EN

ANNEX

to the Commission Implementing Decision adopting the Annual Action Programme for the Republic of Serbia for the year 2020 – part II

1 IDENTIFICATION

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Republic of Serbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic act:</td>
<td>Instrument for Pre-accession Assistance (IPA-II)</td>
</tr>
<tr>
<td>CRIS/ABAC Commitment references and budget line(s):</td>
<td></td>
</tr>
<tr>
<td>Total cost:</td>
<td>EUR 19,205,218.70</td>
</tr>
<tr>
<td>EU Contribution:</td>
<td>EUR 14,505,000.00</td>
</tr>
<tr>
<td></td>
<td>Budget line: 22.02 01 01</td>
</tr>
<tr>
<td>2020/CRIS 042-588</td>
<td>Total cost: EUR 103,170,000.00</td>
</tr>
<tr>
<td></td>
<td>EU contribution: EUR 71,555,000.00</td>
</tr>
<tr>
<td></td>
<td>Budget line: 22.02 01 02</td>
</tr>
</tbody>
</table>

Method of implementation

| Action 1 “EU Integration Facility”, Action 2 "Support for the Participation in EU Programmes", and result 1 of Action 3 “EU for Environment and Climate Action” will be implemented through indirect management with the beneficiary country. The operating structure responsible for the execution of the actions is the Department for Contracting and Financing of EU Funded projects (CFCU) at the Ministry of Finance. Results 2 of the Action 3 "EU for Environment and Climate Action" will be implemented by an entrusted entity to be selected in accordance with the criteria set out in section 3(3)(a).

Action 4 "Serbia window of the Regional Energy Efficiency Programme for the Western Balkans ("REEP Serbia")" will be implemented through indirect management with the European Bank for Reconstruction and Development (EBRD) and/or the Kreditanstalt für Wiederaufbau (KfW).

Result 1 and 2 of the Action 5 "EU for Integrated Local Development and Tourism" will be implemented through indirect management by the United Nations Office for Project Services, and

Result 3 will be implemented through indirect management by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
| Final date for concluding Financing Agreement(s) with the IPA II beneficiary | At the latest by 31 December 2021 |
| Final date for contracting, including the conclusion of contribution/delegation agreements | 3 years following the date of conclusion of the Financing Agreement |
| Indicative operational implementation period | 6 years following the date of conclusion of the Financing Agreement. |
| Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) | 12 years following the conclusion of the Financing Agreement. |
2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific sectors under this programme:

The priorities of the present action programme for Serbia for IPA 2020 part II) are in line with the Revised Indicative Strategy Paper for Serbia (the strategy paper)\(^1\) which sets out the priorities for EU financial assistance for the period 2014-2020 to support Serbia on its path to EU accession based on two pillars: Democracy and Rule of Law, and Competitiveness and Growth. The selection of the specific sectors to be financed under this programme was based on the consideration of the objectives and results included in the revised strategy paper; the priorities defined within the strategy for ‘A credible enlargement perspective for and enhanced EU engagement with the Western Balkans’\(^2\); the specific recommendations of the Commission Report for Serbia for 2019, as well as on relevant national strategic documents, mainly the National Programme for Adoption of the Acquis (NPAA) and the Situation Analysis documents which make part of the draft Multi-Annual Planning Document for International Financial Assistance for the period 2019-2025 - Needs Assessment Document (NAD). The present programme has been prepared in close cooperation with the Ministry of European Integration and the national institutions, as well as in close coordination with other donors including international financial institutions. In view of consolidating a sector approach, the actions under this programme have been selected based on their relevance and their contribution to national sector strategies as well their link to accession negotiations. In addition, actions have been assessed based on key principles of maturity, absorption capacity, adequate sequencing with previously programmed IPA and other donors’ assistance. Recommendations from sector evaluations of the IPA component II programmes were also taken into account. This process led to the selection of the following sectors for financing under the present programme: democracy and governance; competitiveness and innovation; environment and climate action and energy. In the competitiveness and innovation sector, a dedicated action has been designed to support Serbia in mitigating economic fallout of the public health crisis caused by COVID-19 outbreak on the regional and local level.

Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

European integration facility

Substantial IPA assistance has been provided under IPA II to Serbia in order to support the horizontal departments in charge of coordination of European integration process. Previous facilities have proved essential for supporting Serbia to tackle the challenges of the accession process, by providing targeted support in key sectors. Support has also proven to be instrumental in enhancing capacities of the national authorities at central and local level for alignment and implementation of the EU acquis. The dynamics of the accession process has increasingly required Serbia to improve the capacity of public administration, both in terms of developing adequate institutional structures, but also in terms of ensuring the sufficient number of qualified experts and competent civil servants

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\(^1\) C(2018) 5064 of 10.08.2018

\(^2\) COM(2018) 65 of 06.02.2018
to work on the harmonisation of the national legislation with the EU *acquis*, as well as on the implementation of legislation and standards.

**Participation in EU Programmes**

Participation of Serbia in EU Programmes has been supported by IPA since 2007. Evaluations highlighted the benefit of this participation and the need to strengthen the national coordination mechanisms and capacities to maximise the benefits that Serbia can draw.

**Environment and Climate Action**

IPA II support in the sector of environment has aimed at improving environmental sustainability in line with the EU *acquis* regulating the sector. Support has been dedicated to the improvement in solid waste, water and wastewater management in line with EU requirements. Actions included support for municipal solid waste source separation plans and recycling schemes; development of the legal and operational framework for efficient and sustainable provision of water services; improved capacities of implementing bodies at central and local level to efficiently implement water and waste water infrastructure projects; as well as a number of infrastructure projects, mainly in the field of municipal waste water collection and treatment systems. The recommendations of the IPA monitoring committees have pointed to the need for improved capacities at all levels in this sector; improved coordination of the national and local level institutions and improved frameworks related to policy, financial planning and legislative activities.

**Energy**

Support to the energy sector has been substantial under IPA II. EU assistance focused on the adoption of legislation in line with the Energy Community legislation, capacity building of energy efficiency and cleaner energy production through the implementation of emission reduction at a thermal power plant as well as supporting new infrastructure. Relevant evaluation recommended that the strengthening of institutions responsible for policy, regulatory oversight and implementation (or reorganisation, in the case of energy liberalisation) should be synchronised with infrastructure development, given that the two are inextricably linked.

**Competitiveness and innovation**

The competitiveness and innovation sector has been one of the largest recipients of international assistance to Serbia. IPA support focused in particular on strengthening the ability of the economic policy makers to implement policies and legislation complying with EU *acquis*; increasing financial and advisory support to help small and medium enterprises and entrepreneurs as well as increasing investments in knowledge and innovation. Lessons learned were drawn from previous evaluations, which despite highlighting the improvement of the national and local level capacities, stress that continued support for both the overall business environment as well as to small and medium enterprises and entrepreneurs, coupled with an improved access to finance are still needed. Improvements in the legislative and institutional settings are also needed, including an improvement of inter-institutional coordination in order to harness positive effects of support interventions. Specific focus on sub-sectors such as tourism is expected to have a high impact on local development. Support to this sector is even more important in the current health crisis caused by COVID-19, and the need to mitigate the socio-economic effects of the crisis and support economic recovery.
**List of Actions foreseen under the selected Sectors/Priorities:**

<table>
<thead>
<tr>
<th>Sector/Priority/Action</th>
<th>Direct management</th>
<th>Indirect management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With entrusted entity</td>
<td>With IPA II beneficiary</td>
</tr>
<tr>
<td><strong>Democracy and Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 1 - EU Integration Facility</td>
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<td>6,972,866.40</td>
</tr>
<tr>
<td>Action 2 – Support to the Participation in Union Programmes</td>
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<td>7,532,133.60</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>n/a</td>
<td><strong>14,505,000.00</strong></td>
</tr>
<tr>
<td><strong>Environment, Climate Action and Energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 3 - EU for Environment and Climate Action</td>
<td>n/a</td>
<td>8,000,000.00</td>
</tr>
<tr>
<td>Action 4 – Serbia window of the Regional Energy Efficiency Programme for the Western Balkans (“REEP Serbia”)</td>
<td>n/a</td>
<td>9,000,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>n/a</td>
<td><strong>17,000,000.00</strong></td>
</tr>
<tr>
<td><strong>Competitiveness and Innovation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 5 – &quot;EU for integrated local development and tourism&quot;</td>
<td>n/a</td>
<td>17,000,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>n/a</td>
<td><strong>17,000,000.00</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>n/a</td>
<td><strong>34,000,000.00</strong></td>
</tr>
</tbody>
</table>

**2.2. DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS**

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU\(^3\).

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Democracy and Governance</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1</td>
<td><em>European Integration Facility</em></td>
<td><strong>14,505,000.00</strong></td>
</tr>
<tr>
<td>Action 1</td>
<td><em>European Integration Facility</em></td>
<td><strong>6,972,866.40</strong></td>
</tr>
</tbody>
</table>

\(^3\) [https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en](https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en)
(1) Description of the Action, objectives, expected results and key performance indicators

- Description of the action and objectives
The overall objective of this action is to contribute to strengthening the legislative framework and institutional and administrative capacities for the efficient carrying out of accession negotiations and fulfilling the requirements of EU membership.

The specific objective of the action is to support the Serbian administration to effectively meet the requirements and conditions deriving from the accession negotiations and successfully manage overall EU integration and pre-accession assistance geared towards EU membership.

- Expected results and key performance indicators
The expected results are:

  - Result 1: Sustainable administrative and institutional capacities developed in order to ensure further harmonisation, enforcement of the EU *acquis* and successful accomplishment of the accession negotiations;
  - Result 2: Improved access for persons with disabilities and reduced mobility to local public facilities.

The key performance indicators are:

  - Rate of alignment with the EU *acquis*, as measured by the % of the implementation of the Serbian National Programme for Approximation with the EU *acquis*;
  - Number of negotiations Chapters of the EU *acquis* opened and number closed;
  - Number of national institutions implementing selected actions for the achievement of NPAA priorities;
  - Number of local facilities adapted and constructed to become more accessible for persons with disabilities and reduced mobility.

(2) Assumptions and conditions
The assumptions that should be considered are: continuous commitment of the Serbian government to the EU integration process; continuous commitment to the implementation of public administration reform and public financial management reform programme; sufficient dedicated and qualified staff available at beneficiary institutions; NPAA and Regular Reports provide adequate guidance to the EU integration process; sufficient level of civil servants experienced in European integration affairs remain in respective beneficiary institutions and the representatives of public facilities subject to adaptation and construction are committed to cooperating concerning all the issues related to reconstruction or adaptation works.

There are no specific conditions identified for implementing this Action.

(3) Implementation modalities:
(3)(a) *Indirect management with the IPA II beneficiary*

This action will be implemented under indirect management by the Republic of Serbia, which shall be responsible for carrying out all the tasks relating to the implementation of the action. The Operating Structure responsible for the execution of the actions is the Ministry of Finance, Department for Contracting and Financing European Union Funded Programs.

In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

<table>
<thead>
<tr>
<th>Action 2</th>
<th>Support to the Participation in Union Programmes</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7,532,133.60</td>
</tr>
</tbody>
</table>

(1) *Description of the Action, objective, expected results and key performance indicators*

- **Description of the action and objectives**

The long-term overall objective of this action is to ensure the participation of the Republic of Serbia to the Union Programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as: education, youth, culture, customs, tax, employment, social sector activities and innovation, Small and medium-sized enterprises SMEs, research and innovation, health, civil protection and justice.

The specific objectives of the action are:

- Enhanced participation of the Republic of Serbia to the Union Programmes, including an increased exchanges with EU Member States;
- Strengthened ownership and responsibility of the Republic of Serbia (including in financial terms) for participation to the Union Programmes.

- **Expected results and indicators:**

The expected results are:

- Serbia participates to the EU Programmes listed in the section 3 of the Action document.

The key performance indicators are:

- Number of programmes for which an International Agreement has been concluded in 2020;
- Serbia's participation rates in the different Union Programmes.

(2) *Assumptions and conditions*

The main assumption that should be considered is the commitment of the Serbian administration and institutions for preparation and participation to EU Programmes.

(3) *Implementation modalities*
(3)(a) **Indirect management with the IPA II Beneficiary**

This action will be implemented under indirect management by the Republic of Serbia, which shall be responsible for carrying out all the tasks relating to the implementation of the action.

The Operating Structure responsible for the execution of the actions is the Ministry of Finance, Department for Contracting and Financing European Union Funded Programs. Implementation will consist in the payment of the IPA part of the financial contribution to the programmes by the National Fund.

In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Environment, Climate Action and Energy</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 3</td>
<td>EU for Environment and Climate Action</td>
<td>54,555,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>45,555,000.00</td>
</tr>
</tbody>
</table>

**(1) Description of the Action, objective, expected results and key performance indicators**

- **Description of the action and objectives**

The overall objective of this action is to contribute to a better life quality of citizens through improvement of the environmental status in the Republic of Serbia.

The specific objective of the action is:

- To improve waste management system, water and air quality through upgrading of waste, water and waste water infrastructures, by establishment an adequate air and water quality monitoring system as well as by strengthening the capacities of institutions to manage environmental investment.

- **Expected results and key performance indicators**

The expected results are:

- Result 1.1: Capacities for management of environmental protection improved;
- Result 1.2. Water and wastewater management system improved;
- Result 1.3. Waste management capacity improved in Novi Sad;
- Result 2. Implementation of pilot measures for environmental policy and climate change.

The key performance indicators are:

- Proportion of urban wastewater treated in line with the Urban Waste Water Directive (91/271/EEC);
• Pollution of water resources reduced (% of urban waste water treated to EU standards compared to baseline year);
• Number of parameters that define state of environment measured by SEPA;
• Proportion of inhabitant served by centralised wastewater collection in Serbia (%);
• Capacity Building Programme meeting the needs for effective management of environmental protection in place;
• Number of monitoring stations for air quality purchased are active;
• Proportion (%) of inhabitants connected to wastewater systems in Loznica, Čačak, and Sokobanja;
• Capacity of Novi Sad waste management public utility company adequate to needs;
• Number of successfully implemented environment and climate change policy measures in line with the Green Agenda.

(2) Assumptions and conditions

The assumptions that should be considered are: that the transition towards low carbon economy and green growth is Government priority; there is continued political support for harmonisation with the EU environmental acquis; there is commitment to continuation of environment sector reform and increasing competitiveness of the sector; there is allocation by the government of appropriate levels of human and financial resources; there is willingness of beneficiary staff and stakeholders to participate in trainings; the government remains oriented towards improving environmental institutions; the designated personnel is included in the project activities.

There conditions for this action are for Result 1.2: the End Recipient Agreements are signed and in place after signing Financial Agreement and prior to start tendering procedure for each beneficiary, and there is timely and quality project documentation preparation and relevant permits are obtained by national or local authorities.

(3) Implementation modalities

(3)(a) Indirect management with an international organisation

Result 2 of this Action "Implementation of pilot measures for environmental policy and climate change" may be implemented in indirect management with an International Organisation.

The envisaged entity will be selected using the following criteria: financial and operational capacity of the entity; years of experience and active involvement in the implementation of energy efficiency measures in Serbia or the region; in depth expertise in the field of EU standards in the area of energy efficiency, climate change or air pollution reduction and relevant networks in Serbia, region and EU Member States. The award criteria include relevance, effectiveness, feasibility, sustainability and cost-effectiveness of the action. The entrusted Entity has to ensure an exclusive visibility of the EU for the overall action.

(3)(b) Indirect management with the IPA II beneficiary

The actions to achieve result 1 of this action will be implemented under indirect management by the Republic of Serbia, which shall be responsible for carrying out all the tasks relating to the implementation of the action.
The Operating Structure responsible for the execution of the actions is the Ministry of Finance, Department for Contracting and Financing European Union Funded Programs. In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

| Action 4 | Serbia window of the Regional Energy Efficiency Programme for the Western Balkans ("REEP Serbia") | EUR 9,000,000.00 |

(1) Description of the Action, objective, expected results and key performance indicators

- **Description of the action and objectives**
  The overall objective of this action is to assist the Republic of Serbia in implementing energy efficiency investments in line with EU standards thus laying the ground for the convergence with relevant EU policies.

  The specific objectives of the action are:
  - To achieve sustainable energy savings and carbon emission reductions.
  - Expected results and key performance indicators

  The expected results are:
  - Result 1. A share of buildings are retrofitted (in line with the energy performance standards set out in the Energy Performance of Buildings Directive)
  - Result 2: Amount of energy savings resulted from the investments in energy-efficient technologies.

  The key performance indicators are:
  - Amount of EUR Invested in energy efficiency through the National Fund for energy efficiency or elsewise and EU support to Serbia
  - CO2 emission reductions (CO2/yr),
  - Energy Savings (MWh/yr),
  - Square meters of retrofitted buildings,
  - Percentage of CO2 emission reduction per building.

(2) Assumptions and conditions

The assumptions is that the same methodology will be applied for the verification of the achieved results as for the standardised Structure and Energy Audits.

There conditions for this action are that REEP Serbia will be implemented alongside intermediated or direct financing provided by EBRD and KfW to be provided to PFIIs or through direct loans and technical assistance to the State, cities or municipal companies.
to improve energy efficiency in public buildings (i.e. schools, hospitals, government buildings).

(3) Implementation modalities

(3)(a) Indirect management with an international organisation
The Action will be implemented in indirect management with the European Investment Bank for Reconstruction and Development (EBRD). If negotiations with the above-mentioned entrusted entity point to the need for the implementation of specific REEP windows which are usually implemented at regional level by Kreditanstalt für Wiederaufbau Bankengruppe (KfW), part of the action may be implemented in indirect management with KfW. The envisaged entities have been selected due to their experience and operational capacity for implementing specific windows under the regional REEP programme.

The entities have been selected using the following criteria: financial and operational capacity of the entity; years of experience and active involvement in the implementation of energy efficiency measures in Serbia or the region through multi-country REEP programmes; in depth expertise in the field of EU standards in the area of energy efficiency, climate change or air pollution reduction and relevant networks in Serbia, region and EU Member States.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Competitiveness and Innovation</th>
<th>EUR 17,000,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 5</td>
<td>EU for Integrated Local Development and Tourism</td>
<td>EUR 17,000,000.00</td>
</tr>
</tbody>
</table>

(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives
The overall objective of this action is to contribute to socio-economic recovery of the COVID-19 impact and development and social cohesion of Serbian society.

The specific objectives of the action are:
- To decrease socio-economic disparities in two regions within Serbia,
- To promote tourist industry development as engine for economic progress and recovery in Serbia lower Danube area.

- Expected results and key performance indicators
The expected results are:
- Result 1. Enhanced economic growth in targeted municipalities;
• Result 2. Improved social infrastructure and social cohesion in targeted municipalities;
• Result 3. Upgraded tourism/cultural facilities and stakeholder’s skills as part of the Tourism Development Strategy of the Republic of Serbia (2016-2025) implementation.

The key performance indicators are:

• World Bank Doing Business report – Distance to frontier, score;
• Global Competitiveness Index (score);
• Travel and Tourism Competitiveness Index (Rank);
• Regional Gross Domestic Product (GDP) as the percent of the national average (Šumadija and Western Serbia Region/ South – East Serbia Region);
• Reduced losses of supported cultural heritage sites;
• Number of start-ups, microenterprises and BSOs supported;
• Number of business-related infrastructure facilities built/rebuilt;
• Number of social infrastructure projects implemented;
• Number of social cohesion projects implemented;
• Degree of satisfaction of the quality of provided services;
• Number of innovative tourism projects in Eastern Serbia in the reporting period that promote role of women in tourism supply/demand.

(2) Assumptions and conditions

The assumptions are that the Government is committed to and is actively promoting regional development initiatives; valorisation of cultural heritage remains high on Government agenda; stakeholders in tourism are using their improved skills and capacities to boost tourism development; the willingness of people in targeted municipalities to undergo private sector development path; employers and business sector are interested to participate i.e. improved practice-based training; local self-governments interested to implement innovative youth employment initiatives through partnerships of the public, private and civil sector; local self-governments in lower Danube area remain committed to expansion of tourist offer and no additional externals shocks in tourism industry.

No conditions for implementation have been identified.

(3) Implementation modalities

(3)(a) Indirect management with an international organisation

Actions to achieve results 1 and 2 of this action will be implemented in indirect management with the United Nations Office for Project Services (UNOPS).

The envisaged entity has been selected using the following criteria: extensive experience in Serbia, from 2010 to 2018, as implementing partner of three major EU funded regional and local development area-based actions worth over EUR 60 million (two actions were successfully completed, while the third action, which started in 2018, is making a significant progress); experience as a key implementing partner of the Government and the EU in remediating the effects of floods that hit Serbia in 2014; proven efficiency and effectiveness of its approaches; extensive knowledge and experience with area-based development while applying integrated responses to diverse
needs of the beneficiaries; excellent results of the UNOPS grant methodology for capacity development of local self-governments (LSGs). UNOPS also worked with LSGs to develop 87 local regulations that enhanced good governance. Funds channelled through this Action will represent expansion of the existing IPA 2020 (I part), programme “EU for Local Development Programme” while focusing on economic recovery after COVID-19 public health crisis.

For the achievement of result 3, this action will be implemented through indirect management with Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ).

The entity was selected to implement the Action “EU for Competitiveness through Innovation and Tourism Development, Support for implementation of the Tourism Development Strategy of the Republic of Serbia (2016-2025)” - IPA 2018, through a Call for Expressions of Interest organised by the EU Delegation in cooperation with the responsible line ministries in April-May 2018. The selection process applied a number of criteria in order to identify the most suitable and qualified Entrusted Entity. The criteria included technical capacity, such as experience in the preparation and implementation of joint capacity building and similar projects; experience in managing programmes or projects related to the results (including grant schemes). Criteria related to adequate administrative and financial capacity was also be applied, as well as criteria related to the quality of the Concept Note, including relevance; consistency with the objectives, results and activities of the Action, expected impact; sustainability and cost-effectiveness. Funds channelled through this Action will represent expansion of the existing IPA 2018 “EU for Competitiveness through Innovation and Tourism Development, Support for implementation of the Tourism Development Strategy of the Republic of Serbia (2016-2025) project.
**3 BUDGET**

**3.1 INDICATIVE BUDGET TABLE - ANNUAL ACTION PROGRAMME FOR THE REPUBLIC OF SERBIA**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Action</th>
<th>Description</th>
<th>Indirect management</th>
<th>Direct management</th>
<th>IPA-II beneficiary or other third party contribution</th>
<th>Total (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>with IPA-II beneficiary</td>
<td>with entrusted entity</td>
<td>EU contribution (EUR)</td>
<td>Total EU contribution (EUR)</td>
</tr>
<tr>
<td><strong>Objective 1</strong></td>
<td></td>
<td></td>
<td>EU contribution (EUR)</td>
<td>EU contribution (EUR)</td>
<td>EU contribution (EUR)</td>
<td></td>
</tr>
<tr>
<td>1 Democracy and Governance</td>
<td>Action 1 EU Integration Facility</td>
<td></td>
<td>14,505,000.00</td>
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<td>14,505,000.00</td>
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<td></td>
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<td>6,972,866.4</td>
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<td>6,972,866.4</td>
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<td></td>
<td>Action 2</td>
<td>Support to the Participation in Union Programmes</td>
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<td>0</td>
<td>7,532,133.6</td>
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<tr>
<td><strong>Objective 2</strong></td>
<td>Action 3</td>
<td>EU for Environment</td>
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<td>8,000,000.00</td>
<td>0</td>
<td>45,555,000.00</td>
</tr>
<tr>
<td>3 Environment and Climate Action</td>
<td></td>
<td></td>
<td>37,555,000.00</td>
<td>8,000,000.00</td>
<td>0</td>
<td>45,555,000.00</td>
</tr>
<tr>
<td></td>
<td>Action 4</td>
<td>Serbia window of the Regional Energy Efficiency Programme for the Western Balkans (“REEP Serbia”)</td>
<td>0</td>
<td>9,000,000.00</td>
<td>0</td>
<td>9,000,000.00</td>
</tr>
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<td></td>
<td>Action 5</td>
<td>“EU for Integrated Local Development and Tourism”</td>
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<td>17,000,000.00</td>
<td>0</td>
<td>17,000,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>52,060,000.00</td>
<td>34,000,000.00</td>
<td>0</td>
<td>86,060,000.00</td>
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</tbody>
</table>
4 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Coordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

5 EVALUATION

The financing of the evaluation shall be covered by another financing decision.

Having regard to the importance of the action mid-term, final or ex-post evaluation(s) will be carried out for this action or its components via independent consultants, or contracted by the Commission, or via an implementing partner. The midterm evaluation will be carried out for learning purposes, in particular with respect to intention to launch further phases of the actions. The final or ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that Serbia needs lessons learned for future use of EU funding.

The Commission shall inform the implementing partner at least 6 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.