



## Twining Fiche

**Project title:** EU support in building capacities for coordination and management of EU own resources under NC33 – Financial and Budgetary Provisions

**Beneficiary administration:** Ministry of Finance, Republic of Serbia (primary beneficiary)

**Twining Reference:** SR 22 IPA FI 01 25

**Publication notice reference:** EuropeAid/185644/DD/ACT/RS

**EU funded project**

***TWINNING TOOL***

## **1. Basic Information**

- 1.1 Programme: IPA 2022 National Programme, direct management
- 1.2 Twinning Sector: FI
- 1.3 EU funded budget: 1,000,000.00 EUR
- 1.4 Sustainable Development Goals (SDGs):

The implementation of the Twinning would contribute to SDG 16 “*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*”. The project will focus mainly through the institution-building dimension, by supporting the development of effective and accountable institutions. Strengthening Serbia’s capacity to manage and coordinate EU own resources improves transparency, accountability, and sound public financial management. The twinning will seek to support the alignment of financial and budgetary practices in Serbia with EU standards, including a fair and rule-based systems, reducing risks of corruption or misuse of funds. Robust financial governance reinforces trust in public institutions, which underpins citizens’ perception of fairness, rule of law, and inclusive governance.

## **2. Objectives**

### 2.1 Overall Objective:

The overall objective is to support Serbia’s progress towards EU accession by ensuring compliance with EU budgetary provisions (Chapter 33) through the establishment of a functional EU Own Resources system.

### 2.2 Specific objective:

The specific objective is to increase the institutional capacity of the Ministry of Finance and other stakeholders to manage and coordinate on EU Own Resources in line with EU Member State standards.

This project will contribute to:

- Enhancing the skills of Ministry of Finance and other stakeholders personnel through targeted expertise, training, and knowledge transfer to ensure timely and sustainable alignment with Chapter 33 requirements.

### 2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

The project will support the achievement of the goals of the overarching national document which sets out the priorities and timeframe for harmonization of legislation with the acquis, the National Plan for the Adoption of the Acquis 2022-2025 (NPAA). In the area of Financial and Budgetary Provisions, the NPAA provides detailed overview of the harmonization of the legislative and institutional framework and administrative capacities regarding traditional resources, VAT, GDP/GNI and coordination and management system, as well as the planned activities for the further advances in the harmonization. This project will directly contribute to the NPAA planned activities on the building institutional framework for coordination and management system of the own resources, and it is also aligned with plans to strengthen

administrative capacities of the institutions responsible for managing own resources from traditional resources, VAT and GDP/GNI.

Furthermore, this project will indirectly contribute to the achievement of the goals of the overarching Public Administration Reform Strategy 2021-2030 (PAR Strategy) and its Action Plan 2021-2025, as well as the Public Finance Management Reform Programme 2021-2025 with the Action Plan for its Implementation 2021-2025.

### **3. Description**

#### **3.1 Background and justification:**

##### *Institutional settings*

The EU accession Chapter 33 – Financial and budgetary provisions, covers the financial resources necessary for the funding of the EU budget ('own resources'). These resources are made up from so-called traditional own resources from customs duties and sugar levies, which are levied by the Member States on behalf of the EU; value-added tax (VAT); and finally, a resource based on each Member State's gross national income. Member States must have appropriate administrative capacity to adequately co-ordinate and ensure the correct calculation, collection, payment and control of their own resources' contributions. The acquis in this area is directly binding and does not require transposition into national law. The Republic of Serbia must establish a fully operational system for the calculation, collection, control, and reporting of the European Union's Traditional Own Resources (TOR), in accordance with the EU acquis and relevant legislation, including Council Decision (EU, Euratom) 2020/2053 and Council Regulation (EU, Euratom) No 609/2014.

This requires the creation of appropriate administrative capacities, operational procedures, IT systems, and databases, as well as the alignment of national customs legislation with EU requirements.

The key institution in the management and coordination of the own resources system is the Ministry of Finance. Within it, the Unit for Coordination and Management of Own Resources of the EU – Macroeconomic and Fiscal Analyses and Projections Department (Coordination Unit) is responsible for:

- Defining roles and responsibilities of all institutions participating in the Own Resources system;
- Establishing organisational and procedural links between institutions;
- Planning and coordinating Own Resources activities;
- Managing the overall Own Resources framework.

In addition to this crucial coordinating unit, other units or institutions that are part of the remit of the Ministry of Finance play key roles in the efficient coordination and management of the TOR. The Customs Administration is responsible for:

- Technical and technological preparations for TOR collection;
- Establishment of administrative capacities;
- Development of operational procedures;
- Creation of TOR databases and IT systems;
- Simulations of preliminary TOR payment calculations (A & B accounts);
- Calculation, collection, and control of TOR;
- Reporting to the European Commission and the Ministry of Finance Coordination Group;

- Adaptation of systems and alignment of legislation with the EU acquis;
- Training of civil servants in TOR-related tasks.

From August 2021 there are two employees in the Group for coordination and management of own resources of EU, as a part of Macroeconomic and Fiscal Analyses and Projections Unit.

The Tax Administration (TA) is responsible for technical and technological preparations for VAT-based Own Resources collection, including administrative capacity building, procedure development, database creation, simulation of preliminary payment calculations, calculation, collection, control, cooperation and reporting to the EU and Ministry of Finance Coordination Group, communication with the European Commission, system adaptation, legislation alignment, IT system implementation, and staff training.

The Department for Macroeconomic and Fiscal Analyses and Projections is responsible for projections related to VAT-based Own Resources, projections of GNI-based Own Resources, including GNI forecasts. The Fiscal System Department is responsible for aligning legislation with the EU acquis.

In terms of key roles, in addition to the Ministry of Finance, the Statistical Office of the Republic of Serbia (SORS) is responsible for calculating the average weighted VAT rate, establishing administrative capacities, creating Supply and Use (SUT) tables and databases, calculating GNI, cooperating and reporting to the EU and Ministry of Finance Coordination Group, adapting systems in line with EU acquis changes, and staff capacity building, establishing administrative capacities, drafting procedures, defining and creating required databases; communication and reporting to the European Commission;

Various services belonging to different ministries or departments are also involved in the system, for example, the National Bank of Serbia (NBS) is responsible for projections of GNI-based Own Resources, including GNI forecasts. In addition, the system includes the Ministry of Economy; Ministry of Public Administration and Local Self-Government; Ministry of European Integration and the Republic Secretariat for Legislation.

Expanding beyond the TOR, the Environmental Protection Agency (EPA) is responsible for providing data on non-recycled plastic packaging waste, in cooperation with colleagues from the Ministry of Environmental Protection and the European Commission mission; establishing administrative capacities, drafting procedures, and creating necessary databases; cooperation and reporting to the EU and the Ministry of Finance Coordination Group regarding non-recycled plastic waste-based Own Resources; communication and reporting to the European Commission; participating in professional development of civil servants in units responsible for non-recycled plastic waste-based Own Resources; preparing projections of Own Resources amounts based on quantities of recycled and non-recycled plastic packaging waste and annual data on plastic packaging placed on the market in Serbia. The Ministry of Environmental Protection is responsible for cooperation and reporting to the EU and the Ministry of Finance Coordination Group regarding non-recycled plastic waste-based Own Resources; adapting systems and aligning legislation in accordance with EU acquis amendments (in this context, legislative matters are primarily addressed under Chapter 27 (Environment), but cooperation with relevant actors is needed to clarify and align any additional requirements due to Chapter 33).

### *Needs/Problems assessment*

The explanatory screening for Chapter 33 for Serbia was held on 27 January 2015, and the bilateral screening on 24 March 2015. The Negotiating Chapter 33 is part of Cluster 5 - Resources, Agriculture and Cohesion. The chapter was opened in 2018.

The EU Commission Annual Reports note that regarding traditional own resources, the customs legislation is largely aligned with the EU acquis. However, reporting is manual, and Serbia does not use OWNRES, or any other similar national electronic database, to report on fraud and irregularities for amounts over EUR 10 000.

The new Customs Law of the Republic of Serbia was adopted in December 2018, and it is harmonized with the Regulation (EU) 952/2013 to the maximum possible extent. In June 2019, the accompanying regulations, decisions and rulebooks, which are harmonized with the provisions of the Commission Delegated Regulation (EU) 2015/2446, Commission Delegated Regulation (EU) 2016/341 and Commission Implementing Regulation (EU) 2015/2447 have also been adopted and the application of the new customs legislation began on June 17, 2019.

The Customs Administration writes off irrecoverable debts, which fell under the statute of limitations, pursuant to the provision of Article 99 of the Customs Law ("Official Gazette of the RS" No. 95/2018... 138/2022), while for the customs procedures that had been initiated prior to the date when the application of this Law started and that were discharged in accordance with the provisions valid until the date when the application of this Law started, it writes off the debts which fell under the statute of limitations pursuant to Article 270 of the Customs Law ("Official Gazette of the RS" No. 18/2010 ... 113/2017 – other law). Repayment and remission of customs debts are regulated by the Customs Law (Arts. 102, 104, 107, 152, 168-178).

The current accounting system does not use two different accounts, one for collected or secured debts (A account) and the other for uncollected/unsecured debts or secured but appealed debts (B account).

In the field of taxation by value added tax (hereinafter: VAT), two laws have been passed:

- Law on Amendments to the Law on Value Added Tax ("Official Gazette of the RS", number 113/17);

- Law on Amendments to the Law on Value Added Tax ("Official Gazette of the RS", number 30/18);

In addition, a significant innovation is the Rulebook on the form, content and method of keeping VAT records and the form and content of the overview of VAT calculation ("Official Gazette of the RS", no. 90/17, 119/17, 48/18 and 60/18). In the area of taxation of consumption with value added tax in 2020, the Law on Amendments to the Law on Value Added Tax was adopted ("Official Gazette of RS", No. 153/20). As regards the VAT-based resource, sufficient data sources are available for the calculation of the weighted average rate, deriving from the supply and use tables that were published for the first time in 2019.

As regards the gross national income-based resource, the National Accounts (NA) and the compilation of GNI (Gross National Income) are based on the definitions and accounting rules of the European System of National and Regional Accounts 2010 (ESA 2010). However, continued efforts are needed to produce the complete data required by the ESA 2010 transmission programme.

Regarding administrative infrastructure, the capacity of the institutions in the relevant policy areas needs to be further strengthened, and the organisational and procedural links between the institutions involved in own resources should still be developed. The ICT system in place to support the implementation of the requirements stemming from the Chapter 33 remains fragmented and some relevant elements are still missing. Among the key issues, the Customs administration does not have data sorted in the manner that is adequate to be able to inform

appropriately the account B in the format required for the Chapter 33. The Tax Administration has detected a lack of relevant data within its data collection systems to implement its responsibilities yet, and is missing clearly defined communication lines with the Statistics Office for the purposes of calculating the VAT base in terms of the requirements under the Chapter 33. It has not yet established an organizational unit competent for this task. The databases of the Environmental Protection Agency and the Ministry of Environment require data quality and reliability improvements and support for achieving the conformity of the methodology according to which the amount of non-recycled plastic packaging waste is calculated for the purpose of Chapter 33. The Statistics Office is also missing a specialised unit to implement the activities under their area of responsibility.

### 3.2 Ongoing reforms:

The Ministry of Finance is currently developing the Action Plan for the Chapter 33. The formal organizational and procedural communication and reporting links between the various institutions involved in own resources are expected to be established during the implementation of the Action plan for this chapter. The drafting of the Action Plan was supported by GIZ, and is expected in the upcoming period. A Government by-law is expected to be developed specifying the institutional set-up for the implementation of obligations under the Chapter 33, including the management of the EU own funds, specifying the responsibilities of each relevant institution, and following this, specific legal acts will need to be amended or adopted establishing as required and necessary the new organisational units in the relevant institutions to implement the agreed framework for the management of chapter 33 activities.

Additionally, a Manual on the system of EU own resources will be created.

### 3.3 Linked activities:

#### *Previous EU assistance*

As part of the strengthening of administrative capacities, an IPA PLAC III project was completed, with the subject of providing support to relevant national institutions in charge of harmonizing national legal acts with the EU acquis and to contribute to further capacity building of relevant national structures for successful accession negotiations. The specific objective of this project was to assist the Ministry of Finance - more precisely the Tax Administration in strengthening capacity, in order to ensure proper collection, accounting, tax accounting, forecasting, insurance, payment and financing policies.

The main focus was on the Council Directive 2006/112/EC and EURATOM Regulation 1553/89 on various issues related to VAT payment, e.g. methodology for reporting the VAT base, the manner of establishing a reporting system for annulled tax audit decisions, tax regulations related to the transfer of VAT and tax credit. The following activities were performed in the period of 2021-2022: Analysis of relevant documents (legal acts and other available documents) on the topic of the system of own resources of EU regulations (primarily based on VAT) at the EU level and VAT regulations in Serbia; Preparation of presentations and holding of trainings and working sessions with representatives of Tax Administration, MoF and the Statistical Office of the Republic of Serbia; Development of the Methodology of the European Union's own resources system in the Republic of Serbia; Development of the Guidelines for the European Union's own resources system based on VAT in the Republic of Serbia and the submission of all the above mentioned documents to STA.

A joint proposal of the Statistical Office of the Republic of Serbia and the Ministry of Finance - Tax Administration was submitted for expert assistance in relation to the issue of calculating the average weighted rate of VAT as its own source of financing the EU budget.

Competence for the calculating of the average weighted rate of VAT is divided between the Ministry of Finance - Tax Administration and the Statistical Office of the Republic of Serbia.

Own resources based on VAT are calculated on the basis of taxable transactions from Article 2 of Directive 2006/112/EC. The final multi-year weighted average VAT rate is the percentage that each EU member state calculates in accordance with the provisions of Article 4, Regulation 2021/769. Expert help will be needed to calculate the weighted rate in accordance with the latest EU Regulation from 2021.

With the aim to achieve full alignment with Regulation (EU) No 549/2013, the work on implementation of ESA 2010 started within IPA 2011, has continued within IPA 2012, IPA 2014, IPA 2015, and IPA 2017, IPA 2019 as well as within IPA 2022/19 Multi-beneficiary statistical cooperation programme.

In 2024, the Statistical Office of the Republic of Serbia (SORS) conducted a major or benchmark revision of GDP and all domains of the national accounts system in accordance with the five-year cycle of revision of national accounts of all European countries under the supervision of Eurostat.

In the major revision of 2024, numerous improvements of the methodology of national accounts were implemented, which are the result of continuous support of the EU to the Statistical Office of the Republic of Serbia through multiple regional and national IPA projects in the period after the previous major revision, conducted in 2018 and 2019. Moreover, in the 2024 revision, new and improved existing data sources, both administrative and statistical, were incorporated. Revised GDP data for the period 1995-2023 were published on 1 October 2024, together with updated GNI data series for the same period.

#### *Current EU assistance*

**IPA 2022 National Programme - EU4SORS Development of a modern statistical system;** the implementation period 01/01/2025 - 31/12/2027. The overall objective of the project is further alignment of the national statistical system with international standards, primarily with the standards of the European Statistical System (ESS) and increasing the comparability and interconnectivity of statistical data. The specific objective of the project is the development of a decision-making support system with the specific focus on a labour force information analytics, as well as the establishment of a Statistical Population Register. This initiative will not only enhance statistical production capacity and ensure the availability of timely, high-quality statistics but will also support the Statistical Office of the Republic of Serbia (SORS) in strengthening its administrative capacity and developing its coordination function—both of which are crucial for ensuring the long-term sustainability of the project's outcomes. Furthermore, the program is designed to ensure that Serbia's policymaking processes are data-driven and fully aligned with **EU standards and directives**.

**IPA 2022 Multi-beneficiary statistical cooperation programme,** the implementation period 01/01/2024 – 21/12/2027. The Statistical Office of the Republic of Serbia (SORS) has been awarded a direct grant by the European Commission, in cooperation with Eurostat, within the Multi-Beneficiary Programme IPA 2022 framework. Within the ongoing IPA 2022, SORS is going to prepare updated and revised GNI Inventory. It was decided to incorporate new text into the document so that answers to Eurostat questions, provided in 2023, become apparent, add relevant information on issues pertaining to the major revision of 2024 to the document and take the revision year 2022 as new reference year for the tables and text of the document.

#### *Planned EU assistance*

The **IPA 2026 Alignment of Macroeconomic Statistics with ESA 2010** will assist SORS with fieldwork and the collection of pertinent data, while this particular project will support SORS in preparing for data collection, evaluation, processing, and analysis of the gathered information. These two projects are intricately linked, and this proposal lays the essential groundwork for the efficient implementation and completion of these high-priority processes, which stem from the need to comply with EU requirements in the realm of National Accounts.

### 3.4 List of applicable *Union acquis*/standards/norms:

- Treaty on the Functioning of the European Union, Article 311
- Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of Own Resources of the European Union and repealing Decision 2014/335/EU, Euratom
- Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available traditional, VAT-based and GNI-based Own Resources and on measures to meet cash requirements
- Commission Implementing Decision (EU, Euratom) 2018/194 of 8 February 2018 establishing models for statements of accounts for Own Resources and the form for reports on irrecoverable amounts corresponding to Own Resources entitlements in accordance with Council Regulation (EU, Euratom) No 609/2014
- Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code
- Council Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of Own Resources accruing from VAT
- Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax
- Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010)
- Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94, as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC
- Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste
- Commission Decision 2005/270/EC of 22 March 2005 establishing the formats relating to the database system pursuant to Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging waste (notified under document number C(2005) 854).

### 3.5 Components and results per component

The results of this project should contribute to the achievement of the objectives as described in 2.1 and 2.2.

#### **Component 1: Establishment of the Institutional Framework for the Own Resources System**

##### Expected Results:

- Support the establishment of a clear and functional institutional framework for the Own Resources system;
- Strengthen the administrative capacity of the MoF Coordination Unit for effective planning, coordination, and management;
- Facilitate knowledge transfer from EU counterparts to Serbian institutions.
- Arrange study visit(s).

## **Component 2: Traditional Own Resources – TOR**

Expected Results:

- Support the achievement of full compliance of Serbia's TOR system with EU standards;
- Support the establishment of an integrated IT and database system for TOR;
- Strengthen administrative capacity for TOR calculation, collection, control, and reporting;
- Transfer EU best practices in TOR management and fraud/irregularity reporting.

## **Component 3: VAT-based Own Resources**

Expected Results:

- Support the Ministry of Finance – Tax Administration in strengthening administrative and technical capacities for VAT-based Own Resources management.
- Assist the Statistical Office in developing methodologies and IT systems for calculating the average weighted VAT rate.
- Facilitate legislative and IT infrastructure harmonization with EU requirements.
- Enhance professional skills of civil servants involved in VAT-based Own Resources through targeted training and knowledge transfer.
- Improve inter-institutional cooperation for effective reporting and compliance.

## **Component 4: GNI-based Own Resources**

Expected Results:

- Strengthen the Statistical Office's capacity to calculate, report, and project GNI in line with EU requirements;
- Support the Ministry of Finance and National Bank of Serbia in preparing reliable projections of GNI-based Own Resources;
- Facilitate harmonization of legislation and IT systems with the EU acquis;
- Enhance professional development of civil servants involved in GNI-based Own Resources;
- Improve cooperation and reporting mechanisms between relevant institutions and EU bodies.

## **Component 5: Non-Recycled Plastic Waste-Based Own Resources**

Expected Results:

- Support the Environmental Protection Agency and Ministry of Environmental Protection in building administrative and technical capacities for accurate data collection and reporting on non-recycled plastic waste;
- Assist in ensuring data methodology and reporting compliance with EU requirements and coordination with Chapter 27 obligations;
- Assist in developing projections of Own Resources based on non-recycled plastic packaging waste;

- Facilitate adaptation and alignment of national legislation and IT systems with EU acquis related to this resource;
- Enhance professional skills of civil servants involved in this area through training and knowledge exchange;
- Improve coordination and reporting mechanisms between environmental and financial institutions and EU bodies.

### 3.6 Means/input from the EU Member State Partner Administration(s)\*:

The project team will consist of a Project Leader (PL), one Resident Twinning Advisor (RTA) and a pool of experts for ad hoc assignments. The RTA will have a leading role in the implementation of the activities in each component, while the project leader will be in charge of the whole coordination of activities, compliance with the given deadlines, in order to reach the project results in a way to achieve the objective of the project. All experts shall meet the formal conditions as set out in the Twinning Manual.

The RTA, together with the MS Project Leader and with the beneficiary counterparts will ensure that any difficulties that could hamper the implementation of the activities are identified at an early stage, and effectively resolved. Both project representatives should also ensure close cooperation with the European Union Delegation to the Republic of Serbia and coordination with other ongoing and linked projects.

#### 3.6.1 Profile and tasks of the PL:

##### MS Project Leader:

The Project Leader will manage the project team of selected member state(s) and co-ordinate the implementation of activities. The project leader will establish and maintain links between experts from member state and beneficiary state.. PL will also be responsible for modifications of Work plan in accordance with identification of needs in the lifetime of the Project and in this way ensure, that experts input and distribution of their working days will be used in the most efficient and effective way.

The Project Leader tasks:

- Design, supervision and coordination of overall project preparation;
- In collaboration with the PL of the Beneficiary country, ensure the overall management and coordination of the Twinning Project;
- Monitoring the overall implementation of the project;
- Coordinate the work of the RTA;
- Ensure effective use of project resources and inputs to achieve the expected results;
- Liaise with the Project Leader of the Beneficiary institution, particularly in respect of making any changes to the project work plan that are necessary during the life of the project;
- Together with the Beneficiary country's Project Leader (and relevant EU delegations), co-chair the regular meetings of the Project Steering Committee;
- Carry out administrative tasks within his/her area of responsibility (e.g. signing cover letters, etc.);
- Take responsibility for interim and final reports together with the PL of the Beneficiary country;
- Ensure a robust steering policy;
- Participate in communication and visibility activities (see Twinning Manual, section 5.7).

The Project Leader profile:

- University degree (required) in economics, statistics, finance, or equivalent professional experience of 8 years.;
- Experiences in management and control and good organizational skills: managing or assisting in management in at least 2 projects (would be an asset);
- Minimum of 3 years of professional experience in the field of in economics, statistics or relevant fields as public servant or in mandated body in MS (required);
- Minimum 3 years of experience in public finance, national accounts or Own Resources related areas as public servant or in mandated body in MS (required);
- Experience of work in international and multicultural environment (involvement in at least 2 EU funded projects is an asset);
- Fluency in English language (required);
- Familiar with the relevant EU legislation relevant to Own Resources and national accounts;
- Computer literacy and good communication skills;

### 3.6.2 Profile and tasks of the RTA:

According to the Twinning Manual (section 4.1.6), the Resident Twinning Advisor (RTA) is responsible for the day-to-day implementation of the Twinning Project throughout its duration. The RTA is the backbone of the Twinning Project. The RTA must provide advice to the representatives of the Beneficiary administration. He/she keeps the Beneficiary PL informed of the implementation and reports regularly to the Member State PL. During the project implementation, the RTA regularly updates the work plan to be transmitted to the Project Steering Committee. The RTA will play a key role in coordinating contributions to the project. The RTA will be supported by short term experts.

The Resident Twinning Advisor tasks:

- Ensuring the daily implementation of the Twinning Project in the Beneficiary country with contact points for the Beneficiary structures;
- Drafting the work plan in close cooperation with all actors and based on the expected results of the project;
- Working together with the MS Project Leader and the Project Leader of the Beneficiary administration to mobilize and supervise short-term experts;
- Coordinating the interventions of other experts;
- Providing technical advice and support to representatives of the Beneficiary administration of the Twinning Project;
- Ensuring the proper implementation of the various activities that are carried out;
- Organizing all project activities, such as workshops, study visits, training and short-term expertise, etc.;
- Preparing regular project monitoring meetings/briefings;
- Preparing quarterly and monthly reports (to be signed off by the Project Leaders);
- Making recommendations to ensure optimum project results;
- Regularly updating the work plan and transmitting project updates to the Project Steering Committee under the authority of the Member State and the Project Leaders.

The Resident Twinning Advisor profile:

- University degree in the relevant field (economics, statistics, finance or equivalent) (required) or equivalent professional experience of 8 years.;
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- Minimum of 3years professional experience (required).
- Minimum of 3 years in public finance, national accounting or related statistics;

- Proficiency in standard computer tools/software (Word, Excel, PowerPoint, Outlook, video-conferencing, etc.) that are necessary to implement the project (required);
- Fluency in spoken and written English (required);
- Have good knowledge of European legislation and regulations in the area of Statistics, and Own Resources;
- Have experience in supporting the transposition or approximation of the Union acquis;
- Have experience in managing a project in a similar field, preferably an international project is an asset;
- Have good negotiation/administration skills;
- Have good communication and coordination skills.

### 3.6.3 Profile and tasks of Component Leaders:

The project will involve a maximum of three Component leaders. Component Leaders are responsible for the detailed management and coordination of activities within their assigned project components (e.g., TOR, VAT-based, GNI-based, Non-Recycled Plastic Waste Own Resources). They ensure coherence and coordination of the activities pertaining to each component. Component Leaders work closely with the Resident Twinning Advisor, Project Leader, and beneficiary counterparts to facilitate smooth implementation, provide technical expertise, and support capacity-building efforts.

#### Profile

- University degree in economics, statistics, finance, or a related discipline or equivalent professional experience of 8 years;
- Minimum of 3 years of professional experience in areas relevant to the specific Own Resource component(s) they lead (e.g., customs, tax administration, macroeconomic analysis, environmental data management);
- Proven expertise in EU Own Resources legislation and reporting requirements;
- Experience in capacity building, training, and knowledge transfer activities;
- Strong organizational, communication, and interpersonal skills;
- Fluency in English (spoken and written);
- Ability to work in an international, multicultural environment;
- Proficiency with common IT tools and project management software.

### 3.6.4 Profile and tasks of other short-term experts:

For each activity that is linked to a Component Result, MS Experts shall be mobilised in the form of short-term missions, with each Expert acting within his/her own field of speciality. These missions will be scheduled and initiated by the RTA, in consultation with the PL, and defined on a quarterly basis according to the work programme. In operationally justified cases, and in agreement with the Contracting Authority, there may be activities implemented by short-term experts from the Member State via videoconferencing tools.

Detailed profiles and tasks of short-term experts will be provided in Twinning Work Plan. The indicative requirements are following:

- Provide technical input in specific areas of project implementation including technical and institutional support, organization of training workshops, drafting of training materials, drafting of required documents and other activities mentioned in their respective references;
- Provide support to Beneficiary Departments in implementing activities and provide specific recommendations in their role as specialists;

- Provide the RTA with an activity report and the deliverables planned for the end of each mission.

The qualifications and experience required for short-term experts are as follows:

- He/she must have university degree in the field in the relevant field (economics, statistics, finance, mathematics or equivalent) or equivalent professional experience of 8 years.
- Have a minimum of 3 years of specific professional experience in specific areas regarding Negotiating Chapter NC 33;
- A good command of spoken and written English (required);
- Proficiency in standard computer tools/software (Word®, Excel®, PowerPoint®, Outlook®, videoconferencing, etc.) that are necessary to implement the project (required);
- Training experience and experience on manual and guide preparation.

The concrete assignments will be subject to the preparation of the twinning Contract and the recommendations of the twinning partner(s).

#### 4. Budget

*Maximum Budget available for the Grant: 1,000,000.00 EUR*

EU support to strengthen capacities of the Statistical Office of the Republic of Serbia to implement capital stock survey and land estimation	<b>IPA Contribution</b>	<b>National co-financing</b>	<b>TOTAL</b>
Twinning Contract (EUR)	1 000 000	/	1 000 000

In addition, it is expected that there will be considerable volume of translation and interpretation necessary for the implementation of activities. Therefore, these services should be foreseen under the relevant budget heading and subheading (see Twinning Manual Section 6.2.8).

A full-time language assistant is to be envisaged to recruit (in addition to the full-time RTA Assistant).

#### 5. Implementation Arrangements

5.1 Implementing Agency responsible for tendering, contracting and accounting (AO/CFCU/PAO/European Union Delegation/Office):

Delegation of the European Union to Serbia

Address: Vladimira Popovica 40, 11 070 Belgrade

Tel: +381 11 3083 200

Fax: +381 11 3083 201

E-mail: delegation-serbia@eeas.europa.eu

5.2 Institutional framework

A Project Steering Committee will be formed as set out in 5.2.4 of the Twinning Manual.

The beneficiary of the project is the Ministry of Finance of the Republic of Serbia, specifically, the Group for Coordination and Management of EU Own Resources.

The Group is responsible for the technical-technological preparation for taking over tasks of coordination and management of the European Union's own funds in accordance with the obligations arising from the Accession Treaty and further on from full membership in the European Union, the tasks of establishing administrative capacities, creating procedures, defining and creating the necessary databases; creating simulations of preliminary payment calculations; calculation, collection and control of the European Union's own funds; making projections of payments of own funds to the budget of the European Union; tasks of coordination, cooperation and reporting to the European Union in connection with own funds; contact and reporting of the European Commission; tasks of adjusting the system in accordance with changes in the legal acquis of the European Union; participation in processes related to the professional training of civil servants in the Sector as well as other tasks in this area.

### 5.3 Counterparts in the Beneficiary administration:

#### 5.3.1 Contact person:

Mr. Aleksandar Stojkovic, Head of Group for Coordination and Management of EU Own Resources,

Ministry of Finance, 20, Kneza Milosa Street, 11000 Belgrade, Serbia

aleksandar.stojkovic@mfin.gov.rs

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#### 5.3.2 PL counterpart

The Project Leader counterpart will manage a project team at the Ministry of Finance side and will assure that the decision-makers at the national level will be informed properly on the implementation of the project. He(she) will ensure close cooperation and overall steering and coordination of the project and will be responsible for drafting and signing of the reports and other documents, related to the project management and will chair PSC meetings.

#### 5.3.3 RTA counterpart

The RTA Counterpart will be designated by the Beneficiary at the inception of the project.

## 6. Duration of the project

Duration of the project is 12 months (implementation period) + 3 months.

Provisional schedule of implementation:

- Launching of the call for proposals (Date): Q4 2025;
- Start of project implementation (Date): Q2 2026;
- Project completion (Date): e.g. Q2 2027.

## 7. Management and reporting<sup>1</sup>

### 7.1 Language

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<sup>1</sup> Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

The official language of the project is the one used as contract language under the instrument (English / French). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

## **7.2 Project Steering Committee**

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

## **7.3 Reporting**

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twinning: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

## **8. Sustainability**

The sustainability of the project lies in the strengthened institutional capacities and enhanced skills of Ministry of Finance staff and other stakeholders, which will ensure long-term alignment with EU Own Resources requirements. By transferring knowledge, introducing improved procedures, and embedding EU best practices into daily operations, the project reduces reliance on external support and enables Serbian institutions to independently manage and coordinate obligations under Chapter 33. This institutional strengthening will provide a solid foundation for continued compliance with EU budgetary provisions beyond the project's duration.

## **9. Crosscutting issues (*equal opportunity, environment, climate etc...*)**

The basic principle of equal opportunities will be adhered to as reflected in Serbian legislation. Gender equity principles will be respected in the implementation of all Project activities. Based on the fundamental principles of promoting equality and combating discrimination, participation in the operations will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs (in days), as a proof of equal participation of man and women during the implementation phase. The project will integrate cross-cutting issues by ensuring equal opportunities and non-discrimination in all capacity-building and training activities, promoting the inclusion of both women and men, as well as underrepresented groups, in strengthening institutional capacities. Environmental protection and climate considerations will be respected through the use of sustainable approaches in project implementation, including digital solutions and resource-efficient methods that reduce the ecological footprint of activities. As for engagement with civil society and non-government stakeholders, due to the scope of

domain, the experts' support in advisory and trainings may provide for more synergies between policies and active engagement of the above groups in their implementation.

## **10. Conditionality and sequencing**

This twinning project requires the full commitment and participation of the senior management and other relevant Ministry of Finance staff. In addition to providing the twinning partner with adequate resources to operate effectively, the senior management must be fully involved in the development and implementation of the project results.

There are neither special factors nor external conditions pre-required to the launching of the project.

## **11. Indicators for performance measurement**

### Component 1:

- Regulation on Own Funds coordination and management structures developed, with Rules of Procedure for operational and procedural links between all relevant institutions.
- Training programs organized for the MoF Coordination Unit;
- Study visit(s) to MS ministries of finance.
- Contact persons in relevant institutions participate to international courses, seminars, workshops, conferences related to own funds.

### Component 2:

- TOR operational procedures drafted;
- TOR database and IT reporting tools established;
- Training programmes organized for the Customs officers on TOR requirements and reporting;
- Action Plan with a timeline for full TOR readiness is drafted.

### Component 3:

- Fully operational administrative procedures for calculation, collection, control, and reporting of VAT-based Own Resources.
- Developed and implemented IT systems and databases, including SUT tables, for accurate VAT weighted average rate and VAT base calculation.
- Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of VAT-based own resources and technical support provided.
- Training programmes implemented for personnel in VAT-based Own Resources management.
- Communication channels for reporting and compliance between institutions developed.

### Component 4:

- Fully operational procedures and systems for calculation and reporting of GNI-based Own Resources;

- Established methodologies and databases for accurate GNI calculation and projection;
- Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of GNI-based own resources, and technical support provided.
- Training programmes implemented for personnel in the Statistical Office, Ministry of Finance, and NBS;
- Communication channels for reporting and compliance between all institutions involved in GNI-based Own Resources management developed.

Component 5:

- Established procedures and systems for data collection, reporting, and projection of non-recycled plastic waste-based Own Resources;
- Verified and harmonized methodology and data consistent with EU requirements;
- Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of Non-Recycled Plastic Waste-Based Own Resources and technical support provided;
- Trained personnel in Environmental Protection Agency, Ministry of Environmental Protection, and Ministry of Finance;
- Communication channels for reporting and compliance between all institutions involved in non-recycled plastic waste Own Resources management developed.

**12. Facilities available**

The Ministry of Finance will provide the MS Twinning partner with adequate office space for RTA and experts, meeting rooms and equipment necessary for relevant everyday activities. The Ministry of Finance will dedicate all necessary human and institutional resources in order to guarantee an effective implementation of the respective project.

**Annex C1a : Simplified Logical Framework**

	<b>Description</b>	<b>Indicators (with relevant baseline and target data)</b>	<b>Sources of verification</b>	<b>Risks</b>	<b>Assumptions (external to project)</b>
<b>Overall Objective</b>	To support Serbia’s progress towards EU accession by ensuring compliance with EU budgetary provisions (Chapter 33) through the establishment of a functional EU Own Resources system.	Level of preparedness of Serbia on the Chapter 33  Baseline: Moderately prepared (2025) Target: Good level of preparation (2031)	European Commission Annual Progress Report	Political commitment to aligning Serbia’s Financial and Budgetary Provisions with the EU may weaken due to changes in government priorities, political instability, or shifts in policy focus, potentially delaying reforms and hindering compliance with EU chapter 33 requirements.	The political commitment to improve alignment of the Serbia’s Financial and Budgetary Provisions to EU standards remains stable.
<b>Specific (Project) Objective(s)</b>	To increase the institutional capacity of the Ministry of Finance and other stakeholders to manage and coordinate on EU Own Resources in line with EU Member State standards	Degree of achievement of the Action plan on the EU Negotiating Chapter 33.  Baseline: 0% (2025) Target: 100% (2030)	Ministry of Finance Report on the Implementation of the Chapter 33 Action plan		

<p style="text-align: center;"><b>Mandatory results/outputs by components</b></p>	<p><b>Component 1: Establishment of the Institutional Framework for the Own Resources System</b></p> <p><b>Results</b></p> <p><b>1.1.</b> Establish a clear and functional institutional framework for the Own Resources system;</p> <p><b>1.2.</b> Strengthen the administrative capacity of the MoF Coordination Unit for effective planning, coordination, and management;</p> <p><b>1.3.</b> Facilitate knowledge transfer from EU counterparts to Serbian institutions.</p>	<p>1.1. Regulation on Own Funds coordination and management structures developed by Ministry of Finance, with Rules of Procedure for operational and procedural links between all relevant institutions. Baseline: not prepared (2025) Target: prepared (2027)</p> <p>1.2.1. Training programs organized for the MoF Coordination Unit.: Baseline: 0 (2025) Target: at least 4, with at least 5 attendees each (2026)</p> <p>1.2.2. Study visits to MS ministries of finance in countries (5 people per study visit): Baseline:0 (2025), target at least 2 (2026).</p> <p>1.3 Contact persons in relevant institutions participate in international courses, seminars, workshops, conferences related to own funds (if applicable, approx. 3 attendees per</p>	<p>Project report</p>	<p>Insufficient allocation of national budget funds or delays in securing IPA grant funding could jeopardize the implementation.</p>	<p>Sufficient amount of additional funding from national budget and IPA grant is secured.</p>
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	<p><b>Component 2: Traditional Own Resources – TOR</b></p> <p><b>Result</b></p> <p><b>2.1</b> Achieve full compliance of Serbia’s TOR system with EU standards;  <b>2.2.</b> Establish an integrated IT and database system for TOR;  <b>2.3.</b> Strengthen administrative capacity for TOR calculation, collection, control, and reporting;  <b>2.4.</b> Transfer EU best practices in TOR management and fraud/irregularity reporting.</p> <p><b>Component 3: VAT-based Own Resources</b></p> <p><b>Result</b></p> <p><b>3.1.</b> Support the Ministry of Finance –</p>	<p>event).Baseline 0 (2025), target 10 (2026)  <b>2.1.</b> TOR operational procedures drafted ;  Baseline – not prepared (2025), Target: prepared (2027)</p> <p><b>2.2.</b> TOR database and IT reporting tools established; Baseline: Not established (2025); Target: IT ready for use (2027)</p> <p><b>2.3.</b> Training programmes organised for the Customs officers on TOR requirements and reporting; Baseline: 0 (2025) Target: at least 4, with at least 15 attendees each (2026)</p> <p><b>2.4.</b> Action Plan with a timeline for full TOR readiness is drafted.  Baseline – not prepared (2025), Target: Prepared (2027)</p> <p><b>3.1.</b> Fully operational administrative procedures for calculation, collection, control, and reporting of VAT-based Own Resources developed.</p>			
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	<p>Tax Administration in strengthening administrative and technical capacities for VAT-based Own Resources management.</p> <p>3.2. Assist the Statistical Office in developing methodologies and IT systems for calculating the average weighted VAT rate.</p> <p>3.3. Facilitate legislative and IT infrastructure harmonisation with EU requirements.</p> <p>3.4. Enhance professional skills of civil servants involved in VAT-based Own Resources through targeted training and knowledge transfer.</p> <p>3.5. Improve inter-institutional cooperation for effective reporting and compliance</p>	<p>Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>3.2. Developed and implemented IT systems and databases, including SUT tables, for accurate VAT weighted average rate and VAT base calculation. Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>3.3. - Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of VAT-based own resources and technical support provided.</p> <p>3.4. Training programmes implemented for personnel in VAT-based Own Resources management. Baseline: 0 (2025) Target: at least 4, with at least 15 attendees each (2026).</p> <p>3.5. Communication channels for reporting and compliance between institutions developed and agreed. Baseline –</p>			
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	<p>not prepared (2025), Target: Prepared (2027)</p>			
	<p><b>Component 4: GNI-based Own Resources</b></p> <p><b>Results</b></p> <p><b>4.1.</b> Strengthen the Statistical Office’s capacity to calculate, report, and project GNI in line with EU requirements;</p> <p>4.2. Support the Ministry of Finance and National Bank of Serbia in preparing reliable projections of GNI-based Own Resources;</p> <p>4.3. Facilitate harmonization of legislation and IT systems with the EU acquis;</p> <p>4.4. Enhance professional development of civil</p>	<p>4.1. Fully operational procedures and systems for calculation and reporting of GNI-based Own Resources; Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>4.2. Established methodologies and databases for accurate GNI calculation and projection; Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>4.3. - Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of GNI-based own resources, and technical support provided.;</p> <p>4.4. Training programmes implemented for</p>		

	<p>servants involved in GNI-based Own Resources;</p> <p>4.5. Improve cooperation and reporting mechanisms between relevant institutions and EU bodies.</p> <p><b>Component 5: Non-Recycled Plastic Waste-Based Own Resources</b></p> <p><b>Results</b></p> <p>5.1. Support the Environmental Protection Agency and Ministry of Environmental Protection in building administrative and technical capacities for accurate data collection</p>	<p>personnel in in the Statistical Office, Ministry of Finance, and NBS; Baseline: 0 (2025) Target: at least 4, with at least 15 attendees each (2026).</p> <p>4.5. Communication channels for reporting and compliance between all institutions involved in GNI-based Own Resources management developed and agreed. Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>5.1. Established procedures and systems for data collection, reporting, and projection of non-recycled plastic waste-based Own Resources; Baseline – not prepared (2025), Target: Prepared (2027)</p> <p>5.2. Verified and harmonized methodology and data consistent with EU requirements; Baseline – not prepared (2025), Target: Prepared (2027)</p>			
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	<p>and reporting on non-recycled plastic waste;</p> <p>5.2. Ensure data methodology and reporting compliance with EU requirements and coordination with Chapter 27 obligations;</p> <p>5.3. Assist in developing projections of Own Resources based on non-recycled plastic packaging waste;</p> <p>5.4. Facilitate adaptation and alignment of national legislation and IT systems with EU acquis related to this resource;</p> <p>5.5. Enhance professional skills of civil servants involved in this area through training and knowledge exchange;</p> <p>5.6. Improve coordination and reporting mechanisms between environmental and financial institutions and EU bodies.</p>	<p>5.3. - Developed proposals for the harmonization of legislation and IT infrastructure aimed at accomplishing Chapter 33 responsibilities in the area of Non-Recycled Plastic Waste-Based Own Resources and technical support provided;</p> <p>5.4. Training programmes implemented for personnel in Environmental Protection Agency, Ministry of Environmental Protection, and Ministry of Finance; Baseline: 0 (2025) Target: at least 4, with at least 15 attendees each (2026).</p> <p>5.5. Communication channels for reporting and compliance between all institutions involved in non-recycled plastic waste Own Resources management developed and agreed. Baseline – not prepared (2025), Target: Prepared (2027).</p>			
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