Stabilization of income in agriculture
Increased financing of agriculture and rural development and risk management;
Efficient land management and improved accessibility of the land resources;
Improved physical resources;
Improvement of the knowledge transfer system and human resources development;
Adaptation to and mitigation of the climate changes effects;
Technology development and modernization of the agricultural production and processing;
Market chains development and logistic support to the sector;
Protection and improvement of environment and preserving of the natural resources;
Preserving of agriculture, human and natural resources in the areas with limited conditions for agriculture;
Diversification of the rural economy and preserving of the cultural and natural heritage;
Improvement of the geographical structure and strengthening of the social capital;
Modernization and adjustment of institutions and legal framework;
Improvement of the products quality and safety;

In order to achieve the strategic goals the following policy interventions have been defined:

- Direct payments and market and price support interventions, related to income support of the farmers
- Rural development interventions, financed under the IPARD II Program and under the national support schemes.
- Support to general services, including veterinary and plants protection.
- Institutional development and capacity building

The Strategy for Balanced Regional Development, adopted by the government in January 2007, is also important because it is the first document that attempts to tackle the issues specific to the development of the regions. The Strategy broadly encompasses the development priorities and interventions aimed at building overall development capacity, reducing disparities and building the potential of poorer parts of the country to compete. It also sets out a coherent unified policy and legal framework for regional development as well as a strategy for building the institutional framework.

The European Partnership with Serbia (including Kosovo) of 18 February 2006 (2008/213/EC) identifies the strengthening of the Serbian administrative capacity to formulate and implement agricultural and rural development policies as an on-going priority both as short term and medium term priority.

Stabilization and Association Agreement (SAA): Agriculture and the agro-industrial sector cooperation between the parties shall be developed in all priority areas related to the Community acquis in the field of agriculture, as well as veterinary and phyto-sanitary domains. Cooperation shall notably aim at modernizing and restructuring the agriculture and agro-industrial sector, in particular to reach community sanitary requirements, to improve water management and rural development as well as to develop the forestry sector in Serbia and at supporting the gradual approximation of Serbian legislation and practices to the Community rules and standards.

Country Strategy Paper:

The Country Strategy Paper (CSP) sets out the priorities for EU financial assistance for the period 2014-2020 to support Serbia on its path to accession. It translates the political
priorities as defined in the enlargement strategy and the most recent annual Progress Reports into key areas where financial assistance is most useful to meet the accession criteria. Agriculture and Rural development are one of the priority policy areas to be supported under IPA II in the period 2014-2020.

The objective of EU assistance is to support alignment of the Serbian agricultural policy with the Common Agricultural Policy (CAP), to contribute to a competitive, sustainable and efficient agriculture sector while maintaining vibrant rural communities, and to improve food safety, veterinary and phytosanitary policies as well as plant and animal health. The expected results are the following:

- The Serbian agriculture policy is gradually aligned with the EU *acquis*, including the establishment of the structures and systems necessary for implementation of the CAP;
- Competitiveness of the Serbian agricultural sector is improved through modernisation of agri-food establishments to meet the EU environmental, food safety and other relevant standards;
- Territorial development is balanced in rural areas, including diversification of economic activities and investments in rural infrastructure;
- Food safety is improved in line with the EU standards;
- Veterinary and phytosanitary services and controls are implemented in line with the EU requirements; and
- Animal health is improved through eradication of diseases and/or better control of brucellosis, bovine leucosis and tuberculosis, rabies and classical swine fever.

Support will be provided for implementation of the new agriculture sector strategy, legislative reforms and structural adjustments necessary for Serbia to assume the obligations of the EU membership. Support will be provided to measures enabling growth and development in agricultural production and processing and aimed at ensuring a competitive, sustainable and efficient agricultural sector. Capacity building activities will contribute to adaptation of the policy support to farmers in line with the CAP principles. Support will be provided for establishment of the structures and systems necessary for the implementation of the CAP.

IPA assistance will be provided under two strands: institutional and capacity-building and a 7-year rural development programme (IPARD).

3. **Description**

3.1 **Background and justification**

**Introduction**

**Relevant country background**

The Republic of Serbia is located at the crossroads of Central and Southeast Europe and is the central part of the Balkans, spreading over an area of 77,474km$^2$. Its population is 7,186,862 (the population of Serbia is predominantly made up of ethnic Serbs - 5,988,150 or 83.32% with significant minorities of Hungarians around 253,899 persons or 3.53% of the

---

1 This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and ICJ advisory opinion on the Kosovo declaration of independence.
total population, Roma 147,604 or 2.05% of the population, Bosniaks 145,278 or 2.02% of the total population), with 1,576,000 living in Belgrade. Life expectancy at birth is 72, much lower than the EU average of 79.4.

Serbia - along with 5 other Western Balkans countries – was identified as a potential candidate for EU membership during the Thessaloniki European Council summit in 2003. In 2008, a European partnership for Serbia was adopted, setting out priorities for the country's membership application, and in 2009 it formally applied. In 2010, the process to ratify the Stabilization and Association Agreement began, and the European Council granted Serbia the status of candidate country on 1 March 2012, on the basis of the Commission Opinion on Serbia's membership application adopted on 12 October 2011. In December 2013, the heads of the European Union states or governments confirmed the decision of the Council of Ministers to start membership negotiations with Serbia. The first intergovernmental conference took place on 21 January 2014, opening Serbia's EU accession negotiations. The negotiations will be based on the general Negotiating Framework adopted by the Council in December 2013, with particular focus on the chapters on judiciary and fundamental rights, and on justice, freedom and security.

**Relevant Sector Background**

Agriculture accounts for approximately 10% of Serbian GDP. The sector employs 21% of the country's work force and contributes 23.7% to exports. Trade in Agriculture & Food products generates a surplus of close to €1 billion p.a. - of which approx. 50% with the EU. 60% are generated by crops and close to 40% by livestock production. Field crops account for 50% of value of agricultural produce and dominate exports. 70% of the agricultural land is arable and 29% meadows and pastures.

Farm size distribution is heterogeneous. 631,522 agricultural households in Serbia use 3,437 million hectares of agricultural land and have an average holding size of 5.44ha. 0.4% of holdings are owned by legal entities farming 16% of the agricultural area with an average size of 210ha per holding.

Productivity in both crop and livestock production is in most instances well below EU averages and estimated to be significantly below potential. A significant part of EU standards pertaining to plant and animal production as well as to food processing has been transposed into Serbian legislation. Implementation remains a challenge. Income diversification of farm households into quality guaranteeing production such as organic production, Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI) etc. is in its early stages.

The Serbian 2014-2024 Agriculture & Rural Development Strategy maps out the vision of the government as regards the future orientation it follows the principles of the EU's Common Agricultural Policy towards 2020. It foresees that "the agriculture in Serbia should be a sector whose development is based on knowledge, modern technologies and standards, that offers innovative products to domestic and demanding foreign markets, and that enables the producers to have a stable and sustainable income; the natural resources, environment and cultural heritage of the rural areas are being managed in accordance with sustainable development principles, in order to make the rural areas attractive places for living and work for young people and other rural population."

**IPARD II Program and preparation for Accreditation/Entrustment of budgetary**
implementation tasks

Under the preparations for the use of available IPA funds for rural development (IPARD) the management and control systems were established in the Ministry for Agriculture and Environmental Protection (MAEP), as well as the operational structure. Directorate for Agrarian Payments was founded (2009) as a body within the Ministry with the function of IPARD implementing agency and a future CAP payment agency.

Additionally the separate organizational unit has been established, namely the Rural Development Department, to be the Managing Authority of the IPARD Program, responsible for the use and programming of the EU pre-accession funds for rural development (IPARD).

Within the Department for Rural Development there is an operational Division for programing and promotion of Rural Development with 7 permanent employees, while it is envisaged to engage additional 14 employees, in the coming period.

At the end of 2013 the MA initiated elaboration of IPARD II Program for 2014 to 2020. Till the end of July 2014, with support of Twinning light project SR/2013/IB/AG/01TWL it managed to prepare the first Draft of IPARD Program with included ex-ante evaluation. It is foreseen that till the end of July, the MA sends the Draft IPARDII to DGAGRI and waits for the result of the Inter Service Consultation Process (ISC). Program contains the following measures in the first package for accreditation:

- Investments in physical assets of agricultural holdings;
- Investments in physical assets concerning processing and marketing of agricultural and fishery products;
- Farm diversification and business development;
- Technical assistance,

Selected measures, planned to start in 2017, are:

- Implementation of local development strategies – Leader approach;
- Agri-environment – climate and organic farming

The Framework Agreement\(^2\) and more specifically the Sectoral Agreement (SA) to be concluded between Serbia and the European Union are setting out the further detailed rules for the implementation and management of the IPARD Program in Serbia.

In line with Art.10 and Art 55 of the Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 an IPARD Operating structure has been established.

---

\(^2\) On 29 November 2007 a Framework Agreement was concluded between the Government of the Republic of Serbia and the Commission of the European Communities on the rules for co-operation concerning Community financial assistance to the Republic of Serbia and the implementation of the assistance under IPA.
With a Decision of the Government of the Republic of Serbia N 48-200/2014 from 10 of January 2014 the Ministry of Agriculture and Environmental Protection has been designated as Operating structure for the implementation of the IPA for rural development. Within the MAEP, the Department for Rural Development has been designated for IPARD MA, while the Directorate for Payments is designated as IPARD Agency. Both institutions are in the process of preparation for national accreditation.

**Justification and scope for this contract**

The previous Twinning light project (SR/2013/IB/AG/01TWL), which supported the MA in preparation of the first Draft of IPARD II program, ended in July 2014. The project cannot be further extended to accompany the critical upcoming self-assessment and national accreditation process linked to IPARD II. Long term Twinning Assistance to the IPARD operating structures is foreseen to commence by mid-2015. This leaves the MA without any expert support in the most critical period for negotiation of the Program, trainings and accreditation. Further short term external assistance is therefore required to support the beneficiary in the continuation of work towards achievements of these goals in the new financial perspective.

This Twinning light project shall therefore focus assistance to the MAEP to go through official negotiation of the IPARD 2014-2020 Program with assistance in taking position to comments coming from the inter service consultations in the Commission and further adoption of the IPARD II in consequence. Project will also start the preparation of measures to be included in a further step in Programming document (analysis, fact finding and discussions with stakeholders).

In order to prepare for accreditation, the MA will need to increase the training activities of the staff and elaboration of additional documents and processes needed for self-assessment and accreditation. Project will help in capacity building of the MA and negotiation of the IPARD program with EU Commission in the period before the beginning of IPA 2012 Twinning project which is going to provide more sustainable and a longer term support in the whole process of accreditation of the Program and implementing structures of the MA. Project will secure further assistance to MA during the accreditation process, including reaction on comments of external assessment to Accreditation Package.

Additionally, the project will assist in setting up of Standing Working Group (SWG) with MA, IPARD Agency staff, and related technical bodies, in elaboration of derogations from the National Minimum Standards, initial elaboration of MoUs with the corresponding technical/delegated bodies and solving problems coming up during the preparation of implementation, including other Standard related issues.

Beyond negotiation and fine tuning of the IPARD II, the project will support Serbia in preparation of procedures for obtaining the national accreditation and entrustment of budgetary tasks, and for that purpose it will have to be able to give adequate and on time assistance to MA in identification of all possible gaps and obstacles in that process. At the same time, project will seek solution and assist in resolving of all issues that could hamper the accreditation process, including the elaboration of required legal and/or operational documents.

In order to assist proper and quality implementation of the IPARD II program, this project
will initiate preparation of the Serbian Advisory Service to meet forthcoming tasks. Assistance will refer to elaboration of the Initial training plan that will help them in planning of future work related to support for beneficiaries.

Special focus should be given in the fields of meeting the standards, elaboration of Guidebook for beneficiaries and activities with potential beneficiaries. This initial set of training activities should cover introduction to Rural Development policy, tasks and targets, where Advisors should get sufficient knowledge on the topic and get initial information for future work in promotional activities related to IPARD. Another set of training materials will be linked with requirements related to meeting of National and EU standards, with special focus on what beneficiaries have to know before they start planning of the application for IPARD funds. These tasks will be further elaborated, supported and monitored by the SWG which will be established during the implementation of this project. A specially designed Guidebook will be elaborated with detailed explanations related to National and EU Standards- what beneficiaries have to be aware of, what they need to have before submission of application and what they should achieve before submitting the request for final payment. This first Guidebook will be elaborated only for measures planned within the current IPARD program and will serve as a platform for elaboration of future Guidebook related to cross compliance requirements as preparation for introduction of Direct Payment schemes in the future.

A more comprehensive Training plan with included wider number of advisers, which will be also available for other interested partners for promotion of IPARD Program, will be elaborated and implemented under the coming IPA supported projects related to Rural Development and IPARD accreditation and implementation. This set of training activities will focus detailed trainings related to application forms and process of implementation of approved projects. This will assure creation of sound and well disbursed system for support to beneficiaries in filling of application forms and guidance through implementation process until the final payments. Another, more specialized Guidebooks will be elaborated for each available measure which will be used to facilitate the work of Advisers and help beneficiaries in planning of their activities and investments.

**3.2 Linked activities (other EU, international and national initiatives):**

The below projects have produced outputs that are to be taken into account when implementing the Twinning light here under consideration. This list of projects is not exhaustive and the MS Twinning partner will conduct its own review to ensure that no duplication of work already done occurs in the implementation of this Twinning and that relevant outputs previously generated are used effectively.

**IPA 2007 “Capacity building to implement Rural Development policies to EU standards”.**
- Twinning Project “Strengthening the capacities of the Republic of Serbia for the absorption of EU Rural Development Funds in pre-accession period”. **Objective:** Institutions accredited or in the process of accreditation for IPA component V. **Status:** Project ended 31 March 2013 (see annex for outputs and level of attainment)
- Supply contract for ICT equipment for the Directorate for Agrarian Payments. **Objective:** Complete IT backbone for IPARD management. **Status:** Contract completed
- Technical Assistance Project „Capacity building for the establishment and implementation
of a LEADER initiative in the Republic of Serbia. **Objective:** Capacity building for the implementation of area-based local development strategies for well-identified sub-regional rural territories. **Status:** Project ends February 2013. 30 LAGS prepared. Leader measure fiche developed.

- IPA 2010 FWC “Technical Assistance for the National Fund within the Ministry of Finance in Serbia for the preparation for IPA Component V”. **Objective:** Finalisation of National Fund IPARD procedures, development of accounting standards, finalisation of accreditation package for IPARD. **Status:** Project ended in June 2013

**Danube River Enterprise Pollution Reduction (DREPR),** 2006-2011 Grants by the Global Environment Facility (GEF) and the Swedish International Development Agency (SIDA), through the World Bank. **Objective:** The global environment objective of the project is to reduce nutrient flows into water bodies connected to the Danube River from selected agricultural households and enterprises and positive influence on public health, economic sustainability of agricultural production, preservation of natural heritage and environment protection. **Status:** Project completed. The project has prepared a Code of Good Agricultural Practice and a Study on Preparation of a Nitrate Directive Implementation Plan and Legal Framework for Serbia.

**Project Support for Agro-environment Policies and Programming in Serbia,** donation of the Nederland Government (BBI-Matra Program), implemented by AVALON, IUCN and Natura Balkanika, prepared two pilot agri-environment schemes for contrasting protected areas where the continuation of traditional agricultural practices is important for the conservation of biodiversity associated with HNV farming systems and farmland.

**Project Strengthening rural social capital** – Government of Romania (2008-2009) donation, implemented by UNDP, aimed to link the existing potentials of five individual rural municipalities in Vojvodina using the LEADER approach.

**Project Partnership for revitalization of rural areas**– Government of Romania (2010-2012) donation, implemented by UNDP. The project contributes to Serbia’s economic development in 4 target municipalities (Alibunar, Vrsac, Bor and Cuprija). By promoting the EU’s LEADER approach and practice, the project will support Serbia for future implementation of upcoming EU programs.

**Sustainable Tourism for Rural Development** – MDG Joint Program implemented by UN Agencies (FAO, UNEP, UNDP, UNWTO and UNICEF)(2010-2012). Outcomes of this project are: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals and Local rural tourism and support industries are better linked and organized.

**Sector fiche – IPA National programmes / Component I-** Suport to Agriculture and rural development

Operation 2.1.1. Twinning contract related to capacity building within Agrarian Payments Directorate. Envisaged activities:

- Review the IPARD 2 program and develop processes to accommodate agri-environment (Axis 2) and development of rural economy (Axis 3) measures
• Develop the legal (national legislation and by-laws) and institutional framework for agri-environment and rural economy programs that will become part of IPARD 2 program

• Preparation of relevant measure fiches and procedural arrangements for the operating structure to implement IPA V Component (IPARD Agency and Managing Authority) taking into account the new EU agricultural and rural development strategy for 2014-2020, including application and acceptance criteria, along with payment, inspection and monitoring systems

• Train staff (Managing Authority, future IPARD agency, agricultural extension personnel, and policy personnel) in preparation for introduction of agri-environment measures.

• Communications and dissemination of information, including the role of extension service in publicity activities

**Measure 2.1** - will be delivered through one twinning (Operation 2.1.1 related to capacity building within Directorate for Agrarian Payments) one service contract (Operation 2.1.2 concerned with strategic assessment and development of the methodological approach for LPIS establishment) and one supply tender (Operation 2.1.3 – National co-financing – setting up software for LPIS in place). Duration of the service contract will be two years and it should be initiated during the early part of the project, while the supply tender (National Co-financing) should be signed at the second year of the project implementation. Planning of the twinning contract is in line with envisaged finalization of IPA 2007 TW project (that is expected to phase out at the end of 2012), and implementation of the two twinning light projects that are expected to start in January 2013.

Tendering documents, such as Terms of References and Twinning Fiches will be prepared by the beneficiaries (Ministry and respectful Directorates) in close cooperation with SEIO and EUD. It is intended to use external experts to assist with development of Terms of reference and preparation of the twinning fiches. This can be completed through the Project Preparation Facility (PPF) or a framework contract.

Activities under IPA 2012 are expected to begin by the end of 2013. The major deliverables would be development of at least two new measures based on the 2014-2020 EU strategy, training of extension services for improved program implementation, technical assistance for preparation and implementation of communications relating to IPARD 2014-2020, and development of procedural arrangements related to the new measures.

*EU Twinning Light Project, SR/2013/IB/AG/01TWL “ Assistance to Managing Authority of the Serbian Ministry of Agriculture, Forestry and Water Management (MAFWM) in elaboration of IPARD 2014-2020 Program, support to accreditation and training ”.*

Project assisted in elaboration of the core elements of the IPARD 2014-2020 Program (identifying adequate support measures, indicators, legislative gaps related to implementation of measures, drafting the measure sheets, drafting the monitoring and evaluation reports with necessary accompanying documents) and provided further training to the MA on the process. Additionally new measures were included and list of National Minimum Standards was revised.
Beyond preparation for the new Program 2014-2020 the project supported on job training of currently employed staff and assist in revision of document in line with obtained comments and recommendations from DGAGRI and ex-ante evaluation. The conclusions and recommendations of the above TW light are annexed to this fiche (Annex 4). The MS will take these into account when preparing its offer and throughout the implementation of this twinning. 

The submission of the first draft IPARD II Program to the European Commission was the most valuable result achieved under this project. Numerous on the job trainings were conducted for the Managing Authority to get acquainted with their future tasks as a part of the operating structure under IPARD II. One important stakeholder consultation meeting was organised to present the draft IPARD II Program. Representatives of the processing industry and agriculture producers, associations, cooperatives and NGOs involved in rural development were invited to contribute with their written comments and discussion during the meeting to further improve the quality of the IPARD II Program.

The IPA 2012 project "Technical Assistance to the Serbian Authorities for the Management of the Pre-accession Assistance" domiciled in the Ministry of Finance has commenced in March 2014 and will run for two years. Whilst it will largely target staff and procedures of the NAO / NF and NAO support office, it has a dedicated IPARD component with the below objectives and outputs. This twinning light will closely coordinate all planned activities with said project to avoid overlap and achieve maximum synergies.

**Objectives**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Activities related to Result 1 and Result 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component II</strong></td>
<td><strong>Activities related to Result 1 and Result 2</strong></td>
</tr>
</tbody>
</table>
| **Activity I.II.1:** Mapping of state of play of IPARD preparation, available assistance and gaps to be addressed | - To update the situational analysis re. IPARD 
- To clarify the status of the respective supports to the preparation for IPARD |
| **Activity I.II.2:** Review of current legal basis and operational procedures for IPA V and their updating in line with new financial regulation | - To ensure that the legal frame for IPARD is timely updated in Serbia 
- To ensure that the IPARD Audit trail is updated and properly transposed in the IPARD manuals of procedures |
| **Activity I.II.3:** Design and delivery of tailor-made trainings for NF and IPARD OS staff, providing coaching and on-the-job training through case studies under IPARD specifically designed for NF and IPARD OS. | - To design, deliver and evaluate tailor-made training program in the context of IPARD specifically targeting the NF and IPARD OS |
| **Activity I.II.4:** Providing guidance and tools to NF in its operational activities for effective functioning of management control system | - To ensure that the NAO IPARD procedures are actually implemented in line with the CoM |

Note: this activity will also include “Analysing remaining medium risk audit findings attached to the CoM and develop a detailed action plan to address them and support its implementation”

- To ensure that corrective measures are timely implemented to close the non-blocking findings left open after the CoM decision is taken DG Agri
### Outputs / Deliverables / Milestones

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.II.1 Mapping of state of play of IPARD preparation</td>
<td>M.II.1 Approval of the Gap assessment</td>
</tr>
<tr>
<td>D.II.2 Draft of IPARD relevant legal texts</td>
<td>M.II.2 IPARD relevant legal texts approved</td>
</tr>
<tr>
<td>D.II.3 IPARD Manuals of procedures revised</td>
<td>M.II.3 Updated Manuals of procedures approved</td>
</tr>
<tr>
<td>D.II.4 IPARD Inter institutional agreements prepared</td>
<td>M.II.4 Updated inter institutional approved</td>
</tr>
<tr>
<td>D.II.5 TNA re. IPARD</td>
<td>M.II.5 TNA updated</td>
</tr>
<tr>
<td>D.II.6 IPARD Training module(s)</td>
<td>M.II.6 Training program(s) approved</td>
</tr>
<tr>
<td>D.II.7 IPARD Training reports</td>
<td>M.II.7 Training program(s) implemented and evaluated</td>
</tr>
<tr>
<td>D.II.8 Action plan - Follow-up of audit recommendations and preparation of Accreditation package</td>
<td>M.II.8 Implementation of corrective measures in line with Action plan and submission of the Accreditation package</td>
</tr>
</tbody>
</table>

### 3.3 Results

*For all proposed list of Results and indicators the MS will in its offer, present detailed list of indicators and milestones toward achieving required results in all three components presented below.*

**Component 1 - Support to Negotiation of the IPARD II Program and preparation of the IPARD II Program for approval by the EU Commission**

**Result 1.1:** IPARD II Program negotiated and prepared for accreditation

Indicator 1: Consolidated version of IPARD II PD prepared and approved by the Government

Indicator 2: MA responded efficiently and in high quality to comments coming from inter-service consultations in the Commission and IPARD II PD improved.

Indicator 3: Preparatory analysis for measures to be included in the second accreditation package\(^3\) of IPARD II PD executed and relevant report prepared.

**Result 1.2:** Relevant national standards/derogations, related to approval of applications and payments, updated and all technical bodies of IPARD II program consulted on potential national constraints and bottlenecks as regards application of national standards/derogation from national standards.

---

\(^3\) Implementation of local development strategies – Leader approach and Agri-environment – climate and organic farming
Component 2 - Support to MA for start and execution of National Accreditation Procedure

Result 2.1: Manual of Procedures and related documents for Accreditation finalized in line with EU requirements

Indicator 1: Manual of procedures and all related documents for Accreditation Package (templates, checklists etc.) finalized and updated in line with actual systematization of working positions of MA staff for submission to external evaluator, and after start of assessment revised in the light of observations of the external evaluator. Final version ready for accreditation prepared.

Indicator 2: Organization and posts for MA approved by the MAEP

Result 2.2: MA staff prepared for the assessment of the external evaluator in the process of National Accreditation

Indicator 1: Existing Training plan for MA staff updated in line with accreditation requirements.

Indicator 2: Planned training activities for MA staff, to meet IPARD accreditation requirements, executed

Indicator 3: Employees of MA (at least 10) are trained on the overall tasks on programming, monitoring and evaluation, reporting and publicity to enhance the capacity of MA and to be prepared for management of IPARD II programme

Indicator 4: MA staff trained on the practical use of Manual of Procedures to be prepared for accreditation

Component 3 - Support to Serbian Advisory Service to prepare for assistance for implementation of IPARD II Program

Result 3.1: Training Plan related to National and EU standards and IPARD promotional activities for Advisory Service elaborated and executed

---

4 External evaluator (EA) is a person in the process of national accreditation mimicking the tasks of the DG AGRI J5 auditor at the end of the process of Entrustment of Budget Implementation Tasks. The external evaluator examines the theoretical and practical knowledge of MA staff with regard to all procedures applied by the MA in the implementation of IPARD. The EA reports to the NAO on the level of preparedness of MA staff for Entrustment of budget implementation tasks.
Indicator 1: Training plan related to National and EU standards and IPARD promotional activities for Advisory Service elaborated.

Indicator 2: Sufficient number of trainings for nominated staff, of the Advisory service trained to assist in publicity of IPARD and preparation of beneficiaries related to standards required by the program

Indicator 3: At least 35 employees of Advisory service trained on the basic principles of IPARD II and its main objectives

Result 3.2: Guidebook for beneficiaries of IPARD II Program, related to National and EU standards and IPARD promotional activities, elaborated and presented to Advisory service

Indicator 1: Guidebook with detailed explanations related to requirements for beneficiaries in the field of National and EU standards and information on IPARD PD, elaborated.

3.4. Activities:

The below activities are indicative of minimum requirements. The MS will in its offer and work plan complement and further detail the proposed activities in line with its experience and best practice so that project results will be achieved. It will notably introduce additional verifiable indicators so that the successful completion of all proposed actions can be objectively assessed. As regards training activities the MS will in its offer explain the proposed method of training and how it proposes to assess that training objectives have been achieved.

Component 1 Support to Negotiation of the IPARD II Program and preparation of the IPARD II Program for approval by the EU Commission

Activities related to Result 1.1. IPARD II Program negotiated and prepared for accreditation.

Activity 1.1.1. Appropriate modifications and fine tuning of IPARD II Program resulting from the inter service consultations at the European Commission and preparation of all documents which are relevant for finalization of the IPARD II Program, in line with EU requirements.

Method

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Interview with responsible persons, relevant legal experts.
- Establishment of working group for setting up documents definition of reactions on EU-Comments
- Elaborating drafts for amendments.

Activity 1.1.2. Starting preparation for measures (analysis, fact finding) to be
included in a further step in the PD.

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Providing practical experience to MA from MSs and other Candidate Countries.
- Interview with responsible persons, relevant legal and technical experts.
- Workgroup discussions related to modification of measures of the Program Document (PD)
- Elaboration of technical description of measures for second package for accreditation

**Activities related to Result 1.2.** Relevant national standards/derogations, related to approval of applications and payments, updated and all technical bodies of IPARD II program consulted on potential national constraints and bottlenecks as regards application of national standards/derogation from national standards.

**Activity 1.2.1.** Revision of existing list of National Minimum Standards and consultation with Technical bodies for implementation of IPARD II program to solve national bottlenecks

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Providing practical experience from MSs and other Candidate Countries.
- Revision of needs and structure of National standards legal framework.
- Presentation of best practice of checklists, derogation components but also reflect, discuss and provide solutions on other national obstacles, such as construction permits, access to credit, relevant certificate from the Veterinary services etc.
- Establishment and guidance to working group for national standards
- Interview with responsible persons, relevant legal experts.
- Discussions with key positions and partners involved (institutions, etc.).

**Activity 1.2.2.** Establishment of Standing working group (SWG), constituting the staff from MA, IPARD Agency and Technical bodies, with elaborated working plan and tasks in the coming period to solve potential national bottlenecks.

**Method**
MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Providing practical experience from MSs and other Candidate Countries.
- Identification of potential members of the SWG.
- Establishment and guidance (including the working plan and tasks) to SWG
- Presentation of best practice of checklists, derogation components and relevant definitions
- Interview with responsible persons, relevant legal experts.
- Discussions with key positions and partners involved (institutions, etc.).

**Component 2 Support of MA for start and execution of National Accreditation Procedure**

**Activities related to Result 2.1.** Manual of Procedures and related documents for Accreditation finalized in line with EU requirements

**Activity 2.1.1.** Elaboration of procedures and all related documents for Accreditation Package (templates, regulations, checklists etc.) for obtaining the National accreditation, and revision of these documents in the light of observations of the external evaluator.

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Support for updating of manual of procedures in line with planned number of MA staff
- Identification of set of documents required for accreditation
- Preparation of personal accreditation files for staff and delivery of specific accreditation training/briefing for staff of MA
- Support for elaboration of required set of documents for accreditation, and after start of assessment, revised in the light of demands of the evaluator

**Activities related to Result 2.2.** MA staff prepared for the assessment of the external auditor in the process of National Accreditation

**Activity 2.2.1.** Update of existing training plan for MA staff in line with accreditation requirements.

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

- Review of training needs for each member of MA
- Update of detailed training plan for MA
• Assistance in preparation of proposals for means for implementation of defined training plan

**Activity 2.2.2.** Training of MA staff related to processes of accreditation of measures introduced in the IPARD II Program.

**Method**

MS short term expert missions: workshops, simulations, presentations, studying of relevant documents to work up the following points:

• Conducting an on job training.
• Support to elaboration of training materials.
• Simulations of different processes related to MA functions

**Component 3 Support to Serbian Advisory Service to prepare for assistance for implementation of IPARD II Program**

**Activities related to Result 3.1.** Training Plan related to National and EU standards and IPARD promotional activities for Advisory Service elaborated and executed

**Activity 3.1.1.** Elaboration of Initial training plan related to National and EU standards and IPARD promotional activities for Advisory Service in line with IPARD requirements.

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:

• Support to elaboration of training need assessment for Advisors
• Support to Elaboration of detailed training plan for Advisory Service
• Assistance to implementation of part of the training plan for Advisory Service through group trainings with simulations and practical exercises.
• Assistance in preparation of proposals for potential means for the realization of the defined training plan

**Activities related to Result 3.2.** Guidebook for beneficiaries of IPARD II Program, related to National and EU standards and IPARD promotional activities, elaborated and presented to Advisory service

**Activity 3.2.1.** Elaboration of guidebook for beneficiaries of IPARD II Program

**Method**

MS short term expert missions: round table discussions and meetings with counterparts, workshops, presentations, studying of relevant documents to work up the following points:
• Elaboration of proposed structure of the guidebook
• Identification of requirements and topics for the content of the Guidebook (standards, legal requirements…)
• Support to elaboration of the Guidebook
• Support to presentation of Guidebook to Advisors and discussion for improvement of the document
## Indicative schedule of activities and work day inputs

<table>
<thead>
<tr>
<th>Date/Duration</th>
<th>Activity</th>
<th>Output</th>
<th>Input (working days)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Month 1 to Month 4</strong></td>
<td>Activity 1.1.1</td>
<td>Appropriate modifications and fine tuning of IPARD II Program resulting from the inter service consultations at the European Commission and preparation of all documents which are relevant for finalization of the IPARD II Program, in line with EU requirements</td>
<td>MS experts in total of 40 working days</td>
</tr>
<tr>
<td><strong>Month 3 to Month 6</strong></td>
<td>Activity 1.1.2</td>
<td>Starting preparation for measures (analysis, fact finding) to be included in a further step in the PD</td>
<td>MS experts in total of 20 working days</td>
</tr>
<tr>
<td><strong>Month 1 to Month 4</strong></td>
<td>Activity 1.2.1</td>
<td>Revision of existing list of National Minimum Standards and consultation with Technical bodies for implementation of IPARD II program to solve national bottlenecks</td>
<td>MS experts in total of 20 working days</td>
</tr>
<tr>
<td><strong>Month 1 to Month 4</strong></td>
<td>Activity 1.2.2</td>
<td>Establishment of Standing working group (SWG), constituting the staff from MA, IPARD Agency and Technical bodies, with elaborated working plan and tasks in the coming period to solve potential national bottlenecks</td>
<td>MS experts in total of 16 working days</td>
</tr>
<tr>
<td><strong>Month 1 to Month 5</strong></td>
<td>Activity 2.1.1</td>
<td>Elaboration of procedures and all related documents for Accreditation Package (templates, regulations, checklists etc.) for obtaining the National accreditation, and revision of these documents in the light of observations of the external evaluator</td>
<td>MS experts in total of 20 working days</td>
</tr>
<tr>
<td><strong>Month 1 to Month 2</strong></td>
<td>Activity 2.2.1</td>
<td>Update of existing training plan for MA staff in line with accreditation requirements</td>
<td>MS experts in total of 12 working days</td>
</tr>
<tr>
<td><strong>Month 1 to Month 5</strong></td>
<td>Activity 2.2.2</td>
<td>Training of MA staff related to processes of accreditation of measures introduced in the IPARD II Program</td>
<td>MS experts in total of 24 working days</td>
</tr>
<tr>
<td><strong>Month 4 to Month 7</strong></td>
<td>Activity 3.1.1</td>
<td>Elaboration of Initial training plan related to National and EU standards and IPARD promotional activities for Advisory Service in line with IPARD requirements.</td>
<td>MS expert in total of 16 working days</td>
</tr>
<tr>
<td><strong>Month 2 to Month 6</strong></td>
<td>Activity 3.2.1</td>
<td>Elaboration of guidebook for beneficiaries of IPARD II Program</td>
<td>MS experts in total of 32 working days</td>
</tr>
</tbody>
</table>

**Indicative Total:** 200
3.5 Means/ Input from the MS Partner Administration:

The twinning light partner MS shall make a team of experts available suitably qualified to carry out all activities envisaged under this contract and deliver the mandatory results herein described. The team will comprise of a nonresident project leader and a team of short term experts.

3.5.1 Profile and tasks of the Project Leader

Profile of the Project Leader

Requirements:

- University degree in a relevant field
- Excellent analytic, organisational and communication skills (including command of written and spoken English)
- Computer literacy
- At least ten years of professional experience
- At least three years of professional experience in the specific field of the assignment as civil servant or staff of a mandated body
- Prior experience as PL and/or RTA in at least 2 Twinning projects or comparable and preparing MAs for accreditation under SAPARD and/or IPARD
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 5.3.2.

Tasks of the Project leader:

- Overall management and coordination of the project in cooperation with short-term experts and BC Project leader
- Overall coordination of MS expert’s work and availability
- Organization of study visit
- Participation in Steering Committee meetings
- Project reporting
- Ensuring backstopping and financial management of the project in Member state

3.5.2 Profile and tasks of the short-term experts

A team of short-term experts (civil servants or mandate body staff) is required to assist the implementation of this project. The team must be able to provide specialist advice and carry out the specified planned activities. Expertise required includes in depth knowledge of the legal base, structure and operational procedures required for programming and monitoring of EAFRD and IPARD funds. Specific knowledge and experience, preferably in direct implementation of IPARD I programs, is required with regard to the accreditation
requirements and including the preparation of the documentary base for Managing Authorities operating under IPARD. The main two STE requirements are described below.

**Expert on Programming in RD**

Requirements:
- University level education;
- Professional experience of 5 years in public administration;
- 5 years of experience in EU funded Agriculture and Rural Development;
- Experience in RD programming;
- Specific experience in Pre Accession Assistance for Rural Development Capacity Building (IPARD);
- Strong written, verbal and inter-personal communication skills in English;
- Computer literacy;
- Experience in conducting trainings for auditors will be considered as an asset;
- Operational experience in the implementation of Rural Infrastructure Measure will be considered as an asset

**Expert on Audit and Accreditation**

Requirements:
- University level education;
- Professional experience of 5 years in public administration;
- 5 years of experience in auditing EU funded Agriculture and Rural Development measures with experience in accreditation;
- Strong written, verbal and inter-personal communication skills in English;
- Computer literacy;
- Experience in conducting trainings for auditors will be considered as an asset;
- Operational experience in the RD measure implementation will be considered as an asset

4. **Institutional Framework**

Beneficiary institution of this Twinning light project is the Ministry of Agriculture and Environmental Protection (MAEP) of the Republic of Serbia - Department for Rural Development (RD). The RD unit operates in the Ministry in the area of programming of rural development and is acting as Managing Authority of IPARD Program. The unit is responsible for the sound implementation of this project.

According to the latest organizational changes in the MAEP, the MA has been established as an independent unit directly answerable to the state secretary responsible for EU affairs. There are currently 8 full time employed persons in line with the systematization. It is located in Belgrade. The Directorate for Agrarian Payments has been allocated 105 posts of which 86 have to date been filled. The Directorate is at present located in Sabac, 1 h drive from Belgrade but it's re-location to Belgrade is being planned.

The unit performs work related to: elaboration, promotion, monitoring, evaluation and implementation of National and Pre-accession Rural Development Program in order to increase efficiency, improve effectiveness of rural development measures and social-economic aspects of life in rural areas, increase competitiveness of agricultural production and forestry, protect environment, support diversification of rural economy and create
conditions for expansion of non-agricultural economy in rural areas; support to establishment of public private partnerships and improvement of work and life conditions in rural areas; reporting about the process of implementation of rural development Program; identification, definition and modification of criteria and indicators of efficiency of Program measures and quality; implementation of cooperation with international and national organizations and institutions in the field of rural development in order to harmonize support measures, provide donation help for realization of development programs and projects in the field of rural development; carries out other tasks in this field.

5. **Budget**

The project budget totals EUR 230,000. Total amount is covered by EU contribution.

Interpretation costs will be reimbursed from the budget only for the purpose of workshops and seminars. Up to 7% of the Contract amount can be used for such translation and interpretation purposes.

Provisions for visibility costs and expenditure verification costs must be included in the budget.

6. **Implementation Arrangements**

6.1 Implementing Agency responsible for tendering, contracting and accounting

**Delegation of the European Union to the Republic of Serbia**

Contact person: Mr. Rainer Freund, Project Manager  
Address: Vladimira Popovica 40, 11 070 Belgrade  
Tel: +381 11 3083 200  
Fax: +381 11 3083 201  
E-mail: rainer.freund@eeas.europa.eu

6.2. Main counterpart in the BC

**Ministry of Agriculture and Environmental Protection**  
Mr. Danilo Golubovic, Secretary of State  
Address: Nemanjina 22-26, 11000 Belgrade  
Tel: +381-11-3616-574  
Fax: +381-11-363-1543  
E-mail: danilo.golubovic@minpolj.gov.rs

**BC Project Leader**  
Ministry of Agriculture and Environmental Protection  
Mr. Dragan Mirkovic  
Head of Division for Rural Development  
Address: Nemanjina 22-26, 11000 Belgrade  
Tel: +381-11-263-7829  
Fax: +381-11-3348-033
6.3 Contracts

All activities will be conducted under a single Twinning Light contract in the amount of up to EUR 230,000.

6.4. Reporting

In addition to the reports identified under 3.3 and 3.4 above the following additional statutory reports shall be prepared:

1. An inception report will be submitted one month after arrival of the first MS expert.

The report shall include

- Description of status quo of IPARD programming and MA accreditation status, legislative, institutional and resource environment
- Highlight discrepancies/developments that took place between launch of twinning fiche and arrival of first MS expert in Serbia and present conclusions
- Update of detailed work plan/ MS offer in light of inception findings - activities, benchmarks, time schedule, deployment of MS experts (task, profiles, timing, duration, and identification of BC counterparts).

2. Interim progress reports to inform the 2 steering commission meetings planned.

These reports shall include

- an update of progress ref. achievements of benchmarks and results
- resource consumption
- identification of problems endangering achievement of results and proposals for corrective action.
- update of work plan for subsequent reporting period.

3. A Final Report shall be submitted within one month upon the completion of the project activities. It shall include

- Complete review of all activities carried out by MS experts during the implementation of the project,
- Achieved progress concerning each activity,
- Summary of all project results, with particular emphasis on mandatory results,
- Estimation of the project impact compared with the project aims and measures of the achieved progress,
- Identification of all important problems met during the implementation of the contract and solutions that have been applied,
- Lessons drawn from the project, and
- Recommendations for follow up actions required to consolidate results

These reports must be endorsed and countersigned by the beneficiary, who may make additional comments.
Reports shall be submitted to the Ministry of Agriculture and Environment Protection Management (3 hard copies) and the EU Delegation to Serbia (1 hard copy) in addition to an electronic copy. All reports shall be written in English.

Others: Two Steering Committee meetings will be held for the purpose of reviewing the progress made under the project as well as to discuss results achieved and/or problems occurred. The first Steering Committee meeting will be held during the third month of project activities implementation in order to discuss and comment the draft start-up report. The second Steering Committee meeting will be organized during the last month of the implementation period of the Action to discuss the draft final report.

It should be noted that the participation of the Member State Project Leader in Steering Committees meetings has to be combined with expert missions in case the Member State Project Leader is also a short-term expert in the twinning light project. If the Member State Project Leader is not short-term expert in the twinning light project then his visits to Serbia, (one visit every three months) as part of his overall task to ensure coordination and political steering of the project, should be organized at the same time as the two Steering Committee meetings of the project.

The exact participants of the Steering Committee meetings will be defined during the implementation of the project, but will at least include the following members:

- BC Project Leader
- MS Project Leader National Fund
- Directorate for Agrarian Payments
- EUD Project Manager

The beneficiary is committed to provide all necessary infrastructure such as office space and desktop computers with internet connection for experts, venue for holding seminars and workshops, and to ensure the necessary local staff/experts inputs.

6.5. Language

English

7. Implementation Schedule (indicative)

7.1 Launching of the call for proposals: 3 Q 2014
7.2 Start of project activities: 4Q 2014
7.3 Project completion: 2Q 2015
7.4 Duration of the execution period: 9 months; the execution period will end 3 months after the implementation period of the Action (work plan) which will take 6 months.

8. Sustainability
The achievements of Twinning light project (mandatory results) shall be maintained as a permanent asset to the Beneficiary administration even after the end of the Twinning light project implementation, since the procedures for review of accreditation criteria shall be permanently applicable. This project proposal was drafted with a guiding principle that knowledge and mechanisms to be put in place through this project are adequately applied upon the contract closure. Therefore, the twinning assistance should result in increasing administrative capacity of the respective structure with regards to preparation for implementation of Common Agriculture Policy as well as assistance in implementation of the policy itself.

9. Crosscutting issues

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

10. Conditionality and sequencing

N/A
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Organisational chart of Managing Authority
3. The Agricultural Sector in Serbia – A Brief
4. Recommendations EU Twinning Light Project, SR/2013/IB/AG/01TWL “Assistance to Managing Authority of the Serbian Ministry of Agriculture, Forestry and Water Management (MAFWM) in elaboration of IPARD 2014-2020 Program, support to accreditation and training”
## Annex 1. Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Assistance to the Managing Authority of the Serbian MAEP in negotiation and accreditation of the IPARD 2014-2020 Program</th>
<th>Program name and number: IPA 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Agriculture and Environmental Protection of Republic of Serbia</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total budget:</strong> 230,000 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overall objective</strong></td>
<td><strong>Objectively Verifiable Indicators</strong></td>
<td><strong>Sources of Verification</strong></td>
</tr>
<tr>
<td>Assist the preparation of the Serbian Agriculture and Rural Development Sector for the implementation of the EU's Common Agricultural Policy (CAP)</td>
<td></td>
<td>European Commission (EC) reports on Serbia</td>
</tr>
<tr>
<td>Ministry of Agriculture and Environmental Protection of Republic of Serbia</td>
<td></td>
<td>Ministry of Agriculture and Environmental Protection of Republic of Serbia</td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td><strong>Objectively Verifiable Indicators</strong></td>
<td><strong>Sources of Verification</strong></td>
</tr>
<tr>
<td>To strengthen the institutional capacities of the Managing Authority of the Serbian MAEP in order to implement the Rural Development component of the Instrument for Pre-Accession (IPARD) [Council Regulation (EC) No 1305/2014.</td>
<td>IPARD Program 2014-2020 prepared for adoption by EU Commission</td>
<td>Project reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EC reports Draft documents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Results

<table>
<thead>
<tr>
<th><strong>Result 1.1.</strong></th>
<th><strong>Objectively Verifiable Indicators</strong></th>
<th><strong>Sources of Verification</strong></th>
<th><strong>Assumptions</strong></th>
</tr>
</thead>
</table>
| IPARD II Program negotiated and prepared for accreditation. | Indicator 1: Consolidated version of IPARD II PD prepared and approved by the Government  
Indicator 2: MA responded efficiently and in high quality to comments coming from inter-service consultations in the Commission and IPARD II PD improved.  
Indicator 3: Preparatory analysis for measures to be included in the second accreditation package of IPARD II PD executed and relevant report prepared. | Final report  
Mission reports  
Relevant project documentation | MA staff actively involved in elaboration of new measures;  
Existing outputs from other linked projects useful and relevant from preparation of new Program for RD  
Necessary decisions are made on the political level including legal background and sufficient staff is employed in MA  
Government of Serbia committed to EU integration process |

<table>
<thead>
<tr>
<th><strong>Result 1.2.</strong></th>
<th><strong>Objectively Verifiable Indicators</strong></th>
<th><strong>Sources of Verification</strong></th>
</tr>
</thead>
</table>
| Relevant national standards/derogations, related to approval of applications and payments, updated and all technical bodies of IPARD II program consulted on potential national constraints and bottlenecks as regards application of national | Indicator 1: Updated List of national and EU standards and chapters with derogation to the Standards, applicable to IPARD II program, produced and MoU with corresponding technical bodies prepared.  
Indicator 2: Standing working group (SWG) with representatives from MA, IPARD Agency and Technical bodies established with elaborated statute and | Final report  
Mission reports  
Relevant project documentation |


standards/derogation from national standards.

**Result 2.1.**
Manual of Procedures and related documents for Accreditation finalized in line with EU requirements

<table>
<thead>
<tr>
<th>Indicator 1: Manual of procedures and all related documents for Accreditation Package (templates, checklists etc.) finalized and updated in line with actual systematization of working positions of MA staff for submission to external evaluator, and after start of assessment revised in the light of observations of the external evaluator. Final version ready for accreditation prepared.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 2: Organization and posts for MA approved by the MAEP.</td>
</tr>
</tbody>
</table>

**Result 2.2:**
MA staff prepared for the assessment of the external evaluator in the process of National Accreditation

<table>
<thead>
<tr>
<th>Indicator 1: Existing Training plan for MA staff updated in line with accreditation requirements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 2: Planned training activities for MA staff, to meet IPARD accreditation requirements, executed</td>
</tr>
<tr>
<td>Indicator 3: Employees of MA (at least 10) are trained on the overall tasks</td>
</tr>
</tbody>
</table>

- Final report
- Mission report
- Relevant documents
- List of participants
### Result 3.1:
Training Plan related to National and EU standards and IPARD promotional activities for Advisory Service elaborated and executed

- **Indicator 1:** Training plan related to National and EU standards and IPARD promotional activities for Advisory Service elaborated.
- **Indicator 2:** Sufficient number of trainings for nominated staff, of the Advisory service trained to assist in publicity of IPARD and preparation of beneficiaries related to standards required by the program.
- **Indicator 3:** At least 35 employees of Advisory service trained on the basic principles of IPARD II and its main objectives.
- **Indicator 4:** MA staff trained on the practical use of Manual of Procedures to be prepared for accreditation.

### Result 3.2:
Guidebook for beneficiaries of

- **Indicator 1:** Guidebook with detailed explanations related to

### Final report
- Mission report
- Relevant documents
- List of participants
| IPARD II Program, related to National and EU standards and IPARD promotional activities, elaborated and presented to Advisory service | requirements for beneficiaries in the field of National and EU standards and information on IPARD PD, elaborated | Mission report  
Relevant document |
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity 1.1.1.</strong> Appropriate modifications and fine tuning of IPARD II Program resulting from the inter service consultations at the European Commission and preparation of all documents which are relevant for finalization of the IPARD II Program, in line with EU requirements</td>
<td>Round table discussions and meetings with counterparts, workshops, presentations</td>
<td>230,000 € Budget of twinning light</td>
<td>Experts able and experienced to perform the required tasks</td>
</tr>
<tr>
<td><strong>Activity 1.1.2.</strong> Starting preparation for measures (analysis, fact finding) to be included in a further step in the PD</td>
<td>Round table discussions and meetings with counterparts, workshops, presentations Preparation of documents</td>
<td></td>
<td>MA has adequate number of staff</td>
</tr>
<tr>
<td><strong>Activity 1.2.1.</strong> Revision of existing list of National Minimum Standards and consultation with Technical bodies for implementation of IPARD II program to solve national bottlenecks</td>
<td>Preparation of documentation Consultations, workshops Analysis and interviews</td>
<td></td>
<td>MA personnel co-operative and committed to work with twinning partners on a daily basis</td>
</tr>
<tr>
<td><strong>Activity 1.2.2.</strong> Establishment of Standing working group (SWG), constituting the staff from MA, IPARD Agency and Technical bodies, with elaborated working plan and tasks in the coming period to solve potential national bottlenecks</td>
<td>Preparation of documentation Consultations, workshops Analysis and interviews</td>
<td></td>
<td>Members of promoter groups (representatives of Extension Service, Network for RD and other participants of the trainings) are committed to work and cooperative with trainers on a daily basis</td>
</tr>
<tr>
<td><strong>Activity 2.1.1.</strong> Elaboration of procedures and all related documents for Round table discussions and meetings with counterparts, workshops, presentations</td>
<td>Preparation of documentation Consultations, workshops Analysis and interviews</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Accreditation Package (templates, regulations, checklists etc.) for obtaining the National accreditation, and revision of these documents in the light of observations of the external evaluator.

**Activity 2.2.1.**
Update of existing training plan for MA staff in line with accreditation requirements

**Activity 2.2.2.**
Training of MA staff related to processes of accreditation of measures introduced in the IPARD II Program

**Activity 3.1.1.**
Elaboration of Initial training plan related to National and EU standards and IPARD promotional activities for Advisory Service in line with IPARD requirements

**Activity 3.2.1.**
Elaboration of guidebook for beneficiaries of IPARD II Program

<table>
<thead>
<tr>
<th>Activity</th>
<th>Training Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity 2.2.1.</strong></td>
<td>Analysis and interviews, Preparation of documentation, Consultations, workshops, Analysis and interviews, Preparation of documents</td>
</tr>
<tr>
<td><strong>Activity 2.2.2.</strong></td>
<td>Preparation of documentation, On job training, Simulation, workshops and seminars, Analysis and interviews</td>
</tr>
<tr>
<td><strong>Activity 3.1.1.</strong></td>
<td>Preparation of documentation, Consultations, workshops, Analysis and interviews</td>
</tr>
<tr>
<td><strong>Activity 3.2.1.</strong></td>
<td>Preparation of documentation and promotional material</td>
</tr>
</tbody>
</table>
Annex 2. Organizational chart of MA

**Functions and responsibilities of the MA:**

- The Managing Authority shall be responsible for managing the IPARD II Programme in an efficient, effective and correct way. It shall be allocated the functions and responsibilities in accordance with Annex 1 of the Sectoral Agreement (SA).
- The Managing Authority shall ensure appropriate absorption and implementation of the IPARD II Programme. In accordance with Article 10 (1) of the FWA it shall also be responsible for:
  - drafting of the IPARD II programme and any amendments to it;
  - controllability and verifiability of the measures, to be defined in the IPARD II Programme in cooperation with the IPARD Agency;
  - selection of measures under each call for applications under the IPARD II Programme and the financial allocation per measure, per call;
  - providing opinions on major modifications to the working arrangements of the IPARD Agency to the extent they impact policy objectives or absorption;
following-up the national legal basis for IPARD implementation;
- assisting the work of the IPARD II Monitoring Committee as defined in Article 47, notably by providing the documents necessary for monitoring the quality of implementation of the IPARD II Programme;

- The Managing Authority shall in accordance with Clause 4(3)(a)(i) of Annex A of the FWA, set up a reporting and information system to gather financial and statistical information on progress of the IPARD II Programme, if the setting up of such a system is not undertaken by the IPARD Agency, and shall forward this data to the IPARD II Monitoring Committee, in accordance with arrangements agreed between the Republic of Serbia and the Commission, using where possible computerised systems permitting the exchange of data with the Commission and linked to the reporting and information system to be set up by NAO in accordance with Article 2(4)(f). The reporting and information system should contribute to the annual and final implementation reports referred to in Article 54 of this Agreement.

- The Managing Authority shall propose adjustments of the IPARD Programme to the Commission, with copy to the NIPAC, after consultation with the IPARD Agency, and following agreement by the IPARD II Monitoring Committee. The Managing Authority is responsible for ensuring that the relevant authorities are informed of the need to make appropriate administrative changes when such changes are required following a decision by the Commission to amend the IPARD II Programme.

- The Managing Authority shall each year draw up an action plan for the operations envisaged under the Technical Assistance measure which shall be submitted to the IPARD II Monitoring Committee for agreement.

- The Managing Authority shall draw up an evaluation plan in accordance with Article 51 of the SA. It shall be submitted to the IPARD II Monitoring Committee as referred to in Article 47 of the SA not later than one year after the adoption of the IPARD II Programme by the Commission. It shall report to the IPARD II Monitoring Committee and to the Commission on the progress made in implementing this plan.

- The Managing Authority shall draw up a coherent plan of visibility and communication activities in accordance with Article 26 of the FWA, which is implemented by an annual list of actions, and shall consult and inform the Commission, having taken advice from the IPARD II Monitoring Committee, on its visibility and communication actions to be reported to the IPA II Monitoring Committee. The plan shall in particular show the initiatives taken and those to be taken, with regard to informing the general public about the role played by the European Union in the IPARD II Programme and its results.

- When a part of its tasks is delegated to another body, the Managing Authority shall retain full responsibility for the efficiency and correctness of management and implementation of those tasks.

Latest Government decision approved increase in staff of the MA and PA operating structure and it is expected that till the end of August 2014, new systematization is adopted, with increased number of officers in the MA.
Annex 3. The Agricultural Sector in Serbia – A Brief

The Republic of Serbia is located at the crossroads of Central and Southeast Europe and is the central part of the Balkans, spreading over an area of 77,474km. Its population is 7,186,862 (the population of Serbia is predominantly made up of ethnic Serbs - 5,988,150 or 83.32% with significant minorities of Hungarians around 253,899 persons or 3.53% of the total population, Roma 147,604 or 2.05% of the population, Bosniaks 145,278 or 2.02% of the total population), with 1,576,000 living in Belgrade. Life expectancy at birth is 72, much lower than the EU average of 79.4.

Serbia - along with 5 other Western Balkans countries – was identified as a potential candidate for EU membership during the Thessaloniki European Council summit in 2003. In 2008, a European partnership for Serbia was adopted, setting out priorities for the country's membership application, and in 2009 it formally applied. In 2010, the process to ratify the Stabilization and Association Agreement began, and the European Council granted Serbia the status of candidate country on 1 March 2012, on the basis of the Commission Opinion on Serbia's membership application adopted on 12 October 2011. In December 2013, the heads of the European Union states or governments confirmed the decision of the Council of Ministers to start membership negotiations with Serbia. The first intergovernmental conference took place on 21 January 2014, opening Serbia's EU accession negotiations. The negotiations will be based on the general Negotiating Framework adopted by the Council in December 2013, with particular focus on the chapters on judiciary and fundamental rights, and on justice, freedom and security.

Performance of the agricultural, forestry and food sectors

General characteristics

Two thirds of GAO comes from plant production, and one-third from livestock production, without a pronounced tendency of change during the last decade.

The production of fruit and vegetables accounts for approximately 20% of the GAO and has recorded positive trends in recent years. In contrary the economic transformation process affected the livestock sector more than the crop sector.

However, livestock sector has a great potential in Serbia, because of the very favourable land capacity for production of animal feed. Around 1.5 million hectares are natural sources of feed (meadows and pastures) which at this present situation are not sufficiently used for animal feeding.

The agricultural sector is characterized by double structure:

- Households in possession of legal entities (2,521) and entrepreneurs (479) (total 3,000) with about 18% utilized agricultural land (according to the Census of Agriculture in 2012)
– Privately-owned farms, with 82% of the utilized agricultural land (according to the Census of Agriculture in 2012). They can be divided on two categories: commercial farms and small private farms. Privately owned commercial farms, averaging about 10 ha, account for 47.7 percent of the utilized agricultural land. Only 8.2% producers of the total, cultivate over 10 ha. The remaining 30 percent of utilized agricultural land comprises about 500 000 small family farms (or 75% of the total number of family farms), most under 5 ha, and often consisting of several fragmented parcels of land, which produce agricultural products primarily for their own use and depend heavily on non-farm income.

Nevertheless Serbia has significant comparative advantages in agriculture, thanks to an abundance of high quality agricultural land, a strategic trading location, and good general education background.

The food industry in Serbia plays an important role in the overall economy and the labour market. The participation of the food industry in the GVA was 4%, and together with the production of beverages and tobacco products about 5.5% on average during the period 2004-2012.

In the food industry in the 2012th were employed about 88 thousand persons or 3.9% of the total number of employees, or 23% of the number of employees in the manufacturing industry.

One of the basic characteristics of agro-industry is the large number of SMEs, and small number of large, modern enterprises. The majority of companies in the agro-industry are micro and small enterprises. 75% of all businesses employ less than 10 people, while 90% of companies have less than 50 employees and / or less than 10 million euro turnover. Industries, in particular with small capacities didn’t have considerable investments in technological innovations, and most of the facilities and equipment are below the required standards for export, especially to the EU market.

The main limiting factors for efficient participation in the international market are:

– an insufficient assortment of food products;

– lack of market and product research for the better utilization of existing capacities by introducing production lines and products lack of standards or noncompliance with existing standards;

– slow adaptation to market business criteria

– Non-existence of long term firm contracts between the food industry and raw material producers (farms, cooperatives, agribusiness companies).

Signing the CEFTA agreement as well as bilateral free trade agreements (with Russia, Belarus, Kazakhstan and Turkey) , Serbia got closer to international markets, several times
larger than the national market, which offers chances for better utilization of the capacities to bigger extent.

Table 1: Serbian agriculture and food trade partners in 2013:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
<td>Imports</td>
<td>Exports</td>
</tr>
<tr>
<td>EU</td>
<td>50.0 %</td>
<td>46.8 %</td>
<td>51.0 %</td>
</tr>
<tr>
<td>CEFTA</td>
<td>40.7 %</td>
<td>21.6 %</td>
<td>38.6 %</td>
</tr>
<tr>
<td>Other countries</td>
<td>9.2 %</td>
<td>31.5 %</td>
<td>10.0 %</td>
</tr>
</tbody>
</table>

Source: NSO

The main potential of the food industry lies in the production of safe, high quality food, which is highly sought after on the foreign markets. This requires the implementation of new standards (ISO 9000 and ISO 14000), as well as implementing the HACCP quality system, ISO 22000; GLOBALG.A.P, Halal, Kosher, etc.).

Therefore, the food industry must remain in the focus of Serbia’s development policy as well as the foreign and domestic investors. The development policy must fit into the global world trends such as capacity concentration and highly sophisticated technology with the goal of improving productivity, production efficiency and competitiveness.

Administrative System

- Organisation,

Organisation of MA developed has to be approved by political level,

Personnel actually sufficient but should be developed with regard to future extension of the Programme and implementation survey of measures. There should take place efforts to develop appropriate Directorates in the MA and as in actual structure of the Ministry there are insufficient provisions there is not to expect effectual support part of them should include measure related units. Example as follows:

| General Directorate for Rural Development Managing Authority for NRDP/IPARD II |
|-----------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| **Directorate for strategies**                | **Directorate for technical assistance, LEADER and advisory services** | **Directorate for coordination, monitoring and promoting** | **Directorate for implementation and survey of measures** |
| NRDP policies and rural development programs |                                                               |                                                               |                                                               |

- Advisory service

It is recommended to group the public advisory service under the roof of the rural development department to get it more and more acquainted with requirements for implementation of IPARD and IPARD like NRDP measures in particular with regard to quality of application, meeting standards (food safety, environment and animal welfare) and business plans.

- Accreditation

As a complete written accreditation package is existing and MA personnel is trained so preconditions to start accreditation procedure of MA should be created on the level of NAO (Ministry of Finance, National Fund).

Appropriate efforts should be undertaken to prepare signature of Sectorial Agreement.
• Cooperation, technical bodies

Cooperation with Ministry on behalf of EU/National standards should be enforced and standing working group established.

Cooperation with PA should be enforced to come to a final agreement on the memorandum of understanding, publicity of the IPARD II and details of applications of selected measures and procedures.

Designated technical bodies should be prepared and trained for IPARD issues.

To get better conditions for the above issues move of IPARD Agency to Belgrade should get absolute priority to realize it as soon as possible.

Books of duty for future software should be elaborated for the set of selected measure.

Programming

• Ex ante evaluation and stakeholder consultation

IPARDII PD has been developed based on new programming guidelines. Recommendation of “Ex ante evaluator” should be respected so far as appropriate and documented, the same for wishes of stakeholders coming up through the consultation procedure (written and meeting at 24.07.2014) and also documented in accordance with program guidelines and template.

• National standards

To ensure sufficient legal certainty for the beneficiaries and to facilitate and concretise advice on this issue it is recommended to concretise criteria for checklist-table inserted in the PD in the measure sheets in the proposed standing working-group (with vets, phyto-sanitary and agro environment experts)

First considerations on details of the extension of the measure package should be undertaken in particular studies on potential of agro-environmental measures with regard to climate change mitigation.

In this context also efforts should be undertaken to come to an even closer approach to the EU 2014 -2020 rural development strategic objectives as:

In line with Europe 2020 and the overall CAP objectives (See the: European Commission Communication on the CAP towards 2020 three long-term strategic objectives can be identified for EU rural development policy in the 2014-2020 period:

• improving the competitiveness of agriculture;
• the sustainable management of natural resources and climate action; and
• a balanced territorial development of rural areas.

For the purposes of managing rural development policy through Rural Development Programs (RDPs) these broad objectives are given more detailed expression through 6 priorities:

1. Fostering knowledge transfer in agriculture, forestry and rural areas
2. Enhancing the competitiveness of all types of agriculture and enhancing farm viability
3. Promoting food chain organization and risk management in agriculture
4. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry
5. Promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in agriculture, food and forestry sectors
6. Promoting social inclusion, poverty reduction and economic development in rural areas

• Acknowledgement of IPARD II PD by the SR-Government

After receiving last set of comments of DGAGRI, taking regard of it and closing work on the consolidated PD procedure for inter-ministerial consultation should be prepared to reach acknowledgement of the document by the Government (Council of Ministers) and respective mandate to the Minister of Agriculture to submit the PD officially and start negotiations.

MA staff should be aware, that they should be able to defend and to give appropriate reasons for each sentence and figure in the PA during the negotiation process.

Follow ups

• Advisory service

Advisory service will play a crucial role in the implementation of IPARD II to ensure a sufficient number of eligible projects based on application elaborated in top quality.

Therefore work planning of advisory service should be focused more and more on IPARD requirements with particular regard to elaboration of applications including accompanying documents, advice on food safety, quality, environmental and animal welfare standards and elaboration of business plans. An IT based system for business plan development should be elaborated, equipment improved and structure with creation of advice centers should be reflected.

Efficiency and training of advisory service should be improved by participation in Twinning and/or TA projects.

• Support activities
Performance and quality management should be introduced in all IPARDII related institutions to meet guidance requirements for greater future EAFRD –Programs and to avoid future control comments reports demanding internalisation of penalty-payments.

An additional TWL as follow up of the actual TW to accompany the further negotiation and accreditation process is strongly recommended. This should include also first conceptual and training aspects for the advisory service.

A fiche for a Twinning with components for IPARD II Agency, MA and Advisory service functions should be launched to reach potential starting at the beginning of the second half of 2015.

TAIEX seminars should be used for specific issues as concept for advisory service and training as well as setting up producer groups and development of preconditions for creation of agro-environmental measures.

Continuous monitoring of the accreditation process is strongly suggested to the BC administration to keep things under control.

Further continuation of an open discussion with DG AGRI is highly suggested.