



United Nations Development Programme
Country: Republic of Serbia
Project Document

Project Title Management of Citizen-Centric Policy Measures – Office of the Prime Minister

UNDAF Outcome(s): Strengthened Good Governance

Expected CP Outcome(s): All branches of government at local and national levels are accountable, transparent and gender responsive
(Those linked to the project and extracted from the CPAP)

Expected Output(s): National and sub-national authorities, including line ministries, have developed capacities to plan, manage and monitor inclusive, integrated, and EU compliant development, and to manage resources, coordinate investments, and report on public spending in all sectors
(Those that will result from the project and extracted from the CPAP)

Implementing Partner: Office of the Prime Minister

Responsible Parties: Office of the Prime Minister, UNDP

Brief Description

The overall objective of the project is to enable the Government to drive forward a set of citizen-centric policy measures and interventions, which will make a substantial difference to the quality of life experienced by Serbia's citizens.

The purpose of the project is the support the Office of the Prime Minister by providing advisory services to its Strategic Project Implementation Unit tasked with supporting the Cabinet in delivering better results faster in five key priority areas: infrastructure, investment climate, agriculture, restructuring of public enterprises and public administration reform.

Programme Period:	2011-2015
Key Result Area (Strategic Plan):	Strengthening accountable and responsive governing institutions
Atlas Award ID:	89038
Start date:	2.6.2015.
End Date	31.12.2017.
Management Arrangements	NIM

2015 AWP budget:	USD 722,625
Total resources required	USD 2,630,725
Total allocated resources:	USD 2,630,725
• Regular	USD 137,500
• Other:	
o Donor	_____
o Donor	_____
o Donor	_____
o GLOC*	USD 2,493,225

Agreed by the Office of the Prime Minister: _____

Agreed by UNDP: _____

Handwritten signature and date: 15/6/15

* Funding for this initiative is secured from the GLOC resources channelled towards program financing, according to the Memorandum of Understanding signed with the Government of the Republic of Serbia and the United Nations Development Program on 27 May 2015, cleared by UNDP Bureau of Management.

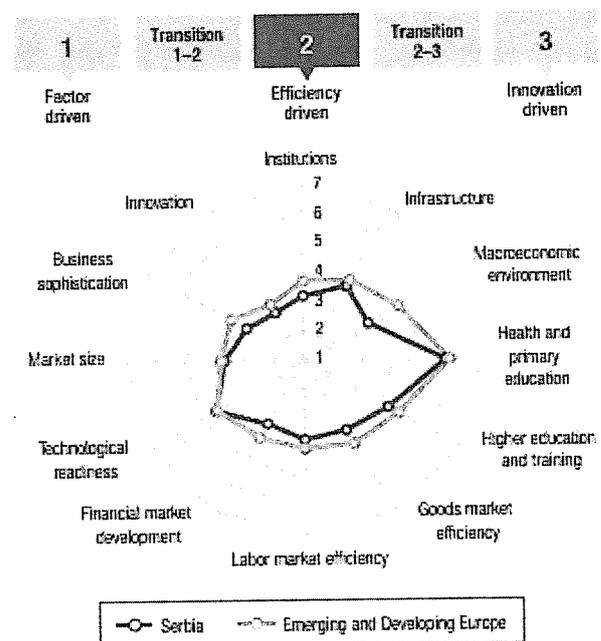
I. STRATEGY

The Prime Minister of the Republic of Serbia, in his address to the Parliament on 27 April 2014, on the occasion of establishment of the Government¹, noted that Serbia has dropped to the 101st place under the Global Competitiveness Index of the World Economic Forum for 2013/2014, as the last country in the region. He stated that the main goal of the reform process would be to increase competitiveness of the economy, make an appealing climate for investments and finally, to put pressure on the practice of corruption. The Government has a plan to make the biggest progress on this index, becoming among the first ranked countries of Southeastern Europe by 2018.

Global Competitiveness Index

	Rank (out of 144)	Score (1-7)
GCI 2014-2015	94	3.9
GCI 2013-2014 (out of 148).....	101.....	3.8
GCI 2012-2013 (out of 144).....	95.....	3.9
GCI 2011-2012 (out of 142).....	95.....	3.9
Basic requirements (40.0%)	101	4.1
Institutions.....	122.....	3.2
Infrastructure.....	77.....	3.9
Macroeconomic environment.....	129.....	3.5
Health and primary education.....	68.....	5.8
Efficiency enhancers (50.0%)	80	3.9
Higher education and training.....	74.....	4.3
Goods market efficiency.....	128.....	3.8
Labor market efficiency.....	119.....	3.7
Financial market development.....	109.....	3.5
Technological readiness.....	49.....	4.4
Market size.....	71.....	3.7
Innovation and sophistication factors (10.0%)	121	3.1
Business sophistication.....	132.....	3.2
Innovation.....	108.....	2.9

Stage of development



In order to steer reforms at a fast-track pace, the Office of the Prime Minister is setting up a Strategic Project Implementation Unit as a single information and coordination point supporting the head of Government in reaching evidence-based policy decisions. The Strategic Project Implementation Unit of the Office of the Prime Minister in Serbia is to be set up based on the following key principles:

- Is very focused on delivering better results faster on a **small number of the Prime Minister's top priorities**;
- Is established as a **key part of the Centre of Government**– playing a key role in the development of increasingly systematic and evidence-based approach to project implementation and execution;

¹ For full text of the expose, see <http://www.srbija.gov.rs/>

- **Leaves ownership for those priorities with the respective Ministries/agencies**, but will provide an intense level of Strategic Project Implementation Unit involvement, that goes beyond just monitoring;
- **Brings together a team of results-driven staff** from public and private sectors to support Ministries to improve delivery;

At the end of the day, the goal is to create a **sustained capacity to improve outcomes** for Serbian citizens. However, UNDP's assistance is designed as a positive measure in order to facilitate the implementation of reforms. Once the envisaged reforms are implemented, the need for advisory services foreseen by the project will cease to exist.

The Strategic Project Implementation Unit will allow the Government to drive forward a set of **citizen-centric policy measures and interventions**, which will make a substantial difference to the quality of life experienced by Serbia's citizens.

The current plan is to have 5 focus areas of activity for the Strategic Project Implementation Unit, each headed by a Director and a team of 3-4 reporting to them in each focus area:

- **Infrastructure:** Providing monitoring support for the progress of key infrastructure projects, including providing coordination and oversight for the Prime Minister's Office in regards to the transformation of the Serbian Roads and Serbian Railway company. The Unit is also likely to be involved in supporting the implementation of the new law on construction permits;
- **Investment Climate:** Supporting the vibrant development of the investment climate in Serbia, most focused on the reform of selected key investment promotion agencies as well as the coordination of several large FDI projects for the country;
- **Agriculture:** Currently scoped to work closely with the Ministry to support delivery across four key areas; 1) Improvement of farm extension services, 2) Operationalization of select food testing laboratories, 3) Reform of veterinary services and 4) institutional building within Ministry of Agriculture in regards to some specific preparation for EU accession processes;
- **Restructuring:** Providing coordination support from the PM's office in regards to key restructuring projects for select large public-owned companies in Serbia including Telekom Serbia and Serbia Gas
- **Public Administration Reform:** Supporting the delivery of key public administration reform priorities, including supporting the key processes involved in delivering labour cost reductions and the new wage law

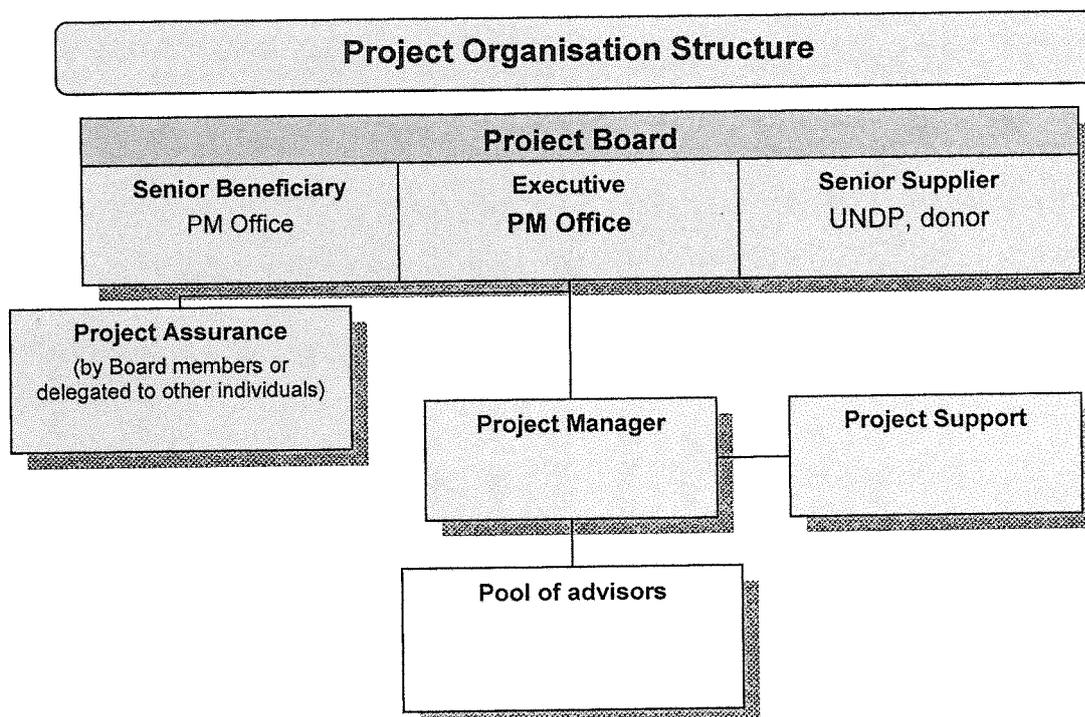
In addition to the above 5 focus areas, a small team of 2-3 people focused on Legal and Data Analytics (across all 5 areas) will play a key role in providing expert support (data, legal, monitoring, etc.) across all focus areas of the Strategic Project Implementation Unit.

Funding for this initiative is secured from the GLOC resources channelled towards program financing, according to the Memorandum of Understanding signed with the Government of the Republic of Serbia and the United Nations Development Program on 27 May 2015, cleared by UNDP Bureau of Management.

II. ANNUAL WORK PLAN

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	RESPONSIBLE PARTY	Funding Source	Budget Description	PLANNED BUDGET				Amount in USD
					2015	2016	2017	2018	
<p>Output: Expert support allows for operationalization and close monitoring of top Government program priorities</p> <p>Baseline: Government priorities outlined on 27.4.2014, in the expose of the Prime Minister</p> <p>Indicators: Number of Government program priorities for which the PM Office is receiving expert support</p> <p>Targets: PM Office provided with expert support in delivering in five Government priority sectors</p>	1. Activity Result: Evidence-based policy support provided in the field of infrastructure	PMO	GLOC	7133871201 Consultants	75,000.00	100,000.00	100,000.00	275,000.00	
	2. Activity Result: Evidence-based policy support provided in the investment climate field	PMO	GLOC	71490-Services Contracts Individuals	20,000.00	50,000.00	50,000.00	120,000.00	
	3. Activity Result: Evidence-based policy support provided in the field of agriculture	PMO	GLOC	7133871201 Consultants	42,500.00	100,000.00	100,000.00	362,500.00	
	4. Activity Result: Evidence-based policy support provided for	PMO	GLOC	71490-Services Contracts Individuals	20,000.00	50,000.00	50,000.00	120,000.00	
	5. Activity Result: Evidence-based policy support provided in the field of public administration reform	PMO	GLOC	7133871201 Consultants	75,000.00	100,000.00	100,000.00	275,000.00	
	6. Activity Result: Legal, data analytics, public relations and overall management	PMO	GLOC	71490-Services Contracts Individuals	20,000.00	50,000.00	50,000.00	120,000.00	
		PMO	GLOC	7133871201 Consultants	75,000.00	100,000.00	100,000.00	275,000.00	
		PMO	GLOC	71680-Tenel	7,500.00	10,000.00	10,000.00	27,500.00	
		PMO	GLOC	7280HT Equipment	7,500.00	1,000.00	1,000.00	9,500.00	
		PMO	UNDP	7450-Surveys	7,500.00	10,000.00	10,000.00	27,500.00	
		PMO	UNDP	640087140 M&S/MT&S/Support	3,000.00	4,000.00	4,000.00	11,000.00	
Subtotal Direct Project Costs					630,000.00	911,000.00	911,000.00	2,552,000.00	
Direct Project Costs funded by UNDP					37,500.00	50,000.00	50,000.00	137,500.00	
Direct Project Costs funded through GLOC					602,500.00	861,000.00	861,000.00	2,414,500.00	
General Management Services(GMS) (5% for GLOC funds)					32,625.00	43,000.00	43,000.00	118,625.00	
TOTAL PROJECT COST (Direct Project Costs with GMS)					722,625.00	954,000.00	954,000.00	2,670,725.00	

III. MANAGEMENT ARRANGEMENTS



The project will be executed under the **National Execution Modality** with UNDP support services as required.

The Office of the Prime Minister will appoint a **National Project Director (NPD)** to take overall responsibility of project execution. The NPD will delegate responsibility for day-to-day management to the Project Manager who will also report the project progress to the Project Board.

The **Project Board** is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for approval of project plans and revisions. Project Board decisions should be made in accordance to standards² that shall ensure best value to money, fairness, integrity transparency and effective international competition. Project reviews by this group will be made semi-annually, or as necessary when requested by the Project Manager. This group is consulted by the Project Manager for decisions when time, budget and quality tolerances are likely to be exceeded. It ensures that required resources are committed and

² UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.

arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.

Project Assurance is the responsibility of each Project Board member, but is usually delegated. In this case, UNDP Programme Officer will perform the project assurance role. UNDP Programme Officer will support the Project Board by carrying out objective and independent project oversight and monitoring functions thus ensuring that appropriate project management milestones are managed and completed.

The **Project Manager** has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The **Project Support** role provides project administration, management and technical and financial support to the Project Manager.

All deliverables produced during the project term, will bear the **donor and UNDP logo** and, where appropriate, the standard **UNDP disclaimer**.

IV. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard UNDP report format.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Quality Management for Project Activity Results

OUTPUT 1: Top Government program priorities operationalized and closely monitored		
Activity Result 1 (Atlas Activity ID)	<i>Strategic Project Implementation Unit</i>	Start Date: End Date:
Purpose	<i>The purpose is to provide the Office of the Prime Minister with expert support in order to ensure evidence-based steering and decision making over five Government priorities.</i>	
Description	<i>Evidence-based policy support will be provided in the fields of:</i> <ul style="list-style-type: none"> - <i>Infrastructure</i> - <i>Investment climate</i> - <i>Agriculture</i> - <i>Restructuring of public enterprises</i> - <i>Public Administration Reform</i> 	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. What method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
Number of Government program priorities for which the PM Office is receiving expert support	Expert inputs, Project progress reports	Semi-annually

V. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner", as such term is defined and used in the CPAP and this document.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".



OFFLINE RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Early/Parliamentary elections	Project development phase	Political	Enter probability on a scale from 1 (low) to 5 (high) P=2 Enter impact on a scale from 1 (low) to 5 (high) I=4	Suspend further timing of consultants once elections are announced. Secure consultations at the highest level immediately after establishment of Cabinet in order to discuss further project duration and objectives	Project manager	Project developer	Project development phase	
2	Changing priorities of the Government of Serbia	Project development phase	Operational Political Strategic	P=4 I=2	Keep an open line of communication between the PNUOPR, media staff and UNDP communications and PR expert in order to avoid and/or mitigate negative media publicity	Project manager	Project developer	Project development phase	
4	Not ensuring sustainability of the intervention i.e. not ensuring sustained capacity to improve outcomes during the intervention	Project development phase	Strategic	P=4 I=1	The intervention is designed as a positive measure in order to facilitate the implementation of reforms. Once the envisaged reforms are implemented, the need for advisory services foreseen by the project will cease to exist	Project manager	Project developer	Project development phase	

