

United Nations Development Programme

Country: Serbia

Project Document

Project Title: Accelerating Accountability Mechanisms in Public Finances

UNDAF/CPD Outcome: By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy

Expected Output(s): Output 2: Management of public funds is improved at all levels

Implementing Partner: State Audit Institution

Responsible Parties: State Audit Institution, Ministry of Finance, Public Procurement Office, Commission for Protection of Rights in Public Procurement Procedures, Judicial Academy, Standing Conference of Towns and Municipalities, UNDP

Brief Description

The overall objective of the project is to drive the public finance reform increasingly as a management reform, with focus placed on good and efficient management of institutions as opposed to creation of additional bureaucratic features in the public finance sphere for risk mitigation.

The project forms part of a larger scale UNDP portfolio targeting accountability mechanisms in public finances, building on achievements from a 2-year program preceding this intervention, funded by SIDA, and is complementary to an SDC funded sector project in the area. This comprehensive programmatic framework has potential to lead to impact level change in raising trust in the public finance system of the Republic of Serbia and its overall reform.

Strategic Plan Output: Citizen Expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance

Atlas Project ID: 00090562

Start Date: July 2016

End Date: July 2018

PAC Meeting Date: 05th July 2016

Total resources required: USD 4,002,146.67

Total allocated resources: USD 4,002,146.67

Regular

Other:

SIDA: USD 2,335,480.00

SDC: USD 1,666,666.67*

Unfunded:

In-kind Contributions Facilities for project staff located at the premises of SAI, PPO, MoF, JA, SCTM

Agreed by State Audit Institution:

Date:

Agreed by Ministry of Finance:

Date:

Agreed by Public Procurement Office:

Date:

Agreed by Commission for Protection of Rights in Public Procurement Procedures:

Date:

Agreed by Judicial Academy:

Date:

Agreed by UNDP:

Date:

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I. DEVELOPMENT CHALLENGE

Governments raise and spend public funds to provide public services. A quality public financial management system provides for effective and accountable administration of public funds, including for decreasing the public debt, which is one of the key challenges confronting Serbia. Such a system also reduces opportunities for corruption, another of Serbia's pressing challenges.

The government ran a high fiscal deficit over the previous several years, ranging between 4 and 7.2 percent of GDP, which resulted in a significant increase of the public debt.¹ The public debt in Serbia has reached a high 75.5% of the GDP, and, if not reversed, it is assessed as unsustainable.²

Public procurement as a public financial management process is particularly vulnerable to mismanagement and corruption. In Serbia, for instance, it is estimated that between 600 million and 1 billion EUR of the value of public procurements contain irregularities (out of a total of about 3 billion EUR spent on public procurement). As such, the integrity of the public procurement system should be viewed as a reform priority.

By contrast, audit—both internal and external—represents a critical tool for detecting, and by extension deterring, problematic financial management practices. Their strengthening is one of the most important measures for promoting more efficient use of public funds, and, in Serbia, both systems are still in a capacity building phase, facing financial, organizational and, at times, constraints relayed from a lack of policy coordination and political will.

Underpinning the above, external assessments of the state of play of Serbian public finances have emphasized the need to improve **the management aspect of public finances**.

According to the World Bank, in order to achieve sustainable public finances, the government needs to remain committed to the planned reduction in public expenditures, the improvement in the *management of these expenditures and the reduction in the public debt-to-GDP ratio*. Serbia rates low on indicators of policy coordination, with weak vertical and horizontal policy coordination.³

According to the EU, the *managerial accountability principle* is not yet fully embedded in the management culture and responsibilities are not delegated. Significant efforts are needed to implement public internal financial control (PIFC) at all levels of administration and in state-owned enterprises. Significant efforts are needed across the board to improve competition, efficiency and transparency in public tenders. Capacity to carry out financial investigations is limited.⁴

According to GIZ, the Serbian public finance system does not fulfil the requirements of EU standards, in terms of *transparency, effectiveness, orientation to citizens' needs, and accountability*.⁵

¹ World Bank Country Partnership Strategy 2016-2020, Report No. 100464-YF

² World Bank, Serbia, Public Finance Review 2015: <http://www.worldbank.org/en/country/serbia/publication/serbia-public-finance-review-2015>

³ World Bank Country Partnership Strategy 2016-2020, Report No. 100464-YF

⁴ EU Progress Report for Serbia, 2015: http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_serbia.pdf

⁵ http://www.15godinasaradnje.com/organizations/giz_6.php

II. EARLIER EXPERIENCE AND LESSONS LEARNT

The project forms part of a larger scale UNDP portfolio targeting accountability mechanisms in public finances, building on achievements from a 2-year project preceding this intervention – “Advancing Accountability Mechanisms in Public Finances”.

The project was designed as a **programme** of support to several institutions in the field of public finance, with the aim of making **parallel progress** in the said field. **The institutions** that participated in the project had been identified under the Public Procurement Development Strategy of the Republic of Serbia of that time and include the following: the **Public Procurement Office**, the **State Audit Institution**, the **Ministry of Finance** and the **Commission for the Protection of Rights in Public Procurement Procedures**. The **Judicial Academy** and the **Standing Conference of Towns and Municipalities** were also involved, while a special component was dedicated to cooperation with **civil society and the media**.

The program yielded results and contributed significantly to impact in the area of public finances. Some of the results have been recognized by the EU Progress Report for Serbia for 2015, specifically for Chapters 5 (Public Procurement) and 32 (Financial Control).

The most prominent results, linked to progress on the EU accession path, are as follows:

- Approximately **60 auditors successfully passed the exam organized by the SAI**, thus increasing the external audit capacity and at the same time, **expanding the pool of candidates** eligible to take the exam. As a result, the opportunity to earn the title was given not only to internal candidates from the SAI, but also to external candidates. In addition, the project supported the introduction of **continuous** education of state auditors, the effects of which are yet to be seen.
- Through the project, the SAI received support in developing a **methodology for the audit of political parties**, expanding capacities for **performance audit**, as well as in procuring a **special software** that can increase the speed of analysing and processing financial audit data up to 50 times. Moreover, monitoring the reports and activities of the SAI has recently been made easier through a new **web site**. Owing to the project, the SAI was also provided with continuous support in improving **external communications**, especially with the media.
- Even though the project initially planned to support **SAI** in reaching out to about 70 municipalities, outside the regular audit cycle and discuss with them the most recurrent audit findings as a means of building its **prevention pillar**, it managed, through SCTM, to reach out to more than double the number of municipalities country-wide, covering nearly all (i.e. 165 out of 170), with very high attendance at workshops, proving the importance of the support. At an impact level, the local administration use public funds in a more rational way and efficiently, as reported by SAI, with the **percentage of recommendations related to the local level that SAI issues through audit has dropped by over 10%** following the project start-up, compared to 2013 baseline data.

Specifically, in the conclusions of the Progress Report regarding the external audit, it is stated that the SAI **proactively contributed to progress in internal control standards** in the public sector, while placing special emphasis on the progress made in communication with the relevant stakeholders and the media.

- In the course of the project implementation, a total of **1098 new public procurement officers** were certified and provided with various **manuals**.
- This was followed by **amendments to the Law on Public Procurement** which have been made this year and supported by a **series of analyses** conducted as part of the project. The analysis included, among other things, **harmonization of our legislation with the EU directives**,

research on the **experience** of SMEs participating in the public procurement procedures and the ways to improve it, as well guidelines for eliminating **unnecessary procedures** and simplification of public procurement procedures.

- The Public Procurement Office **fulfilled the obligations set forth in the Action Plan** of the Public Procurement Development Strategy of the Republic of Serbia, supported by a series of **studies** published on the Public Procurement Office website, ranging from preconditions for the introduction of **e-procurement**, public procurement **centralization**, to social aspects of public procurement, the so-called **green** procurement and **general EU standards** in this field.
- The Public Procurement **Portal** has been further enhanced by **enabling publishing of clients' plans**, upgraded **search mechanisms**, and by setting up the **English version of the portal**, etc.
- Finally, there were intense activities implemented at the **local** level, as a result of which nine cities and municipalities had the opportunity to have a discussion with the PPO about the issues regarding the **centralized and decentralized** procurement, anti- corruption measures in public procurement, as well as **institutional arrangements** to improve public procurement capacities.

Apart from the general positive rating for the readiness of Serbia in this area, the Progress Report for Serbia also highlights the progress made by adopting the **amendments** to the Law on Public Procurement and wider application of the **competitive** procedure, whereby direct agreements were reduced to only 5% of the total value of all procurements.

- Thanks to the project the **Commission** for Protection of Rights in Public Procurement Procedures received a **full-featured case management system**, which enables more efficient case processing, while improving the case **search on the Commission's web site**.
- **Close cooperation with the** equivalent institutions in the region was also established - a Cooperation **Agreement** was signed with the Commissions from Croatia and Slovenia. The implementation of the Agreement allowed the Serbian Commission to gain a detailed insight into the **standards of the EU directives** in this field and the ways to implement them. The Commissions even discussed **individual cases** and how to solve them, while a book of joint decisions including comparative practices of the three Commissions was published.
- Given the new competencies of the Commission stipulated by the Law on Public Procurement, **extensive training in the application of the granted competencies** was provided as part of the project, as well as support for **external communications**.

The Progress Report for Serbia stresses a **37% increase in the Commission's decisions** made per case, along with the **progress in monitoring** the implementation of its decisions.

- A **new software**, developed within the project for the **Central Harmonization Unit** of the Ministry of Finance, **has been put into operation** to facilitate the **implementation of the EU recommendations**. Specifically, it primarily provides **additional information on internal audit**, internal financial controls and their **coordination** through the CHU, which will be of great importance **in the further process of negotiations related to Chapter 32**. Additionally, owing to the software **the users' reporting** is being **simplified**, as the standardized data is taken from other databases of the Ministry. Thus, for example, internal auditors from local self-governments will not have to repeatedly send the same information to the CHU. However, the data they send through the system, equipped with the data security protection, will be **processed** by the CHU **more easily**. The software also **facilitates the arrangement of training courses** intended for internal auditors, as well as their **liaising** across the country in order to exchange experiences and good practices.
- Good results achieved in the field of public finance are definitely supported by **extensive training of about 170 judges and prosecutors through the Judicial Academy**. The novelty of the training was **the participation of the officials from the SAI, Public Procurement Office**

and Republic Commission in the capacity of lecturers, while a strong focus was put on **malfeasance in public procurement procedures**. Furthermore, the training enabled **closer** and practical cooperation among these bodies and the judiciary, as evidenced by an increased number of clients' requests made to these authorities for the support in the resolution of their cases.

- Finally, a component of the project was dedicated to building the demand side by working with **the media and civil society**. Namely, the project enabled the appointment of **investigative journalists** in civil society organizations to investigate malfeasances in public finances in a new and different setting. As a result, **about 140 stories were published**, primarily through social networks, but a large number was downloaded by commercial media. **About 20 stories led to further action** of the competent authorities, and even to a change in the management in one municipality. One of the stories published through the project received an award from the EU for good investigative journalism: <https://pistaljka.rs/home/read/556>

In conclusion, the final project evaluation notes:

"One of the main strengths of the project has been to address **links throughout the accountability chain**, starting from preventive/policy-setting functions exercised by the PPO and CHU, continuing with the executive functions by supporting officials at the local level in particular, on to oversight functions provided by the SAI and civil society, through to remedies/sanctions delivered by the Republic Commission and the judiciary. Such an approach addresses the challenges more comprehensively, and helps to strengthen links between the complementary functions."

A set of **lessons learnt** have been extracted and logged with UNDP and partners, based on direct project implementation experience and findings of the independent final project evaluation:

- One of the main strengths of the project has been to address links throughout the accountability chain, starting from preventive/policy-setting functions exercised by the PPO and CHU, continuing with the executive functions by supporting officials at the local level in particular, on to oversight functions provided by the SAI and civil society, through to remedies/sanctions delivered by the Republic Commission and the judiciary. Such an approach addresses the challenges more comprehensively, and helps to strengthen links between the complementary functions.
- UNDP has created and exploited synergies between this project and other UNDP initiatives, such as the Strengthening the Oversight Function and Transparency of the Parliament project, the Open Data Initiative, the Enhancement of Public Finance Management at the Local Level project, etc. This has enabled easier access to authorities and non-financial resources, amplified inter-institutional cooperation and paved a better way towards impact.
- Although not explicitly stated, the project approach to institutional capacity development recognizes the value of functional capacities in addition to technical ones. The provision of training on time management, team building, communications skills, etc. is an essential aspect of organizational development, yet is seldom recognized or incorporated in national institutional development strategies.
- The program was designed in a highly participatory and demand-driven manner. Such an approach facilitated by far quick start-up of activities as measures envisaged by the program fall under the highest priority of the national partners. A strong emphasis was also put during implementation on responsiveness to the needs of beneficiaries, within the limits of the project design and direction from the Steering Committee. Such flexibility increased the project's relevance and ultimately the development of the beneficiary institution. Throughout the project implementation, the flexibility of the project proved to be one of the major advantages having in mind the changing environment in which the activities are being implemented. The good

cooperation with the partners enabled efficient and effective provision of the support and meeting the beneficiaries' needs.

- Placing program coordinators within national partner institutions eases daily communication, facilitates national ownership and builds up the levels of trust.
- Access to expertise from New EU Member States and acceding countries from the region is greatly appreciated by national partners dealing with public procurement. The program enabled national partners to prepare well for the screening process, which in turn helped drive the reform forward.
- Communication of LSG and SAI representatives on regional seminars and workshops on SAI findings and LSG legal framework is found highly praised by local representatives as in such neutral setting (other than particular SAI audits in their LSG's) officials can learn and debate their position towards the national level having in mind legal gaps and institutional contradictions, which opens space for future advocacy.

III. STRATEGY

The above mentioned realms of public finances are targeted by UNDP's public finances portfolio⁶ and the Accelerating Accountability Mechanisms in Public Finances project.

The key institutions supervising these processes in Serbia are the State Audit Institution (SAI), the Ministry of Finance (MoF), the Public Procurement Office (PPO) and the Commission for Protection of Rights in Public Procurement Procedures (Commission), all of which are key partners and beneficiaries of the project and portfolio. The project also extends capacity development beyond the central institutions to the local level, introduces innovation to the Serbian society in a number of areas, including the standard of open data in public finances and also addresses the next link in the accountability chain: the enforcement segment of the chain and the judiciary. Through the Judicial Academy, it aims to strengthen the capacity of investigation, prosecution and adjudication to successfully process violations in this domain.

From a complementary direction, currently, the broader portfolio supports civil society and media to engage at community level in participatory public finance management, while at the same time, strengthening the institutional mechanisms (from a supply and demand aspect) - public internal financial control mechanisms, as well as internal and external audit at local level.

The portfolio can be described as pursuing two main directions of objectives: as a sector initiative aiming to strengthen checks and balances exercised by state institutions and promote their cooperation in delivering joint policy messages, particularly at the local level; it also addresses horizontal and vertical accountability mechanisms in public finance through the judiciary and through civil society and media. A cross-cutting theme of the portfolio is EU accession, as a strategic orientation of the country. While most interventions are designed to facilitate the alignment with EU Acquis, there are also activities that support the EU accession process itself.

From a theory of change perspective, and, bearing in mind the development challenge elaborated in the previous section:

⁶ Co-funding from SDC has been secured in December 2015 under UNDP's public finance portfolio, thus broadening the programmatic scope and potential for impact. The initiatives supported by SDC target external and internal audit – approaching it from the aspect of capacities needed to address audit at subnational/municipal level. In addition, a complementary component seeks to promote good practice examples of public finance management, through civil society and media.

Apart from the SDC supported initiative, UNDP is currently implementing a project supporting the Ministry of Finance in EU accession: *Enhancement of the Capacities of the Ministry of Finance for the EU Accession Process*, which complements to an extent the support provided to the Public Debt Administration.

- In order to achieve improvement in the management of public funds at all levels, the project addresses three key areas where enhancement is needed:
 1. Managerial accountability
 2. Oversight of public finances
 3. Enforcement mechanisms

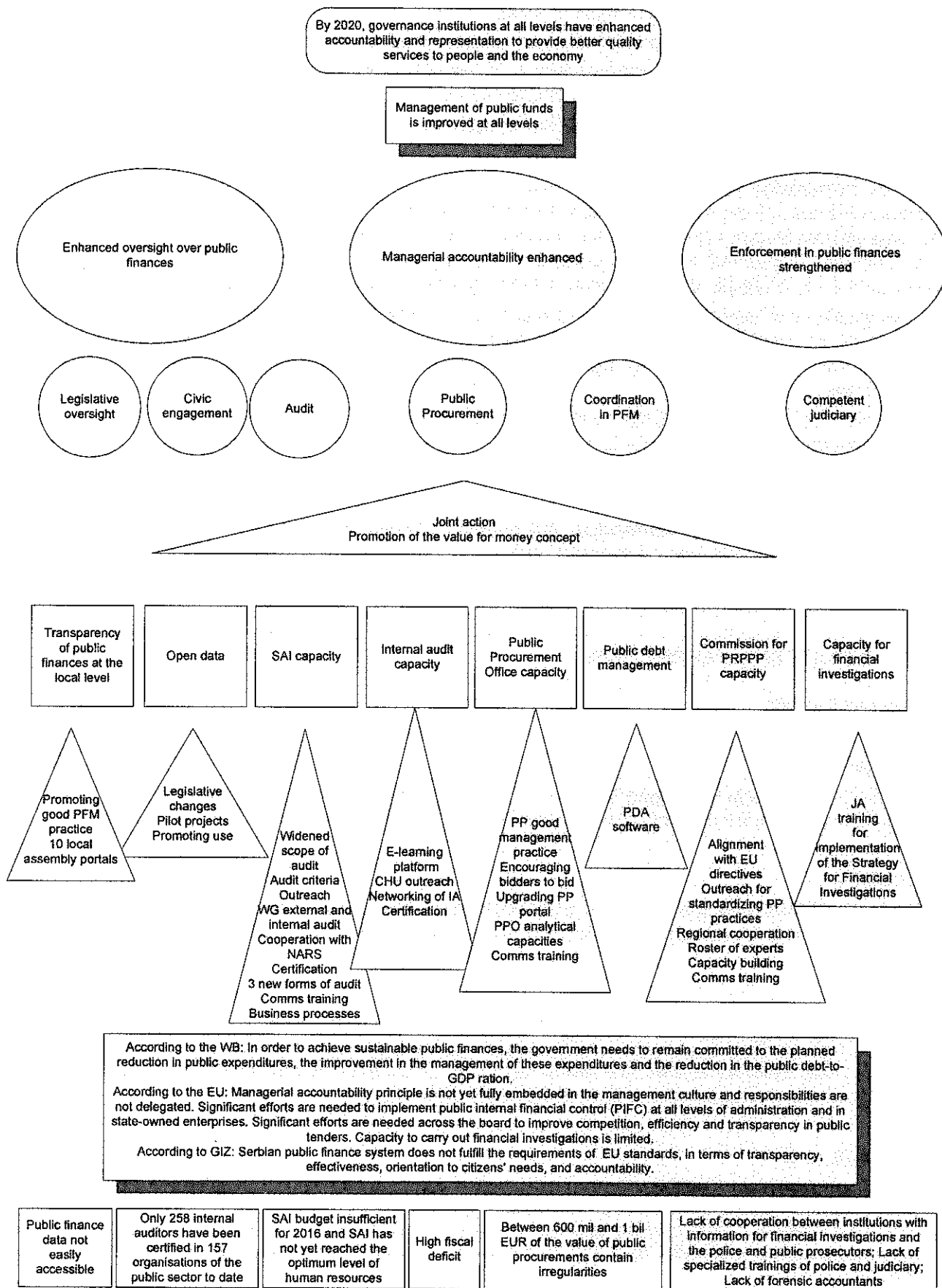
In tackling these key objectives, the project adopts an innovative multi-stakeholder approach to establish accountability mechanisms and reinforce coordination and cooperation between all relevant stakeholders. With the proliferation of independent oversight and/or regulatory bodies, there is a growing need for consolidating these mechanisms and securing a comprehensive and coordinated approach to achieving an effective, sustainable and transparent public finance management system.

The selected strategic approach is informed by lessons learned from the past projects, an independent evaluation report, the national strategic framework, as well as emerging developmental opportunities using new technologies.

In the framework of the overall three priorities, the present project will focus on:

- Transparency in public finances at both central (by introducing open data in public finances) and local levels (through development of public finance portals in at least 10 municipal assemblies)
- Upgrading the public procurement system from both a regulatory perspective and appeal mechanisms
- Improve oversight over public finances through strengthening of external audit as well as enforcement mechanisms for dealing with recorded malfeasance.
- Introduction of a 'good management' approach, underpinning managerial accountability by automatizing processes (e.g. public debt management, segments of public procurement, introduction of the open data concept) and shifting a focus from red tape to effective management in public finances, especially in public procurement (by, e.g. encouraging the value for money concept instead of the lowest value bid).

A theory of change diagram is given below, presenting the analytical flow from the overall outcome and output as identified between the Government of the Republic of Serbia and UNDP through different levels of priorities that have been identified in consultations with the above listed national partners and based on relevant national strategies (see the partnerships section below) followed by project level outcomes and envisaged interventions for addressing the problem and its root causes (reading from top down in the diagram):



The theory of change will be regularly reviewed and updated if and when needed through the Steering Committee mechanism.

Assumptions the project will work against are:

- Continued EU accession agenda and sustained will to align to international standards
- Sustained operational independence of the SAI, Commission for Protection of Rights in Public Procurement Procedures and judiciary
- High priority for public finance reform sustained.

Gender concerns: the parliamentary discussions on the 2016 State budget were marked by increased action of the Women's Parliamentary Network that promoted gender based budgeting. An amendment to that regard has even been introduced in the Budget Law. Even though limited to only one field, it opened a broad discussion once again on ways forward. The project will use all opportunities to underpin this effort from all the aspects of the public finance system it tackles.

For example, the component of the project under which 10 municipal budget portals will be developed, will seek to visualize budget data from a gender perspective, in order to inform policy makers and sensitize them to bare in mind effects of new policies on men and women respectively.

Apart from this, the needs of both men and women will be taken into consideration when modelling new approaches and developing tools. The project will also seek to ensure equal participation of men and women in project interventions.

Social and environmental standards: the project has been assessed as not having any negative impact on social and environmental standards.

IV. RESULTS AND PARTNERSHIPS

Expected Results

Output 1

SAI enhances its audit capacities: SAI enhances its operational capacities and stakeholder relations in order to increase the number, quality of and follow-up to external audit reports

Output 2

Ministry of Finance coordinates accountable public funds management enhanced debt calculation and forecasting: Ministry of Finance/Public Debt Agency automatizes its operations

Output 4⁷

State institutions supported in enabling greater availability of public finance data and reuse of such data ensured: Development of public budget portals in at least 10 municipalities; open data in public finances piloted (*e.g. published public data becomes machine readable instead of pdf; providing alerts and apps using new available public data etc.*)

Output 5

Public procurement performance improved: Support provided for increasing the average number of bidders per tender and improving PPO's capacity for evidence based decision making and instilling a good management and risk-based approach in public procurement; joint action of PPO, SAI and other stakeholders towards introducing the most economically acceptable offer compared to the lowest price offer

⁷ Note that the numbering is aligned to the logframe sections. The logframe covers both SIDA and SDC contributions, while the RRF displays only the SIDA funded elements.

Output 6

Commission for Protection of Rights in Public Procurement Procedures improves its track record in processing cases: Support provided to the Commission for Protection of Rights in Public Procurement Procedures in aligning with EU requirements (including ECJ “good practices”) and outreach efforts for decreasing irregularities

Output 7

Enforcement capacities strengthened in processing cases involving the misuse of public funds: Capacities of judges, prosecutors and police for financial investigations strengthened.

Partnerships

UNDP has been supporting accountability mechanisms in public finances since 2008, building a portfolio of assistance for relevant institutions, including the State Audit Institution, Commissioner for Access to Information of Public Importance and Personal Data Protection, Ministry of Finance, Public Procurement Office, and Commission for Protection of Rights in Public Procurement Procedures. The portfolio extends onto partners such as the Judicial Academy, Standing Conference of Towns and Municipalities, NGOs working in the sector and media, in order to embrace both horizontal and vertical accountability mechanisms towards achieving greater impact. The project forms part of a larger scale UNDP portfolio aimed at advancing accountability mechanisms in public finances and is complementary to an SDC funded project in the area.

The present SIDA funded sector project predominantly addresses central level mechanisms, while piloting local level interventions. The Enhancement of Municipal Audit for Accountability and Efficiency in of Public Finance Management project, funded by SDC seeks to complement this portfolio by placing focus on the local level and therefore, providing a wider platform for addressing issues at points where they arise, in addition to system-level changes.

Such a portfolio is designed to give a greater contribution to the impact of decreasing the misuse of public funds.

Further details may be viewed in the comprehensive logframe that outlines all planned interventions in the portfolio (Annex 1).

At the time of presenting the draft project document, the EU has offered *sector budget support* to the Government for overall public administration reform, of which a part is related to public finance reform. However, the overall concept is in design stage and the corresponding financial agreement has not been signed between the EU and the Serbian Government (announced for the end of 2016). As noted by the Ministry of Finance, the sector budget support will be used largely to implement the Public Financial Management Reform Program 2016-2020 (PFM Reform Program), adopted by the Government. The PFM Reform Program targets the following areas:

1. Sustainable Medium Term Macro-fiscal and Budgetary Framework
2. Planning and Budgeting of Public Expenditures
3. Efficient and Effective Budget Execution
4. Effective Financial Control
5. Accounting, Monitoring and Financial Reporting
6. External Scrutiny of Public Finances

The PFM Reform Program has been drafted in a participatory manner and elements of the present project have also been built into the Program. More precisely: the development of the public debt management information system; training of judges and prosecutors for financial investigations; transparency in public procurement planning and training of respective staff; training of SAI staff for increasing audit coverage and quality and standardizing business processes; support for regular interaction between SAI and the Parliamentary Finance Committee. The Ministry of Finance has a clear overview of pipeline initiatives from UNDP and will not program these sections for sector budget support.

Stakeholder Engagement

Apart from the project's direct beneficiary institutions, listed under the previous section, the project will have a substantial outreach as follows:

- Local level: aside from the SDC funded interventions targeting the local level, outlined in the logframe annexed to the project document, the SIDA funded activities, presented under output 4.1 will target at least 10 municipalities in Serbia, through the Standing Conference of Towns and Municipalities. The activities are designed to develop electronic reporting systems for municipal assemblies on local municipal budgets – public budget portals. Developing public budget portals in at least 10 municipalities will enable representatives/members of the local legislative branch (Municipal Assembly members) to engage in the budget cycle process much earlier than November 1st when the usual budget cycle starts, by following consistently basic features of both budget preparation and executions over the whole year. This way they will be provided with detailed information on current budget execution and preparation of the new one from the very early stage by being linked with the official system of the budget and finance department (in charge of budget preparation) through public budget portals. Similarly, when made available through the official web page of municipality, public budget portals will enable all interested parties (citizens, tax payers, academia, civil society, international organization, media, etc.) to better scrutinize local budget funds utilization, achievement of goals defined under program budgeting classification, etc.
- Direct and indirect budget users: there are approximately 10 000 direct and indirect budget users in Serbia. They will benefit largely from the interventions of the State Audit Institution, Public Procurement Office and Commission for Protection of Rights in Public Procurement Procedures that have either an oversight or regulatory role over public finances. By raising capacities of these institutions and the public finance system itself, the direct and indirect budget users will enjoy more streamlined processes and greater legal security in the public finance sphere.
- Institutions mandated with enforcement – through the Judicial Academy, at least 100 judges, prosecutors and police officers will benefit from specialized training in processing cases under the public finances realm. Improved enforcement capacities will have a positive impact on both the public and private sphere in ensuring rule of law and due process for financial investigations and further processing of cases.
- Citizens at large – consequently, tax payers will benefit from the effects of the interventions foreseen by the project. In 2016, general government revenue will be over EUR 15 billion and total public expenditure – EUR 15.5 billion. If the result of the joint efforts of the institutions targeted by this project was a mere one percent of the expenditure saved or spent more rationally, it would amount to over EUR 150 million. As a comparison for which causes these savings may be used, one may consider the 2016 budget allocation to support the standard of pupils and students, for example, which is EUR 20 million.

East-East Cooperation

The previous phase, supported by SIDA, has encouraged substantial east-east cooperation.

The Commission for Protection of Rights in Public Procurement Procedures has entered an MoU with similar bodies from Slovenia and Croatia, laying basis for further cooperation and experience sharing. The commissions have, thus far, under the MoU, mainly supported one another in building arguments for processing comparative cases.

Both the Commission and the Public Procurement Office have benefited greatly from the experiences of Slovenia, Croatia and Montenegro in preparing for the EU accession screening of Chapter 5.

The State Audit Institution has done a parallel audit with the supreme audit institution of Montenegro, while it also discussed parliamentary oversight using audit reports with its peers in Bosnia and Herzegovina.

The independent oversight and regulatory bodies the project has worked with in the previous phase and plans to work with under the present intervention, have, to an greater or lesser extent, been modelled after peer institutions in the sub-region of the Western Balkans, which in itself, represents a fertile ground for effective east-east cooperation. Also, having in mind the ongoing EU accession process, and the fact that the most recent to join Member State as well as candidate countries in similar or advanced positions in the accession process are Serbia's neighbouring countries with similar legal systems and institutional environment, the project's inclination towards east-east cooperation, may yield positive examples of practices implementable in Serbia easily at low transaction and adaptation costs.

Sustainability and Scaling Up

The program's objectives are based on a series of national legislative and strategic documents, which are outlined under the Partnerships section. Such an approach ensures inherent ownership over the project's interventions and targets the core needs of the authorities, contributing much to sustainability as appropriate.

Further, UNDP's modes of implementation allow for provision of support services where necessary, following UNDP's rules and procedures for implementation of activities, but more importantly, UNDP encourages the use of national rules and procedures whenever possible, based on assessments of the capacity of national partners. Through such an approach, UNDP ensures that novel methods, processes and practices, introduced through the project, are fully adjusted to national procedures, allowing for smooth continuation beyond the project's lifetime.

The project's design includes interventions that have a built in sustainability element:

- A series of legislative changes and alignment thereto will be supported through the project, ensuring new institutes remain well-grounded beyond the project's lifecycle.
- Software solutions will be carefully designed ensuring a) interoperability, which inherently extends the lifetime of a software solution b) no, or limited maintenance based on capacities of national partners.
- Any comparative experience will be transposed paying particular attention to national contexts and well adapted prior to implementation.

This project represents a third phase of UNDP's public finances programming in Serbia. Many elements represent already a scaling up of previous activities (e.g. certification of auditors, introducing the open data format), while a clear exit strategy has been put into place for others (e.g. certification of public procurement officials was previously financed by projects, while support now only envisages possible updates to existing curricula and materials, with the actual certification arranged irrespective of project financed support).

V. PROJECT AND RISK MANAGEMENT

Risk Management

Risks or uncertain events or set of circumstances may occur and have an effect on achievement of objectives. A number of internal and external risk factors might inhibit the process of a successful implementation of the project. They have been assessed and presented as follows:

External:

Serbia's economy is closely linked with the economies of the EU and SEE. A protracted slowdown there could jeopardize Serbia's macroeconomic stability and growth performance, as assessed by the World Bank.⁸ However, the Ministry of Finance is conducting thorough analyses of the current state of play in the Eurozone in order to pre-empt any negative consequences from potential fluctuations and develop risk-mitigation measures.

Beside external economic risks, Serbia has faced frequently shortened electoral cycles, contributing to an extent to political instability and potentially delayed reforms. While such evolvments seriously constrain the executive and legislative branches of power, the present project works dominantly with independent bodies, which are not greatly influenced by elections.

Another problem that weakens government capacities is a substantial staff turnover. Wages in the central government administration are not competitive and are not in line with the complexity of the work that is required, especially in light of increased pressure from the EU accession process. However, the Government is about to adopt a set of new standards for post grades and salary scales, hoping to, at least partially, overcome this issue.

Internal:

Institutional weaknesses in implementing agencies may undermine progress in spite of strong political commitment for reforms. Implementation of reforms is at times delayed or even stalled when it involves coordination across several agencies or different levels of government. However, the project is specifically designed in a way to encourage coordination, having even developed a joint initiative of all parties, evolving around the notion of the best value for money alternative in procurement. UNDP shall, in addition, fully utilize its convening power and role in project implementation, which has already been witnessed at the design phase of the project. The project itself is of capacity development nature, therefore, inherently reducing the identified institutional weaknesses.

With regards to risks internal to UNDP itself, a decline in core funds has been a trend in the past five years. However, there is no UNDP contribution foreseen by this project, hence

A further potential risk is using national implementation as a modality by national counterparts (national procedures). This, on one hand, contributes greatly to inherent capacity development and ownership over project results. However, having in mind that development assistance is provided to national counterparts often precisely due to lack of capacity to implement development solutions within given capacity, such an approach must be supported with high diligence and risk mitigation. In that sense, UNDP and UNDP Serbia, through the implementation of Harmonized Approach to Cash Transfers (HACT) and regular national implementation audit, along with UNDP Country Office assurance mechanisms and spot-checks at the project site, addresses the risks adequately and on time.

The above risks have been apparent in almost all transition countries and to various degrees have been managed in the progress of reforming the government machinery.

In Serbia the current political situation is in favor of improving public finance control mechanisms and the commitment from Government is substantial. Therefore, while taking the above factors into account, the process of developing horizontal accountability mechanisms for prevention of the

⁸ World Bank Country Partnership Strategy 2016-2020, Report No. 100464-YF

misuse of public funds and advanced capacities of enforcement authorities should start as soon as possible to take advantage of the existing opportunities and deliver expected outcomes.

Actually, the purpose of this project will assist in reducing the potential risks and their effective management. This will be done, mainly, through promotion of a systematic and comprehensive system for monitoring and evaluation, through open and inclusive consultative process, and through strengthening the capacity of the project partners to address emerging challenges by creating innovative and creative solutions. A risk log has been created in the project development phase for further tracking:

Project Title: Accelerating Accountability Mechanisms in Public Finances						Award ID:		Date:	
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / response	Owner	Submitted, updated by	Last Update	Status
1	Political instability	<i>Project development phase</i>	Political	P = 3 I = 3	Better organization and more networks;	Project developer	Project developer		
2	Change of general political orientation against EU accession reforms	<i>Project development phase</i>	Political	P = 2 I = 4	Advocacy in favor of international standards; orientation towards achievement of already set national strategic priorities	Project developer	Project developer		
3	Institutional weaknesses in implementing partners and their coordination may undermine progress in spite of strong political commitment for reforms	<i>Project development phase</i>	Operational	P = 2 I = 4	UNDP support services; increased networking activities	Project developer	Project developer		
4	Quality and level of performance of project partners in implementation may vary that can influence uneven quality of results	<i>Project development phase</i>	Operational	P = 3 I = 2	More individual approach to particular partners; better communication with representatives of beneficiaries; quality assurance strategies and quality management; conflict resolution strategies	Project developer	Project developer		
5	National implementation modality	<i>Project development phase</i>	Operational	P = 3 I = 3	HACT, NIM audit, regular quality assurance and spot checks	Project developer	Project developer		

Cost Efficiency and Effectiveness

The project design relies heavily on past achievements of UNDP's public finance portfolio, drawing on lessons learnt, methodologies that have been set and capacities built in the previous phases. Such an approach decreases costs and improves efficiency, not requiring any inception phase or thorough scanning of the institutional and legal framework in order to engage in further support.

A portfolio management approach is foreseen for implementing the proposed activities, in order to improve cost effectiveness by leveraging activities and partnerships with other initiatives and projects.

In its approach, UNDP relies heavily on national capacities and uses its 'national implementation modality' where possible, where government procedures and capacities exist and are used for implementation of activities. Apart from contributing to sustainability of results, such an approach decreases operational costs, but ensures a robust monitoring and assurance of both financial and operational performance.

On an impact level, the effectiveness and efficiency of the interventions may be drawn from the following comparison: in 2016, general government revenue will be over EUR 15 billion and total public expenditure – EUR 15.5 billion. If the result of the joint efforts of the institutions targeted by this project was a mere one percent of the expenditure saved or spent more rationally, it would amount to over EUR 150 million. As a comparison for which causes these savings may be used, one may consider the 2016 budget allocation to support the standard of pupils and students, for example, which is EUR 20 million.

Project Management

The project will be operationally implemented in the same way the previous two phases had been implemented and which proved successful, with central project management seated at the main UNDP Serbia office and component management carried out from the premises of the national partners with allocated project staff (the premises provided to the project in-kind). Such an approach ensures good quality assurance and smooth processing of inputs, while at the same time, ensuring excellent daily and direct communication with national partners, thereby, boosting ownership and efficiency in implementation.

The management costs are calculated on a cost-sharing basis between three donors contributing to the overall portfolio – SIDA, SDC and the Government of the Republic of Serbia. This ensures more efficient and effective implementation at less cost per donor.

The project is a part of the Accountable Governance program at UNDP Serbia and will rely on synergies with other associated initiatives (e.g. ongoing parliamentary project, general open data initiative, etc.)

VI. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework: By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy			
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:			
Indicator: Governance effectiveness index			
Baseline (2013): -0.10			
Target: 0.1 by 2020			
Indicator: Regulatory effectiveness index			
Baseline (2013): 0.15			
Target: 0.44 by 2020			
CPD Output 2: Management of public funds is improved at all levels			
Indicator: Open budget index			
Baseline: 39 (2012); Target: 55 (2020)			
Data source, frequency: International Budget Partnership (every two years)			
Indicator: Public Expenditure and Financial Accountability (PEFA) score			
Baseline: PEFA score published in 2015			
Target: Improved PEFA score by 2020			
Data source, frequency: World Bank (periodically)			
Applicable Output(s) from 2014-17 Strategic Plan: Citizen Expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance			
Project title and ID : Accelerating Accountability Mechanisms in Public Finances			
OUTPUTS ⁹ AND TOC	OUTPUT INDICATORS ¹⁰	ACTIVITIES, RISKS AND ASSUMPTIONS	ROLE OF PARTNERS
INPUTS			

⁹ The outputs in the RRF correspond to the logframe outcomes.

¹⁰ It is recommended that projects use output indicators from the Strategic Plan, as relevant, in addition to project-specific results indicators

Specify each output that is planned to help achieve the outcome.	Results Indicator 1.1 Number of audit reports issued annually by SAI Data Source: SAI annual reports Frequency: annually Baseline (2015): 173 Target (year): 2016: 188 2017: 231 2018: 247 Results Indicator 1.2 Results of PEFA indicators Pl-26, Pl-27, Pl-28 Data Source: PEFA assessment Frequency: measured at the end of the project Baseline (2014): PEFA 2014 assessment results Target (2018): Improved ratings for indicators Pl-26, Pl-27, Pl-28	1.1 At least 6 joint meetings of SAI and the Parliamentary Finance Sub-Committee held and at least 3 joint reactions towards audited entities taken, based upon SAI findings (either through public hearings or joint media appearances) by 2018. 1.2 Increased number of external auditors certified by 2018; 1.3 SAI has initiated at least 3 new forms of audit in line with INTOSAI standards and EU Accession requirements as listed in the Screening Report on Chapter 32 (e.g. IT audit) by 2018; 1.4 All new SAI staff have passed intensive internal communications training by 2018 and senior level staff and management provided with external communications mentoring by 2018; 1.5 SAI has enhanced its standardization of business processes throughout the institution by 2018 (including a Performance Measurement Framework assessment on alignment with INTOSAI standards) <i>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</i> The Government of Serbia respects the independence of the SAI, and the parliamentary committee for finances protects the independence if necessary;	Implementing partner: SAI	International Consultants 40,000 National Consultants 60,000 Contractual Services Individuals 55,000 Travel 70,000 Company contracts 20,000 Equipment 2,500 Evaluation and audit 5,000 Printing and translation 15,000 Miscellaneous 6,500 Training, workshops and conferences 50,000 Assurance and monitoring 20,000
Output 1 The State Audit Institution (SAI) enhances its audit capacities Contributing to improved oversight over public finances as described in the ToC				

<p>Output 2</p> <p>Ministry of Finance coordinates accountable public funds management through enhanced debt calculation and forecasting.</p> <p>Contributing to the introduction of a 'good management' approach, underpinning managerial accountability by automatizing processes as described in the ToC.</p>	<p>Results Indicator 2.1 Result of PEFA indicator PI-17 Data Source: PEFA assessment Frequency: measured at the end of the project Baseline (2014): PEFA 2014 assessment results Target (2018): Improved rating for indicator PI-17</p> <p>Results Indicator 2.2 Automatized calculation of the public debt by 2017 (y/n) Data Source: Public Debt Administration reports, Project progress reports Frequency: assessed in 2017 Baseline (2015): Public debt calculation performed manually at the Public Debt Administration Target (2017): Automatized calculation of the public debt</p>	<p>2.1. Custom-made application developed for automatizing the calculations conducted by the Public Debt Administration by 2017.</p> <p>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</p> <p>Consistent public debt calculation methodology</p>	<p>Implementing partner: MoF/PDA.</p>	<p>Contractual Services Individuals 40,000 Company contracts 436,255 Equipment 10,000 Printing and translation 5,000 Miscellaneous 3,745 Assurance and monitoring 5,000</p>
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Output 4¹¹ State institutions supported in enabling greater availability of public finance data and reuse of such data ensured <i>Contributing to the introduction of a 'good management' approach, underpinning managerial accountability by automatizing processes as well as to transparency in public finances at central and local level as described in the ToC.</i>	Results Indicator 4.1 Number of municipal assemblies with electronic access to public finance data Data Source: Project Progress Reports Frequency: assessed at the end of the project Baseline (2015): No municipal assembly in Serbia currently has direct electronic access to public finance data. Target (2018): 10 municipal assemblies have electronic access to public finance data. Results Indicator 4.2 Status of introducing the open data standard in public finances Data Source: Project Progress Reports, legislative framework regulating open data, relevant web portals Frequency: assessed at the end of the project Baseline (2015): Under the Open Data Readiness Assessment (ODRA) conducted by UNDP and the World Bank in 2015 no data in the sphere of	4.1. Development of public budget portals in at least 10 municipalities; <ul style="list-style-type: none"> Analysis of the existing systems (including IT) for budget preparation and execution within 10 municipalities conducted and finalized by the end of Q2 2016 System design and procedures for transfer of financial data on budget revenues and expenditures (from existing systems to new portals) developed within 10 municipalities and finalized by the end of Q3 2016 β version of software for portals developed (including pre-defined template reports to be generated and presented) and piloted – by the end of Q1 2017 Hardware and related equipment purchased and installed in 10 municipalities by the end of Q2 2017 Trainings of SCTM Municipal finance department staff in using the system and data it generates – conducted by the end of Q3 2017 SCTM Municipal finance department staff provide support to 10 municipalities in using and maintaining budget portals – by the end of Q1 2018. 3.2 Open data in public finances piloted <ul style="list-style-type: none"> Support provided for legislative and institutional changes necessary in order to open data in the public finance sphere, in 2016. At least one pilot project for opening data on public finances implemented by 2017 based on the Open Data Readiness Assessment. Demand side of society (IT society, civil society and private 	Implementing partner: SCTM and UNDP	National Consultants 28,000 Contractual Services 52,800 Travel 4,500 Company contracts 65,000 Equipment 30,000 Evaluation and audit 2,500 Printing and translation 13,000 Miscellaneous 5,681 Training, workshops and conferences 20,000 Assurance and monitoring 10,000
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¹¹ Note that the numbering is aligned to the logframe sections. The logframe covers both SIDA and SDC contributions, while the RRF displays only the SIDA funded elements.

	<p>public finances was assessed as 'open', following open data standards, pilot opening of data commenced in public procurement, following the ODRA.</p> <p>Target (2018): Open data in public finances fully introduced, operational and utilized in at least one pilot sector.</p>	<p>sector) mobilized for using and reusing the opened data by 2018.</p> <p>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</p> <p>Willingness of national and local authorities to open data</p>	<p>National Consultants 22,500</p> <p>Contractual Services Individuals 37,000</p> <p>Travel 10,000</p> <p>Grants 50,000</p> <p>Equipment 2,500</p> <p>Evaluation and audit 0</p> <p>Printing and translation 10,000</p> <p>Miscellaneous 5,000</p> <p>Training, workshops and conferences 50,000</p> <p>Assurance and monitoring 5,000</p>
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Output 5 Public procurement performance improved Contributing to the upgrading of the public procurement system from a regulatory perspective as well as the introduction of a 'good management' approach by shifting focus from red tape to effective management in public finances, as described in the ToC.	Results Indicator 5.1 Level of use of non-competitive procedures Data Source: PPO quarterly reports Frequency: quarterly Baseline (2014): 5% share of non-competitive procedures Target (2018): Sustained low level of use of non-competitive procedures for public procurement Results Indicator 5.2 Average number of bids per tender Data Source: PPO quarterly reports Frequency: quarterly Baseline (2014): 2.6 bids per tender on average Target (2018): Increase in the average number of bids per tender	5.1. Support provided for increasing the average number of bidders per tender and improving PPO's capacity for evidence based decision making and instilling a good management and risk-based approach in public procurement. <ul style="list-style-type: none"> A good management approach to public procurement introduced by 2018. Set of interventions implemented to encourage bidders to bid (analysis, raising awareness among potential bidders, developing and distributing bidding model documents, training through the Global Compact, etc) by 2017. Upgrade of the Public Procurement Portal enabling contracting authorities to directly upload public procurement reports by 2016. PPO Sector for Analysis/Analytics equipped with methodology for monitoring of public procurement procedures and performance based analyses by 2016 and fully trained in performing such analyses by 2017, following requirements arising from the Screening Report for Chapter 5. Senior level staff and management provided with internal and external communications mentoring by 2018 5.2 Joint action of PPO, SAI and other stakeholders towards introducing the most economically acceptable offer compared to the lowest price offer <ul style="list-style-type: none"> Joint sessions of PPO, SAI and Commission for analyzing perspectives on the promotion of use of the economically most acceptable offer, held during 2016 and 2017, with decisions on strategic directions for operational approach to strengthening 	Implementing partner: PPO International Consultants 35,000 National Consultants 48,000 Contractual Services Individuals 55,000 Travel 42,000 Company contracts 45,000 Equipment 7,500 Evaluation and audit 5,000 Printing and translation 10,000 Miscellaneous 10,000 Training, workshops and conferences 67,000 Assurance and monitoring 14,000
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		<p>this aspect of public procurement.</p> <ul style="list-style-type: none"> At least two joint workshops per year with direct budget users (and largest contracting authorities) introducing the concept and promoting its use. <p><i>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</i></p> <p>Consistent alignment of the Public Procurement Law with the EU Acquis; holistic approach to public procurement reforms</p>		<p>Contractual Services Individuals 42,000</p> <p>Travel 7,000</p> <p>Company contracts 15,000</p> <p>Equipment 2,500</p> <p>Evaluation and audit 5,000</p> <p>Printing and translation 10,000</p> <p>Miscellaneous 10,000</p> <p>Training, workshops and conferences 10,000</p> <p>Assurance and monitoring 5,000</p>
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Output 6 Commission for Protection of Rights in Public Procurement Procedures improves its track record in processing cases.	Results Indicator 6.1 <i>Number of cases processed by the Commission for Protection of Rights in Public Procurement procedures annually</i> <i>Data Source: Project progress reports; annual reports of the Commission to the Parliament</i> <i>Frequency: annually</i> <i>Baseline (2014): A total of 2987 cases received in 2014 with 2755 resolved the same year</i> <i>Target (2018): Gradual increase in the number of cases processed by the Commission for Protection of Rights in Public Procurement Procedures annually</i>	6.1. Commission supported during EU negotiations in aligning the domestic legislation (including incorporation of ECJ "good practices") to benchmark requirements by 2018. 6.2. Roster of experts developed by 2016 and supported with an exit strategy by 2018. 6.3. Needs assessment for targeted training of Commission staff to align with legislative changes conducted by 2016 and trainings organized by 2018. 6.4. Relevant segments of the Commission communication strategy with focus on communicating strategic cases both to interested institutions and media implemented by 2018. 6.5. At least two joint regional sessions of commissions from the region held annually in order to deliberate specific cases. <i>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</i> Independence of the Commission preserved as well as operational capacity	Implementing partner: CPRPPP	International Consultants 15,000 National Consultants 55,000 Contractual Services Individuals 55,000 Travel 27,500 Equipment 6,500 Evaluation and audit 5,000 Printing and translation 20,000 Miscellaneous 14,000 Training, workshops and conferences 57,000 Assurance and monitoring 14,000
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<p>Output 7</p> <p>Enforcement capacities strengthened in processing cases involving the misuse of public funds</p> <p>Contributing to the improvement of oversight over public finances through strengthening of external audit as well as enforcement mechanisms for dealing with recorded malfeasance, as described in the ToC</p>	<p>Results Indicator 7.1</p> <p>Number of prosecutors, judges and police officers that pass specialized programs of the Judicial Academy, organized in accordance with the Strategy for the Investigation of Financial Crimes</p> <p>Data Source: Project Progress Reports, reports on implementation of the Strategy for Investigation of Financial Crimes</p> <p>Frequency: assessed at the end of the project</p> <p>Baseline (2015): The Strategy for Investigation of Financial Crimes has been in adopted in May 2015 and its Action Plan lists specific tasks required of the Judicial Academy</p> <p>Target (2018): At least 100 prosecutors, judges and police officers pass specialized programs of the Judicial Academy, organized in accordance with the Strategy for the Investigation of Financial Crimes, by 2018</p>	<p>7.1. Specialization course conducted through the Judicial Academy for at least 100 public prosecutors, judges and police officers in Serbia on financial investigations by 2018.</p> <p>7.2. Training of at least 20 financial forensics officers through the Judicial Academy conducted by 2018.</p> <p>Cite assumptions made about how activities will deliver this output, and key risks that would affect delivery of the output.</p> <p>Sustained judicial reform</p>	<p>Implementing partner: JA</p>	<p>International Consultants 5,000</p> <p>National Consultants 30,000</p> <p>Contractual Services Individuals 40,000</p> <p>Travel 10,000</p> <p>Grants 7,000</p> <p>Evaluation and audit 2,500</p> <p>Printing and translation 5,000</p> <p>Miscellaneous 6,500</p> <p>Training, workshops and conferences 70,000</p> <p>Assurance and monitoring 5,000</p>
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VII. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following:

Within the annual cycle

- **Track Progress.** Following the frequency cited in the monitoring plan, progress data against the results indicators will be collected and analysed to assess the progress of the project in achieving the agreed outputs. National data sources should be used whenever possible. Slower than expected progress will be addressed by the project management. Beneficiary feedback will be part of regular data collection and performance assessment.
- **Monitor and Manage Risk.** Based on the initial risk analysis submitted (see annex 2), a risk log shall be actively maintained, including by reviewing the external environment that may affect the project implementation. Risk management actions will be identified and monitored using a risk log. This includes monitoring social and environmental management measures and plans that may have been required as per UNDP's Social and Environmental Standards (see annex 3). Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.
- **Evaluate and Learn.** Evaluations shall be conducted in accordance with the evaluation plan. Knowledge, good practices and lessons should be captured and shared, as well as actively sourced from other projects and partners, and integrated back into the project. If a project evaluation is required (e.g., when mandated by partnership principles, or due to the complexity or innovative aspects of the project), it should be conducted in accordance with the project's evaluation plan.
- **Review and Make Course Corrections.** The project management will review the data and evidence collected (through all of the above) on a regular basis within the annual cycle, and make course corrections as needed. The frequency of review depends on the needs of the project, but an internal review of the available progress data against the results indicators is required at least quarterly. Any significant course corrections that require a decision by the Project Board should be raised at the next Project Board meeting.

Annually

- **Annual Project Quality Rating.** On an annual basis and at the end of the project, the quality of the project will be rated by the QA Assessor against the quality criteria identified in UNDP's Project Quality Assurance System. Any quality concerns flagged by the process must be addressed by project management.
- **Annual Project Review and Report.** The Project Board shall hold a project review at least once per year to assess the performance of the project and appraise the Annual Work Plan for the following year. An annual report will be presented to the Project Board for the review, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. Any quality concerns or slower than expected progress should be discussed by the project and management actions agreed to address the issues identified. This review is driven by the Project Board and may involve other stakeholders as required.

Closure

- In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up.

OUTPUT 2.3 Ministry of Finance/Public Debt Administration automatizes its operations	the Public Debt Administration by 2017.	MOF	SIDA	71400-Contractual Services Individuals	10,000.00	20,000.00	10,000.00	40,000.00
		MOF	SIDA	71600-Travel	0.00	0.00	0.00	0.00
		MOF	SIDA	72100-Company contracts	128,480.00	307,775.00	0.00	436,255.00
		MOF	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00
		MOF	SIDA	72600-Grants	0.00	0.00	0.00	0.00
		MOF	SIDA	72800-Equipment	0.00	10,000.00	0.00	10,000.00
		MOF	SIDA	74100-Evaluation&Audit	0.00	0.00	0.00	0.00
		MOF	SIDA	74200-Printing and translation	0.00	5,000.00	0.00	5,000.00
		MOF	SIDA	74500- Miscellaneous	1,500.00	2,245.00	0.00	3,745.00
		MOF	SIDA	75700-Training, workshops and conferences	0.00	0.00	0.00	0.00
		MOF	SIDA	64300-Assurance&Monitoring	1,250.00	2,500.00	1,250.00	5,000.00
		MOF	SIDA	71200-International Consultants	0.00	0.00	0.00	0.00
		MOF	SIDA	71300-National Consultants	15,000.00	8,000.00	5,000.00	28,000.00
OUTPUT 4.1 Development of public budget portals in at least 10 municipalities	1. Activity result Analysis of the existing systems (including IT) for budget preparation and execution within 10 municipalities conducted and finalized by the end of Q2 2016 2. Activity result : System design and procedures for transfer of financial data on budget revenues and expenditures (from existing systems to new portals) developed within 10 municipalities and finalized by the end of Q3 2016 3. Activity result : beta b version of software for portals developed (including pre-defined template reports to be generated and presented) and piloted – by the end of Q1 2017 4. Activity result : Hardware and related equipment purchased and	SCTM	SIDA	71400-Contractual Services Individuals	13,200.00	26,400.00	13,200.00	52,800.00
		SCTM	SIDA	71600-Travel	2,000.00	2,000.00	500.00	4,500.00
		SCTM	SIDA	72100-Company contracts	17,000.00	47,000.00	1,000.00	65,000.00
		SCTM	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00
		SCTM	SIDA	72600-Grants	0.00	0.00	0.00	0.00
		SCTM	SIDA	72800-Equipment	0.00	30,000.00	0.00	30,000.00
		SCTM	SIDA	74100-Evaluation&Audit	0.00	0.00	2,500.00	2,500.00
		SCTM	SIDA	74200-Printing and translation	0.00	5,000.00	0.00	5,000.00
		SCTM	SIDA	74500- Miscellaneous	1,500.00	2,245.00	0.00	3,745.00
		SCTM	SIDA	75700-Training, workshops and conferences	0.00	0.00	0.00	0.00

<p>installed in at least 10 municipalities by the end of Q1 2017</p> <p>5. Activity result : Hardware and related equipment purchased and installed in 10 municipalities by the end of Q2 2017</p> <p>6 Activity result : Trainings of SCTM Municipal finance department staff in using the system and data it generates - conducted by the end of Q3 2017</p> <p>7 Activity result : SCTM Municipal finance department staff provide support to at least 10 municipalities in using and maintaining budget portals – by the end of Q1 2018.</p>	<p>5. Activity result : Hardware and related equipment purchased and installed in 10 municipalities by the end of Q2 2017</p> <p>6 Activity result : Trainings of SCTM Municipal finance department staff in using the system and data it generates - conducted by the end of Q3 2017</p> <p>7 Activity result : SCTM Municipal finance department staff provide support to at least 10 municipalities in using and maintaining budget portals – by the end of Q1 2018.</p>	SCTM	SIDA	74200-Printing and translation	5,000.00	5,000.00	3,000.00	13,000.00
		SCTM	SIDA	74500- Miscellaneous	2,000.00	2,500.00	1,181.48	5,681.48
		SCTM	SIDA	75700-Training, workshops and conferences	0.00	15,000.00	5,000.00	20,000.00
				64300-Assurance&Monitoring	2,500.00	5,000.00	2,500.00	10,000.00
		SCTM	SIDA					
		UNDP	SIDA	71200-International Consultants	0.00	0.00	0.00	0.00
		UNDP	SIDA	71300-National Consultants	7,500.00	15,000.00	0.00	22,500.00
		UNDP	SIDA	71400-Contractual Services Individuals	9,250.00	18,500.00	9,250.00	37,000.00
		UNDP	SIDA	71600-Travel	5,000.00	5,000.00	0.00	10,000.00
		UNDP	SIDA	72100-Company contracts	0.00	0.00	0.00	0.00
<p>1. Activity result Support provided for legislative and institutional changes necessary in order to open data in the public finance sphere, in 2016</p> <p>2. Activity result At least one pilot project for opening data on public finances implemented by 2017 based on the Open Data Readiness Assessment.</p> <p>3. Activity result Demand side of society (IT society, civil society and private sector) mobilized for using and reusing the opened data by 2018.</p>	<p>1. Activity result Support provided for legislative and institutional changes necessary in order to open data in the public finance sphere, in 2016</p> <p>2. Activity result At least one pilot project for opening data on public finances implemented by 2017 based on the Open Data Readiness Assessment.</p> <p>3. Activity result Demand side of society (IT society, civil society and private sector) mobilized for using and reusing the opened data by 2018.</p>	UNDP	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00
		UNDP	SIDA	72600-Grants	20,000.00	30,000.00	0.00	50,000.00
		UNDP	SIDA	72800-Equipment	2,500.00	0.00	0.00	2,500.00
		UNDP	SIDA	74100-Evaluation&Audit	0.00	0.00	0.00	0.00
		UNDP	SIDA	74200-Printing and translation	2,000.00	8,000.00	0.00	10,000.00
		UNDP	SIDA	74500- Miscellaneous	2,500.00	2,500.00	0.00	5,000.00
		UNDP	SIDA	75700-Training, workshops and conferences	15,000.00	35,000.00	0.00	50,000.00
		UNDP	SIDA	64300-Assurance&Monitoring	1,250.00	2,500.00	1,250.00	5,000.00
		PPO	SIDA	71200-International Consultants	10,000.00	20,000.00	5,000.00	35,000.00
OUTPUT 4.2Open data in public finances piloted (e.g. published public data becomes machine readable instead of pdf; providing alerts and apps using new available public data etc.);								
OUTPUT 5.1								

Support provided for increasing the average number of bidders per tender and improving PPO's capacity for evidence based decision making and instilling a good management and risk-based approach in public procurement.	A good management approach to public procurement introduced by 2018. 1. Activity result 2. Activity result Set of interventions implemented to encourage bidders to bid (analysis, raising awareness among potential bidders, developing and distributing bidding model documents, training through the Global Compact, etc) by 2017. 3. Activity result Upgrade of the Public Procurement Portal enabling contracting authorities to directly upload public procurement reports by 2016. 4. Activity result PPO Sector for Analysis/Analytics equipped with methodology for monitoring of public procurement procedures and performance based analyses by 2016 and fully trained in performing such analyses by 2017, following requirements arising from the Screening Report for Chapter 5. 5. Activity result Senior level staff and management provided with internal and external communications mentoring by 2018	PPO	SIDA	71300-National Consultants	17,000.00	26,000.00	5,000.00	48,000.00
		PPO	SIDA	71400-Contractual Services Individuals	13,750.00	27,500.00	13,750.00	55,000.00
		PPO	SIDA	71600-Travel	6,000.00	25,000.00	11,000.00	42,000.00
		PPO	SIDA	72100-Company contracts	0.00	30,000.00	15,000.00	45,000.00
		PPO	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00
		PPO	SIDA	72600-Grants	0.00	0.00	0.00	0.00
		PPO	SIDA	72800-Equipment	7,500.00	0.00	0.00	7,500.00
		PPO	SIDA	74100-Evaluation&Audit	0.00	0.00	5,000.00	5,000.00
		PPO	SIDA	74200-Printing and translation	3,500.00	5,000.00	1,500.00	10,000.00
		PPO	SIDA	74500-Miscellaneous	5,000.00	5,000.00	0.00	10,000.00
		PPO	SIDA	75700-Training, workshops and conferences	14,000.00	35,000.00	18,000.00	67,000.00
				64300-Assurance&Monitoring	3,500.00	7,000.00	3,500.00	14,000.00
		PPO	SIDA					
		PPO	SIDA	71200-International Consultants	0.00	0.00	0.00	0.00
OUTPUT 5.2 Joint action of PPO, SAI and other stakeholders towards introducing the most	1. Activity result Joint sessions of PPO, SAI and Commission for analyzing perspectives on the promotion of use of the economically most acceptable offer, held during 2016 and 2017, with decisions on strategic directions for operational approach to strengthening this aspect of public procurement. 2. Activity result At least two joint workshops per year with direct budget users (and largest contracting authorities) introducing the concept and promoting its use.	PPO	SIDA	71300-National Consultants	0.00	0.00	0.00	0.00
		PPO	SIDA	71300-National Consultants	0.00	0.00	0.00	0.00
		PPO	SIDA	71400-Contractual Services Individuals	10,500.00	21,000.00	10,500.00	42,000.00
		PPO	SIDA	71600-Travel	2,500.00	3,500.00	1,000.00	7,000.00
		PPO	SIDA	72100-Company contracts	0.00	10,000.00	5,000.00	15,000.00
		PPO	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00
		PPO	SIDA	72600-Grants	0.00	0.00	0.00	0.00
		PPO	SIDA					

economically acceptable offer compared to the lowest price offer.	PPO	SIDA	72800-Equipment	2,500.00	0.00	0.00	2,500.00
				74100-Evaluation&Audit	0.00	0.00	5,000.00
				74200-Printing and translation	1,000.00	5,000.00	4,000.00
				74500- Miscellaneous	5,000.00	5,000.00	10,000.00
				75700-Training, workshops and conferences	5,000.00	5,000.00	10,000.00
				64300-Assurance&Monitoring	1,250.00	2,500.00	5,000.00
				71200-International Consultants	5,000.00	10,000.00	15,000.00
				71300-National Consultants	15,000.00	25,000.00	55,000.00
				71400-Contractual Services Individuals	13,750.00	27,500.00	55,000.00
				71600-Travel	12,500.00	12,500.00	27,500.00
OUTPUT 6.1 Support provided to the Commission for Protection of Rights in Public Procurement Procedures in aligning with EU requirements and outreach efforts for decreasing irregularities	Comm ission	SIDA	72100-Company contracts	0.00	0.00	0.00	0.00
				72400-Communication&Media	0.00	0.00	0.00
				72600-Grants	0.00	0.00	0.00
				72800-Equipment	2,500.00	4,000.00	6,500.00
				74100-Evaluation&Audit	0.00	0.00	5,000.00
				74200-Printing and translation	2,500.00	7,500.00	20,000.00
				74500- Miscellaneous	5,000.00	7,000.00	14,000.00
				75700-Training, workshops and conferences	9,500.00	25,000.00	57,000.00
				64300-Assurance&Monitoring	3,500.00	7,000.00	14,000.00
				71200-International Consultants	5,000.00	0.00	5,000.00
1. Activity result Commission supported during EU negotiations in aligning the domestic legislation (including ECJ "good practices") to benchmark requirements by 2018. 2. Activity result Roster of experts developed by 2016 and supported with an exit strategy by 2018. 3. Activity result Needs assessment for targeted training of Commission staff to align with legislative changes conducted by 2016 and trainings organized by 2018. 4. Activity result Relevant segments of the Commission communication strategy with focus on communicating strategic cases both to interested institutions and media implemented by 2018. 5. Activity result At least two joint regional sessions of commissions from the region held annually in order to deliberate specific cases.	Comm ission	SIDA	72800-Equipment	2,500.00	0.00	0.00	2,500.00
				74100-Evaluation&Audit	0.00	0.00	5,000.00
				74200-Printing and translation	1,000.00	5,000.00	4,000.00
				74500- Miscellaneous	5,000.00	5,000.00	10,000.00
				75700-Training, workshops and conferences	5,000.00	5,000.00	10,000.00
				64300-Assurance&Monitoring	1,250.00	2,500.00	5,000.00
				71200-International Consultants	5,000.00	10,000.00	15,000.00
				71300-National Consultants	15,000.00	25,000.00	55,000.00
				71400-Contractual Services Individuals	13,750.00	27,500.00	55,000.00
				71600-Travel	12,500.00	12,500.00	27,500.00
1. Activity Result	JA	SIDA	72800-Equipment	2,500.00	0.00	0.00	2,500.00
				74100-Evaluation&Audit	0.00	0.00	5,000.00
				74200-Printing and translation	1,000.00	5,000.00	4,000.00
				74500- Miscellaneous	5,000.00	5,000.00	10,000.00
				75700-Training, workshops and conferences	5,000.00	5,000.00	10,000.00
				64300-Assurance&Monitoring	1,250.00	2,500.00	5,000.00
				71200-International Consultants	5,000.00	10,000.00	15,000.00
				71300-National Consultants	15,000.00	25,000.00	55,000.00
				71400-Contractual Services Individuals	13,750.00	27,500.00	55,000.00
				71600-Travel	12,500.00	12,500.00	27,500.00

OUTPUT 7.1 Capacities of judges, prosecutors and police for financial investigations strengthened.	Specialization course conducted through the Judicial Academy for at least 100 public prosecutors, judges and police officers in Serbia on financial investigations by 2018. 2. Activity Result Training of at least 20 financial forensics officers through the Judicial Academy conducted by 2018.					JA	SIDA	71300-National Consultants	5,000.00	20,000.00	5,000.00	30,000.00			
						JA	SIDA	71400-Contractual Services Individuals	10,000.00	20,000.00	10,000.00	40,000.00			
						JA	SIDA	71600-Travel	10,000.00	0.00	0.00	10,000.00			
						JA	SIDA	72100-Company contracts	0.00	0.00	0.00	0.00			
						JA	SIDA	72400-Communication&Media	0.00	0.00	0.00	0.00			
						JA	SIDA	72600-Grants	0.00	7,000.00	0.00	7,000.00			
						JA	SIDA	72800-Equipment	0.00	0.00	0.00	0.00			
						JA	SIDA	74100-Evaluation&Audit	0.00	0.00	2,500.00	2,500.00			
						JA	SIDA	74200-Printing and translation	0.00	5,000.00	0.00	5,000.00			
						JA	SIDA	74500- Miscellaneous	4,000.00	2,500.00	0.00	6,500.00			
						JA	SIDA	75700-Training, workshops and conferences	20,000.00	40,000.00	10,000.00	70,000.00			
						JA	SIDA	64300-Assurance&Monitoring	1,250.00	2,500.00	1,250.00	5,000.00			
Subtotal Direct Project Costs												587,680.00	1,229,920.00	344,881.48	2,162,481.48
General Management Services 8%												47,014.40	98,393.60	27,590.52	172,998.52
TOTAL PROJECT COST												634,694.40	1,328,313.60	372,472.00	2,335,480.00

IX. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The United Nations Development Programme (UNDP) is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 177 countries, and in Serbia since 1952. Our objectives for the country are outlined in the Country Programme Document (CPD), 2016-2020, adopted in July 2015 and designed together and approved by the Serbian Government. UNDP Serbia has in the 2004-2015 period mobilized US\$ 198,2 mil and delivered US\$ 188 mil providing development assistance to more than 50 Government institutions, Parliament and independent scrutiny bodies in Serbia (and former State Union of Serbia and Montenegro until 2006). In 2012 UNDP (and UNDP in Serbia) introduced International Sector Public Accounting Standards (IPSAS) aiming at improved consistency, reliability and comparability of financial information, increased oversight and internal control, increased transparency and improved quality of financial reporting.

Since the proposal requires the involvement of a number of partners in project implementation, UNDP will leverage political and institutional partnerships and mainstream oversight over public finances into the overall policy debate, which would include a wider array of stakeholders. The direct cooperating partners/**implementing partners** are: the **State Audit Institution (SAI)** as the **lead** implementing partner, being the highest authority for auditing of public funds in Serbia, the **Public Procurement Office (PPO)**, an independent Governmental agency which supports the establishment of procurement procedures and practices, the **Commission for Protection of Rights in Public Procurement Procedures (Commission)**, an independent body reporting to the Parliament, securing the protection of bidders' rights and public interest in public procurement procedures, the **Ministry of Finance/Public Debt Administration**, ensuring Serbia's public debt is closely monitored and the **Judicial Academy (JA)** as the official state body in charge of training judges and prosecutors. Other relevant stakeholders from the civil sector will be included in project implementation, such as the Standing Conference of Towns and Municipalities (SCTM) as well as the judges' and prosecutors' associations.

UNDP has performed a HACT (Harmonized Approach to Cash Transfers) Assessment for all national partners envisaged for this project and their **capacity to absorb the assistance has been verified**. UNDP periodically performs such assessments and aligns its implementation strategies accordingly. In addition, nationally implemented activities are subject to external audit, following UNDP's rules and procedures.

Based on the assessment of national partners implementation modalities are outlined in the RRF and detailed in the Multi-Year Workplan.

Implementation structures:

As a part of management arrangements, a **Steering Committee** will convene for annual review meetings, comprised of representatives of the lead implementing partner – State Audit Institution, Swedish International Development Agency/SIDA and United Nations Development Program/UNDP.

In order to coordinate activities between partners in the program, a **Program Board** will be established, with pertaining project boards for each component. The State Audit Institution (SAI), Public Procurement Office (PPO), Commission for Protection of Rights in Public Procurement Procedures (Commission), Ministry of Finance /Public Debt Administration, Judicial Academy (JA), Standing Conference of Towns and Municipalities (SCTM) and UNDP representatives will form the Program Board.

The Program Board is the group responsible for making management decisions by consensus for a programme when guidance is required by the Technical Advisor, on individual projects' progress, implementing issues, emerging risks/problems and proposals for necessary remedial actions, including recommendation for approval of project reports, plans and revisions.

Besides the Program Board, each component will have established its own **Project Board**, as shown in the graph below. Project Board decisions should be made in accordance to standards¹² that shall ensure best value in terms of money, fairness, integrity, transparency and effective international competition. Project reviews by this group are made at designated decision points (quarterly or semi-annually, subject to agreement during the inception Board meeting), or as necessary when raised 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 arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. The role of the **Project Board** will be to make management decisions for respective programme components when guidance is required by the Project Managers, who will have 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'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.

Project Boards will have responsibility for making decisions for individual components whereas the **Program Board** will primary have a coordination role and also make decisions on programme related issues, such as exceeding the tolerances, substantive budget revisions or escalated issues or risk. Each Project Board Executive (except UNDP) will appoint a National Project Director, or Project Director (in the case of SCTM).

Project Assurance is the responsibility of each Program Board member, but will be delegated to the UNDP Programme Officer for independent and objective project oversight and quality control. The Project Assurance role supports the Program Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

The Technical Advisor will be responsible for monitoring of portfolio projects' progress to ensure that it is in accordance with the timetable set out in the project documents and preparation of regular updates and reports to Program Board and Steering Committee on individual projects' progress, implementing issues, emerging risks/problems and proposals for necessary remedial actions. In addition, the Technical Advisor will ensure coordination with partners an overall portfolio implementation strategy and be responsible for communication, knowledge management, innovation and policy coordination.

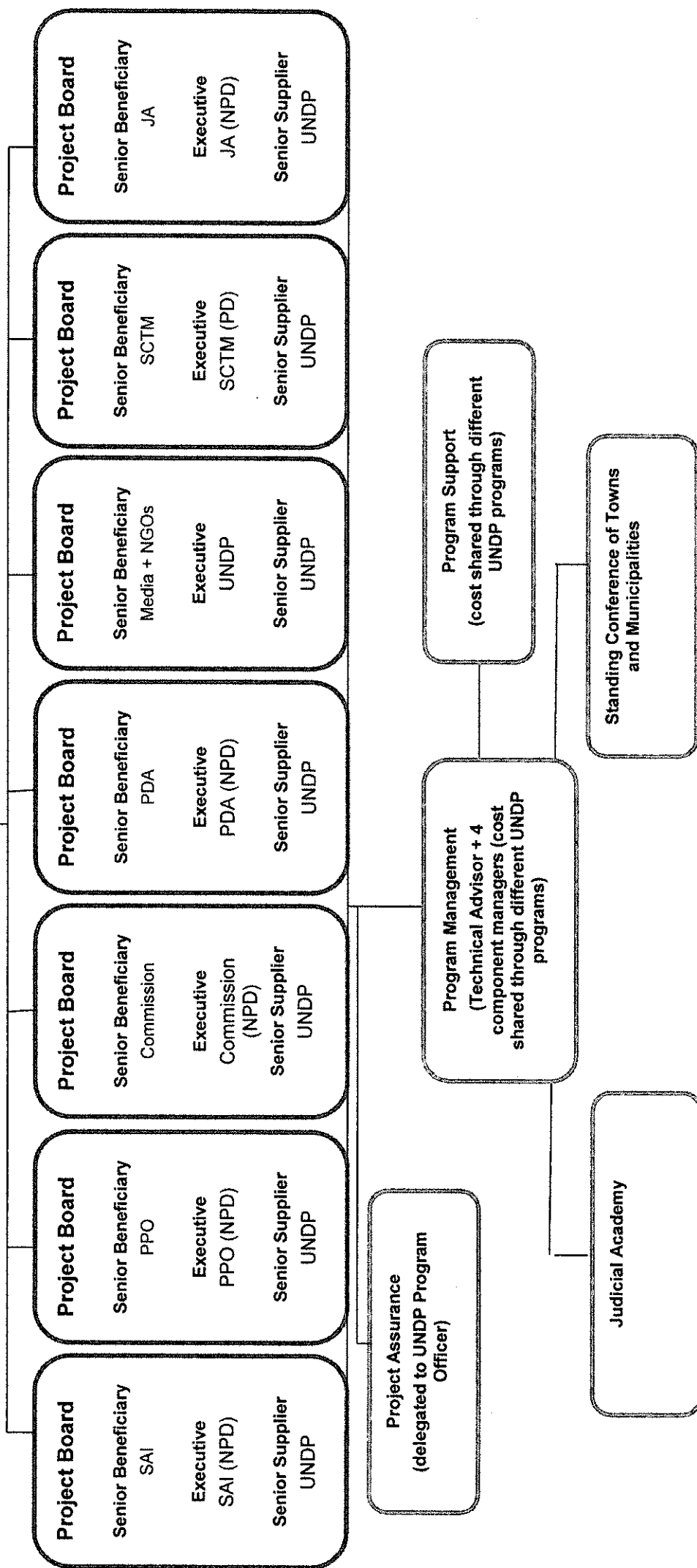
The Technical Adviser will supervise the work of Project Managers, Programme Support and Project Teams and will cooperate with Programme Assurance so that outcomes are delivered in line with requirements.

The **Programme Support** role provides project administration, financial, management and technical support to the Project Managers as required by the needs of the individual project or the Technical Advisor.

¹² 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.

Steering Committee: Swedish International Development Agency (SIDA), State Audit Institution (SAI), United Nations Development Program (UNDP)

Program Board: SAI - lead implementing partner, PPO, Commission, MOF/PDA, JA, SCTM, UNDP



Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Project Evaluation	All implementing partners	Citizen Expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance	By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy	March 2018	All listed under the Governance and Management Arrangements section	\$25,000, project budget

X. LEGAL CONTEXT

Click [here](#) for the standard text.

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/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

XI. ANNEX 1 – LOGFRAME MATRIX

Please note that the logframe matrix refers to both SIDA and SDC funded components of the UNDP public finances portfolio, presenting their interlinkages and contributions to impact. The Results and Resources Framework presented above, presents only the SIDA funded components.

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
Impact (Overall Goal)	Impact Indicators		
<p>Management of public funds is improved at all levels¹³</p> <p>Specification for SDC funded contribution to UNDP overall goal: Proven good public finance management enables the allocation of additional financial resources to LGUs, necessary to fulfil their competences and increasing the legitimacy of the decentralisation process. More efficient internal procedures will also allow an increase in budget allocation rates;</p>	<p>Indicators:</p> <ul style="list-style-type: none"> Serbia's overall improvement of Public Expenditure and Financial Accountability (PEFA) indicators compared to 2014 by 2019; Open budget index for Serbia reaches 55 by 2020. Corruption Perception Index scoring 50 by 2019; Assessment of the EU that Serbia is 'well advanced' in preparations for Chapters 5 (public procurement) and 32 (financial control) by 2019. Serbia's Public Expenditure and Financial Accountability (PEFA) indicators related to LSGs audit and accountability, and intergovernmental transfer system have improved; Improved EU Progress Reporting on procurement by LSGs (Chapter 5 on 	<ul style="list-style-type: none"> PEFA (Public Expenditure and Finance Assessment) indicators; International Budget Partnership (every two years) Corruption Perception Index of Transparency International; EU Progress Reports 2015-2019; Municipal assembly accountability index Data from SCTM self-assessment e-tool for LSGs; 	

¹³ The needs of both men and women will be taken into account in all stages of project implementation, including monitoring and evaluation.

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
<p>Outcome 2 - Ministry of Finance coordinates accountable public funds management through better internal audit and enhanced debt calculation and forecasting.</p> <p>SDC contribution: Outcome 2 - Ministry of Finance/Central Harmonization Unit (CHU) takes a lead in advocating fulfillment of legal internal audit obligations in LGUs)</p>	<p>key areas (e.g. property management, public sector ethics) of LSGs performed until 2018;</p> <ul style="list-style-type: none"> Improved results of sub national PEFA indicators PI-26, PI-27, PI-28 by 2019; <p>Baselines:</p> <ul style="list-style-type: none"> In 2014 there were 173 audit reports issued in total PEFA 2014 assessment results; The Law on SAJ states that SAJ should audit "an appropriate number of LSGs on annual basis"; Municipal audit frequency by SAJ is in average one external audit in four years, bigger municipalities more frequently, smaller less; SAJ has published its first performance audit report in 2014; Sub national PEFA assessment results 2015; <p>Indicators:</p> <ul style="list-style-type: none"> Improvement in PEFA indicators PI-17, PI-21, C iv; At least 400 internal auditors certified by 2019; Internal auditors are perceived as ideally defined in the screening report of chapter 32 (financial control); Positive trend retention rate of internal auditors in LSGs; Increase by 5% on average of the number of internal audit reports of 	<p>National and sub national PEFA assessments</p> <p>CHU software</p> <p>CHU reports to the Ministry of Finance</p> <p>PDA reports</p> <p>Project Progress Reports</p>	<p>Effective retention policies for internal auditors are very high on the agenda of the Government. More market oriented remuneration of internal auditors may be safeguarded or even increased through pragmatic solutions (e.g. sharing of internal auditors between small LSGs or with other budget users) in order not to undermine</p>

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
	<p>local government units annually.</p> <ul style="list-style-type: none"> Improvement in LSGs PEFA indicators PI-17, PI-21, C IV¹⁵; Interface between SAI and CHU led by INTOSAI standards; Automatized calculation of the public debts by 2017 <p>Baselines:</p> <ul style="list-style-type: none"> PEFA 2014 assessment results; There were 258 certified internal auditors in July 2015; Internal auditors are perceived as "spies" rather than "facilitators of quality assurance" (screening report chapter 32 on financial control); Retention rate internal auditors in LSGs in 2015 perceived as 1 in 2 only; No. internal audits reports conducted in 2015 in local government units to be released in April 2016 Sub National PEFA Assessment results 2015; Very good attendance of LSGs in conference organised by SAI and MoF on INTOSAI standards in 2015 (UNDP inception phase); Public debt calculation performed manually at the Public Debt Administration 		<p>other investments into higher retention rate;</p> <p>As the added value will be illustrated, mayors and heads of municipal finance will embrace the new INTOSAI standards for internal audit, despite the need to adapt numerous internal procedures.</p> <p>Consistent public debt calculation methodology</p>
Outcome 3 – Higher public attention on LSG public finance	Indicators:	Gamma Analytics reports based on how topics are discussed and	A number of media remain sufficiently independent,

¹⁵ This indicator is conditional to an international donor (e.g. SECO) funding a sub national PEFA assessment by 2018;

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
<p>management increases peer competition among LSGs for better PFM performance, and an informed demand for accountability by municipal councillors and citizens;</p>	<ul style="list-style-type: none"> - Public perception of LGUs PFM performance improved compared to 2016 baseline; - Outreach and content of discussions triggered by the municipal PFM stories in the public sector (measured by gamma analytics); <p>Baselines:</p> <p>Public perception of LGUs PFM performance measured in 2016; PFM performance is generally perceived negative by the average citizen;</p>	<p>spread in social media; Public perception assessment;</p>	<p>professional, and have outreach to LSGs country wide;</p> <p>LSGs will subscribe to the award criteria, as they will be consulted with the SCTM;</p>
<p>Outcome 4 - State institutions supported in enabling greater availability of public finance data and reuse of such data ensured.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> - 10 municipal assemblies have electronic access to public finance data by 2018. - Open data in public finances fully introduced, operational and utilized in at least one pilot sector by 2018. <p>Baseline:</p> <ul style="list-style-type: none"> - No municipal assembly in Serbia currently has direct electronic access to public finance data. - Under the Open Data Readiness Assessment conducted by UNDP and the World Bank in 2015 no data in the sphere of public finances was assessed as 'open', following open data standards. 	<p>Project progress reports; legislative framework regulating open data; relevant web portals</p>	<p>Willingness of national and local authorities to open data</p>

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
Outcome 5 - Public procurement performance improved	<p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Sustained low level of use of non-competitive procedures for public procurement until 2018; - Increase in the average number of bids per tender by 2018; <p><i>Baseline:</i></p> <ul style="list-style-type: none"> - 5% share of non-competitive procedures in 2014 - 2.6 bids per tender on average in 2014 	PPO quarterly reports	Consistent alignment of the Public Procurement Law with the EU Acquis; holistic approach to public procurement reforms
Outcome 6 - Commission for Protection of Rights in Public Procurement Procedures improves its track record in processing cases.	<p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Gradual increase in the number of cases processed by the Commission for Protection of Rights in Public Procurement procedures annually until 2018; <p><i>Baseline:</i></p> <ul style="list-style-type: none"> - A total of 2987 cases received in 2014 with 2755 resolved the same year 	Project progress reports; annual reports of the Commission to the Parliament; SIGMA reports	Independence of the Commission preserved as well as operational capacity
Outcome 7 - Enforcement capacities strengthened in processing cases involving the misuse of public funds	<p><i>Indicators:</i></p> <ul style="list-style-type: none"> - At least 100 prosecutors, judges and police officers pass specialized programs of the Judicial Academy, as well as at least 20 financial forensics officers, organized in accordance with the Strategy for the Investigation of Financial Crimes, by 2018; <p><i>Baseline:</i></p> <ul style="list-style-type: none"> - The Strategy for Investigation of Financial Crimes has been in adopted in 	Project Progress Reports, reports on implementation of the Strategy for Investigation of Financial Crimes	Sustained judicial reform

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors (Assumptions & Risks)
	May 2015 and its Action Plan lists specific tasks required of the Judicial Academy		

Outputs (per outcome) and costs	Output Indicators	
Output 1.1 (SDC) SAI Department for external audit of LSG has widened its competences and capacities from financial and compliance to performance audits, through certification and professional training of its auditors; <i>SAI's capacity building program will respect principles of an equal opportunity employer.</i>	Indicator: Women and men, staff of the department for auditing local self-governments have successfully passed intensive training for widening the scope and type of audit according to international standards by 2017; Baseline: SAI does not have a developed Programme for Continuing Professional Education (CPE), but identified a respective need;	Data Sources/Mean of Verification: <ul style="list-style-type: none"> • Annual Report of SAI • Project Progress Reports UNDP
Output 1.2 (SDC) SAI is provided competent advice on a risk based approach and respective prioritization of the selection of LSGs for external audit, based on good practice analysis and an expert workshop (participatively, including the SCTM);	Indicator: Analysis conducted and a debate with key stakeholders held on criteria for definition of audit frequency and scope to advise SAI further action by 2017. Baseline: Analysis and debate to be organized in a participative way in 2016 and 2017.	Data Sources/Mean of Verification: <ul style="list-style-type: none"> • Annual Report of SAI • Project Progress Reports UNDP
Output 1.3 (SDC) LSGs, SCTM and the parliamentary committee on finance are regularly informed by the SAI on recurring external audit findings and on how they	Indicators: <ul style="list-style-type: none"> • Updates for SCTM e-learning platform on re-occurring external audit findings are secured and uploaded periodically (more than once a year); • At least 10 meetings with local self-governments and parliamentary committee at local level held with an aim to sensitize stakeholders on 	Data Sources/Mean of Verification: <ul style="list-style-type: none"> • Annual Reports of SAI • Project Progress Reports UNDP

can best be addressed; SAI external municipal audit findings are reader friendly e.g. for MPs (central and local level), citizens, municipal financial department staff and internal auditors;	<p>common and reoccurring audit findings and identify respective corrective measures;</p> <ul style="list-style-type: none"> At least two major media campaigns on re-occurring audit findings led, with outreach to all LGUs. <p>Baselines:</p> <p>Initial round of training for local self-government on external audit findings held during 2014-2015 in cooperation with the SCTM; findings from these trainings provided basis for the e-learning platform amendment on re-occurring external audit findings;</p>	<ul style="list-style-type: none"> Media clippings on outreach campaign on re-occurring external audit findings; SCTM e-learning platform amendments and user monitoring reports;
<p>Output 1.4 (SDC)</p> <p><i>(contributing to outcome 1 and 2)</i></p> <p>SAI and Central Harmonisation Unit (CHU) introduce international audit standards (such as defined by INTOSAI and the Institute of Internal Auditors IIA) jointly, in order that external audits can build on internal audits and external audits can (increasingly) focus on LSGs' performance;</p> <p><i>The interface between internal and external audit is developed for the purpose of audit effectiveness.</i></p>	<p>Indicators:</p> <ul style="list-style-type: none"> Working group consisting of State Audit Institution and Ministry of Finance representatives (Central Harmonization Unit-CHU) has developed and implemented its work plan for the joint introduction of internal and external international audit standards, including the INTOSAI GOVs; All internal municipal auditors receive up-to-date and tailor made information on how to comply with international audit standards by 2019; <p>Baseline:</p> <ul style="list-style-type: none"> Working Group re-convened in 2015 and decided to develop a work plan; Until 2015, the SAI could not rely or not build on internal audit reports when performing external audits; Internal auditors in municipalities have no complete picture on international auditing standards, nor on their concerted introduction; 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Project progress reports UNDP; SAI and MoF website updates and user reports; SAI and CHU common Conference proceedings; SAI Annual Reports to Parliament; SAI/CHU working group proceedings;
<p>Output 1.5 (SIDA)</p> <p>SAI enhances its operational capacities and stakeholder relations in order to increase the number, quality of and follow-up to external audit reports</p>	<p>Indicators:</p> <ul style="list-style-type: none"> At least 6 joint meetings of SAI and the Parliamentary Finance Sub-Committee held and at least 3 joint reactions towards audited entities taken, based upon SAI findings (either through public hearings or joint media appearances) by 2018; Increased number of external auditors certified by 2018; SAI has initiated at least 3 new forms of audit in line with INTOSAI standards and EU Accession requirements as listed in the Screening Report on Chapter 32 (e.g. IT audit) by 2018; All new SAI staff have passed intensive internal communications 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Project progress reports UNDP; SAI annual reports; Annual reports of Parliamentary Finance Committee; Parliament website news and updates;

	<p>training by 2018 and senior level staff and management provided with external communications mentoring by 2018;</p> <ul style="list-style-type: none"> SAI has enhanced its standardization of business processes throughout the institution by 2018 (including a Performance Measurement Framework assessment on alignment with INTOSAI standards); <p>Baseline:</p> <ul style="list-style-type: none"> The Parliamentary Subcommittee for Processing Reports of the State Audit Institution was formed in February 2015. There are 102 state auditors and 22 certified external auditors (October 2015) SAI currently exercises the following forms of audit: financial audit, performance audit and compliance audit. Initial communications training and mentoring commenced under the 1st Phase of the Advancing Accountability Mechanisms in Public Finances project. Performance assessment is planned to be conducted at the beginning of project implementation. 	
<p>Output 2.1 (SDC)</p> <p>LGUs embrace the new role of internal audit and financial management and control as they see the added value of it, as a result of countrywide outreach campaigns of the MoF/CHU, a modern e-learning platform particularly reaching out to poor and remote LGUs, and tailor made facilitation support to the network of internal auditors in municipalities for good practice exchange and advocacy for their role;</p>	<p>Indicators:</p> <ul style="list-style-type: none"> CHU E-learning platform (e.g. for internal auditors) developed, tested and operational in 2017. Systematic outreach approach by CHU developed (with visits, workshops, regional trainings) to increase the number of IA auditors at the local level and implement IA certification programs at the local level; Internal auditors in municipalities exchange good practice in order to fulfil their role through networking facilitated as a positive measure (e.g. through CHU software, live meet-ups) until 2017; <p>Baselines:</p> <ul style="list-style-type: none"> No e-learning platform developed by 2015. Initial outreach of CHU piloted in 2015. Ad hoc networking of internal auditors exists since 2015, but with no systemic exchange of information or work plan. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Project progress reports UNDP; Consolidated annual reports on the status of internal financial control in the public sector in the Republic of Serbia by the MoF; Report on implementation of the Public Finance Management Reform Program 2016 - 2020 <p>External Factors:</p> <p>Effective retention policies for internal auditors are very high on</p>

		the agenda of the Government. More market oriented remuneration of internal auditors may be safeguarded or even increased through pragmatic solutions (e.g. sharing of internal auditors between small LGUs or with other budget users) in order not to undermine other investments into higher retention rate;
<p>Output 2.2 (SDC)</p> <p>CHU internal auditor trainers successfully pass internationally certified trainings and effectively train internal auditors of LGUs on the application of international internal audit standards;</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • At least 5 CHU trainers have undergone international certification in issues of particular relevance for the local level by 2017; • MoF/CHU knows comparative good practices of internal audits of local budgetary users by 2017 from other countries with advanced internal audit systems (e.g. inviting international experts); • Internal auditors rate in self-assessments quality of trainings by CHU trainers in average at least "good" if not excellent; <p>Baselines:</p> <ul style="list-style-type: none"> • No CHU trainers have international certification in 2015, • MoF/CHU lacks insight in good practice of internal audit of local budget users generating in other European countries; • Quality rating of internal auditors CHU trainings by self-assessment not introduced; 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> • Project progress reports UNDP; • Consolidated annual reports on the status of internal financial control in the public sector in the Republic of Serbia by the MoF; <p>External Factors:</p> <p>Effective retention policies for internal auditors are very high on the agenda of the Government. More market oriented remuneration of internal auditors may be safeguarded or even increased through pragmatic solutions (e.g. sharing of internal auditors between small LGUs or with other budget users) in order not to undermine other investments into higher retention rate;</p>

<p>Output 2.3 (SIDA) Ministry of Finance/Public Debt Administration automatizes its operations</p>	<p>Indicator:</p> <ul style="list-style-type: none"> Custom-made application developed for automatizing the calculations conducted by the Public Debt Administration by 2017. <p>Baseline:</p> <ul style="list-style-type: none"> Public debt calculation performed manually at the Public Debt Administration 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Project progress reports Reports of the Public Debt Agency;
<p>Output 3.1 (SDC) Citizens, LSGs, and MPs are regularly and country wide (e.g. through local and national newspapers, social media) informed about good LSG public finance management presented according to good journalistic standards;</p>	<p>Indicators:</p> <p>At least 50 positive examples of LSG's PFM practices captured and promoted through social and other media by 2019, ensuring outreach also to remote LSGs and attracting the attention of both women and men;</p> <p>Baseline:</p> <p>The project will commence from a baseline of zero positive examples.</p>	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Conducted analyses to identify positive PFM practices in LSGs; Project progress reports UNDP; Media clipping; Gamma analytics reports
<p>Output 3.2 (SDC) Mayors and their finance departments and internal auditors with excellent LSG PFM performance are rewarded publicly, and set examples and benchmarks for other LSGs; award criteria pay particular attention to added value of internal audit and control, and good practices in gender-sensitive budgeting or other gender sensitive PFM practices;</p>	<p>Indicators:</p> <ul style="list-style-type: none"> Analyses of public finance performance at local level conducted at the beginning and end of the project; Good PFM practice awarded at the beginning and end of the project, with special attention paid to good practices in internal audit and of gender-sensitive budgeting. <p>Baselines:</p> <ul style="list-style-type: none"> Analyses envisaged to be conducted during project implementation. Awarding of good PFM practices envisaged during project implementation. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Conducted analyses to identify positive PFM practices in LSGs; Project progress reports UNDP; Media clipping;

<p>Output 4.1 (SIDA) Development of public budget portals in at least 10 municipalities;</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Analysis of the existing systems (including IT) for budget preparation and execution within 10 municipalities conducted and finalized by the end of Q2 2016 • System design and procedures for transfer of financial data on budget revenues and expenditures (from existing systems to new portals) developed within 10 municipalities and finalized by the end of Q3 2016 • β version of software for portals developed (including pre-defined template reports to be generated and presented) and piloted – by the end of Q1 2017 • Hardware and related equipment purchased and installed in 10 municipalities by the end of Q2 2017 • Trainings of SCTM Municipal finance department staff in using the system and data it generates - conducted by the end of Q3 2017 • SCTM Municipal finance department staff provide support to 10 municipalities in using and maintaining budget portals – by the end of Q1 2018. <p>Baseline:</p> <ul style="list-style-type: none"> - No municipal assembly in Serbia currently has direct electronic access to public finance data. 	<p>Data Sources/Means of Verification:</p> <ul style="list-style-type: none"> • Project progress report • Reports on system analysis • Reports on system design and procedures for data transfer • Software application and reports for revenues and expenditure presentation • Trainings materials and manuals <p>External Factors:</p> <p>Willingness of municipal authorities to provide electronically data to municipal assemblies</p>
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<p>Output 4.2 (SIDA)</p> <p>Open data in public finances piloted (e.g. published public data becomes machine readable instead of pdf, providing alerts and apps using new available public data etc.);</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Support provided for legislative and institutional changes necessary in order to open data in the public finance sphere, in 2016. • At least one pilot project for opening data on public finances implemented by 2017 based on the Open Data Readiness Assessment. • Demand side of society (IT society, civil society and private sector) mobilized for using and reusing the opened data by 2018. <p>Baseline:</p> <ul style="list-style-type: none"> • Under the Open Data Readiness Assessment conducted by UNDP and the World Bank in 2015 no data in the sphere of public finances was assessed as 'open', following open data standards. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> • Project progress reports; legislative acts • Impact assessment report • External Factors: • Identification of positive PFM examples • Openness of authorities to pursue the open data format
<p>Output 5.1 (SIDA)</p> <p>Support provided for increasing the average number of bidders per tender and improving PPO's capacity for evidence based decision making and instilling a good management and risk-based approach in public procurement.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • A good management approach to public procurement introduced by 2018. • Set of interventions implemented to encourage bidders to bid (analysis, raising awareness among potential bidders, developing and distributing bidding model documents, training through the Global Compact, etc) by 2017. • Upgrade of the Public Procurement Portal enabling contracting authorities to directly upload public procurement reports by 2016. • PPO Sector for Analysis/Analytics equipped with methodology for monitoring of public procurement procedures and performance based analyses by 2016 and fully trained in performing such analyses by 2017, following requirements arising from the Screening Report for Chapter 5. • Senior level staff and management provided with internal and external communications mentoring by 2018 <p>Baselines:</p> <ul style="list-style-type: none"> - A notion to instill a good management approach to public procurement has been evidenced through the joint initiative of all partners to promote the most economically acceptable offer compared to the lowest price offer in 2015. - Interventions to encourage bidders to bid are foreseen to start in 2016. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> • Series of analyses comparing previous status and new features introduced supporting a good management approach; Project progress reports; media clipping • Project progress reports; PPO quarterly reports • Project progress reports; PPO annual reports • Project progress reports; PPO annual reports

	<p>- The Public Procurement Portal does not have a functionality for uploading public procurement reports, while this is foreseen by the Public Procurement Strategy (2014).</p> <p>- A methodology for monitoring public procurement procedures is to be developed through this project.</p> <p>- Communications mentoring was initiated through the 1st Phase of the Advancing Accountability Mechanisms in Public Finances.</p>	
<p>Output 5.2 (SIDA)</p> <p>Joint action of PPO, SAI and other stakeholders towards introducing the most economically acceptable offer compared to the lowest price offer (<i>in public procurement practice</i>).</p>	<p>Indicators:</p> <ul style="list-style-type: none"> Joint sessions of PPO, SAI and Commission for analyzing perspectives on the promotion of use of the economically most acceptable offer, held during 2016 and 2017, with decisions on strategic directions for operational approach to strengthening this aspect of public procurement. At least two joint workshops per year with direct budget users (and largest contracting authorities) introducing the concept and promoting its use. <p>Baselines:</p> <ul style="list-style-type: none"> A the joint initiative of all partners to promote the most economically acceptable offer compared to the lowest price offer was agreed at the Project Board meeting under the 1st Phase of the Advancing Accountability Mechanisms in Public Finances. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> Project progress reports PPO Quarterly reports SAI audit reports External Factors: Receptiveness of public budget users to adopt the approach

<p>Output 6.1 (SIDA)</p> <p>Support provided to the Commission for Protection of Rights in Public Procurement Procedures in aligning with EU requirements and outreach efforts for decreasing irregularities</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Commission supported during EU negotiations in aligning the domestic legislation (including incorporation of ECJ "good practices") to benchmark requirements by 2018. • Roster of experts developed by 2016 and supported with an exit strategy by 2018. • Needs assessment for targeted training of Commission staff to align with legislative changes conducted by 2016 and trainings organized by 2018. • Relevant segments of the Commission communication strategy with focus on communicating strategic cases both to interested institutions (Parliament, Administrative Court, Antimonopoly Commission, Anticorruption Agency etc.) and media implemented by 2018. • At least two joint regional sessions of commissions from the region held annually in order to deliberate specific cases. <p>Baselines:</p> <ul style="list-style-type: none"> - EU negotiations on Chapter 5 have not been opened yet. - The Commission has no roster of experts - Needs assessment foreseen at the beginning of project implementation - The Commission has no Communication Strategy - Regional meetings of commissions have been initiated under the 1st Phase of the Advancing Accountability Mechanisms in Public Finances. 	<p>Data Sources/Mean of Verification:</p> <ul style="list-style-type: none"> - Project progress reports; EU Progress reports - Project progress reports - Project progress reports; - Commission's record of use of the roster of experts - Project progress reports - Commission's communication strategy and reports on its implementation; project progress reports - Proceedings from joint sessions; project progress reports
<p>Output 7.1 (SIDA)</p> <p>Capacities of judges, prosecutors and police for financial investigations strengthened.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Specialization course conducted through the Judicial Academy for at least 100 public prosecutors, judges and police officers in Serbia on financial investigations by 2018. • Training of at least 20 financial forensics officers through the Judicial Academy conducted by 2018. <p>Baselines:</p> <ul style="list-style-type: none"> - The Strategy for Investigation of Financial Crimes has been in adopted in May 2015 and its Action Plan lists specific tasks required of the Judicial Academy 	<p>Data Sources/Mean of Verification:</p> <p>Reports on implementation of the Strategy for Financial Investigations;</p>

List of activities (per output)	External Factors and Inputs
<p>List of activities for output 1.1:</p> <ul style="list-style-type: none"> • Capacity building and provision of trainings to widen the scope of external audit, mainly from financial and compliance to increasingly performance audits; • Publishing reader friendly audit reports, according to newly adopted audit methodology (2015); <p>List of activities for output 1.2:</p> <ul style="list-style-type: none"> • Supporting the development of a solid set of criteria to define audit frequency and scope, based on a risk assessment matrix and other criteria, as well as cooperation with other independent bodies, parliamentary committees, and information from the public (within the frame defined by the law that SAI needs to audit an appropriate number of LGUs on an annual basis); <p>List of activities for output 1.3:</p> <ul style="list-style-type: none"> • In cooperation with SCTM, conducting an on-going awareness-raising and sensitizing campaign with municipal executives, legislatives and finance departments, and the MoF and Parliament on common and recurring audit findings, prevention strategies and recommendations, as well as mutual expectations from central level towards local level and vice versa for good public finance management. <p>List of activities for output 1.4:</p> <ul style="list-style-type: none"> • Provide support to the Working group consisting of State Audit Institution and Ministry of Finance representatives (Central Harmonization Unit-CHU) which should be active throughout the project; • Supporting internal and external auditors in providing mutual support for audit cooperation and coordination by 2019; • Ensuring that all internal auditors receive up-to-date information on international auditing standards by 2019. <p>List of activities for output 1.5:</p> <ul style="list-style-type: none"> • Organizing at least 6 joint meetings of SAI and the Parliamentary Finance Sub-Committee and initiating at least 3 joint reactions based upon SAI findings (either through public hearings or joint media appearances) by 2018; • Certification of additional number of external auditors by 2018; • Supporting SAI in initiating 3 new forms of audit (e.g. IT audit) by 2018; • Organizing intensive internal communications training for all new SAI staff by 2018 and organizing external communications mentoring for senior level and management by 2018; • Supporting SAI in enhancement of its standardization of business processes throughout the institution by 2018. 	<p>External Factor:</p> <p>Trainings need to be tailor made to the audience to assure participation of the staff who will profit most and generate the best benefit from the training to their institution.</p> <p>Inputs:</p> <ul style="list-style-type: none"> - International Consultants - National Consultants - Contractual Services Individuals - Travel - Company contracts - Communication & Media - Grants - Equipment - M&E - Printing and translation - Miscellaneous - Training, workshops and conferences - Policy Advice & Backstopping

<p>List of activities for output 2.1:</p> <ul style="list-style-type: none"> • Development of an e-learning platform on the CHU software, with enabled access to all certified internal auditors, particularly in remote and poor municipalities; • Conducting regular outreach activities of CHU country-wide in order to raise awareness on internal audit and internal financial control, and train internal auditors; • Providing operational support for the network of internal municipal auditors; <p>List of activities for output 2.2:</p> <ul style="list-style-type: none"> • Certification of trainers from CHU in line with the international standards with special focus on their training for internal audits on sub-national/local level; • Exchange of comparative good practices of internal audits of local budgetary users. <p>List of activities for output 2.3:</p> <ul style="list-style-type: none"> • Developing a custom-made application for automatizing the calculations conducted by the Public Debt Agency. <p>List of activities for output 3.1:</p> <ul style="list-style-type: none"> • Capturing at least 50 positive examples of PFM practices at local level and promoting them through social and other media by 2019. <p>List of activities for output 3.2:</p> <ul style="list-style-type: none"> • Conducting analyses of public finance performance at local level at the beginning and end of the project; • Awarding good PFM practice at the beginning and end of the project; <p>List of activities for output 4.1:</p> <ul style="list-style-type: none"> • Conducting analysis of existing systems for budget preparation and execution • System design and development of procedures for transfer of financial data on budget revenues and expenditures • Development and piloting of β version of the software • Purchase and installation of hardware. • Training of SCTM Municipal Finance Department staff • Replication of the whole process in further municipalities, using lessons learnt and best practices from the first phase. • SCTM Municipal Finance Department staff providing support in using and maintaining budget portals. <p>List of activities for output 4.2:</p> <ul style="list-style-type: none"> • Providing support for legislative changes necessary in order to open data in the public finance sphere, in 2016; • Conducting pilot project for opening data on public finances by 2017 based on the Open Data 	
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	<p>Readiness Assessment.</p> <ul style="list-style-type: none"> • Awareness campaign on the opened data and training of potential data users <p>List of activities for output 5.1:</p> <ul style="list-style-type: none"> • Introducing a good management approach to public procurement by 2018; • Implementing of a set of interventions to encourage bidders to bid (analysis, raising awareness among potential bidders, developing and distributing bidding model documents, training through the Global Compact, etc) by 2017; • Upgrading the Public Procurement Portal enabling bidders to directly upload public procurement reports by 2016; • Equipping PPO Sector for Analysis/Analytics with methodology for monitoring of public procurement procedures and performance-based analyses by 2016 and organizing a thorough training in performing such analyses by 2017; • Providing senior level staff and management with internal and external communications mentoring by 2018. <p>List of activities for output 5.2:</p> <ul style="list-style-type: none"> • Conducting joint sessions of PPO, SAI and Commission for analysing perspectives on the promotion of use of the economically most acceptable offer, held during 2016 and 2017, with decisions on strategic directions for operational approach to strengthening this aspect of public procurement; • Organizing at least two joint workshops per year with direct budget users (and largest contracting authorities), introducing the concept and promoting its use. <p>List of activities for output 6.1:</p> <ul style="list-style-type: none"> • Support provided to the Commission for Protection of Rights in Public Procurement Procedures in aligning with EU requirements (including incorporation of ECJ "good practices) and outreach efforts for decreasing irregularities. • Organizing joint sessions of commissions from the region where specific cases will be deliberated with proposals for their resolution, in order to standardize practices across the region; • Providing support to the Commission during EU negotiations in aligning the domestic legislation to benchmark requirements by 2018; • Developing a Roster of experts by 2016 and providing support with an exit strategy by 2018; • Conducting Needs assessment for targeted training of Commission staff to align with legislative changes by 2016 and organizing trainings by 2018; • Analysis of the relevant segments of the Commission communication strategy with focus on communicating strategic cases both to interested institutions and media and providing support for its implementation by 2018; • Organizing at least two joint regional sessions of commissions from the region annually in order to
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<p>deliberate specific cases.</p> <p>List of activities for output 7.1:</p> <ul style="list-style-type: none"> • Conducting Specialization course through the Judicial Academy for (number) public prosecutors in Serbia on financial investigations by 2018; • Conducting Training of number financial forensics officers through the Judicial Academy by 2018; 	
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XII. ANNEX 2 SOCIAL AND ENVIRONMENTAL SCREENING

Project Information

Project Information	
1. Project Title	Accelerating Accountability Mechanisms in Public Finances
2. Project Number	87601
3. Location	Serbia

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project supports and incorporates the human-rights based approach in its objectives as it tackles Serbian public finance system with an aim to have its mechanisms fully aligned with requirements of EU standards in terms of transparency, effectiveness, orientation to citizens' needs, and accountability –some of core principles of the human rights based approach in development effectiveness. In terms of accountability, it will continue to promote the managerial accountability within institutions and services bearers both at national, and local, community level. The broader initiative entails a set of overarching general principles such as **public participation** through the improved oversight over public finances through, apart from external audit, also through the engagement of civil society and media –thus improving checks and balances of the state institutions and executive branch of the government. In addition, in respect to the public access to information, the programme will foster **access to information** through promoting greater **transparency** at national level, using the open data standard and community level in case of budget portals. Furthermore, with regards to **rule of law fundamentals** it will aim to increase capacities of the judiciary and enforcement mechanisms for dealing with recorded malfeasance and misuse of public funds. This means that all citizens in Serbia will be brought closer to their institutions through access to relevant information that would in turn lead to more efficient and accountable public funds spending, while in cases of its breach, to easier gathering of evidence and sound prosecution of cases. In that sense and in the long-term, the programme will enable citizens to monitor implementation of public policies (through monitoring of public funds spending) and improve public services through sound finance management. It would also allow public insight in the decision-making processes by rights' holders and in that sense, have potential to adapt policies also to the needs of vulnerable groups. This will, in particular be the case with municipalities targeted for the development of budget portals (10 municipalities).

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The parliamentary discussions on the 2016 State budget were marked by increased action of the Women's Parliamentary Network that promoted gender based budgeting. An amendment to that regard has even been introduced in the Budget Law. Even though limited to only one field, it opened a broad discussion once again on ways forward. The project will use all opportunities to underpin this effort from all the aspects of the public finance system it tackles.

For example, the component of the project under which 10 municipal budget portals will be developed, will seek to visualize budget data from a gender perspective, in order to inform policy makers and sensitize them to bare in mind effects of new policies on men and women respectively.

Apart from this, the needs of both men and women will be taken into consideration when modelling new approaches and developing tools. The project will also seek to ensure equal participation of men and women in project interventions.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project has potential to mainstream environmental sustainability into a number of key public finance processes, for example into public debt management. The currently effective fiscal consolidation program, necessary for keeping the level of public debt within reasonable limits, entails a reduction of investments in environmental projects, which calls for exploring new modalities for their financing. Improved monitoring and calculation of the public debt will help increasing the extent to which environmental sustainability is a part of the public sector finance as it will inform further activities related to potentials for debt conversion into environmental projects (debt-for-nature-swaps).

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks?		QUESTION 3: What is the level of significance of the potential social and environmental risks?		QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5)	Significance	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
Risk 1: There is a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	I = 1 P = 1	Low	The project will, on the contrary, in certain segments, create an enabling environment for greater public participation, specifically, through the open data segment and development of public budget portals in pilot municipalities.	N/A
Risk 2 The Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods?	I = 1 P = 1	Low	Project activities do not include such changes nor direct or indirect impacts	N/A
Risk 3: There is a likelihood that the	I = 1	Low	There is no likelihood that any	N/A

Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	P = 1		portions of the project will be located on such territories	
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)				Comments
Low Risk				X
Moderate Risk				<input type="checkbox"/>
High Risk				<input type="checkbox"/>
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
Check all that apply				
Principle 1: Human Rights				<input type="checkbox"/>
Principle 2: Gender Equality and Women's Empowerment				<input type="checkbox"/>
1. Biodiversity Conservation and Natural Resource Management				<input type="checkbox"/>
2. Climate Change Mitigation and Adaptation				<input type="checkbox"/>
3. Community Health, Safety and Working Conditions				<input type="checkbox"/>
4. Cultural Heritage				<input type="checkbox"/>
5. Displacement and Resettlement				<input type="checkbox"/>
6. Indigenous Peoples				<input type="checkbox"/>
7. Pollution Prevention and Resource Efficiency				<input type="checkbox"/>
				No requirement
				No requirement
				No requirement
				No requirement
				No requirement
				No requirement
				No requirement
				No requirement
				No requirement

Final Sign Off

Signature	Date	Description
QA Assessor		

QA Approver			Steliana Nedera, DRR	
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SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Ans wer (Yes/ No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	N
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹⁶	N
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	N
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	N
5.	Are there measures or mechanisms in place to respond to local community grievances?	Y
6.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	N
7.	Is there a risk that rights-holders do not have the capacity to claim their rights?	N
8.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	N
9.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	N
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	N
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	N
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	N
3.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	N
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	N
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	N
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply,	N

¹⁶ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	refer to Standard 5)	
1.4	Would Project activities pose risks to endangered species?	N
1.5	Would the Project pose a risk of introducing invasive alien species?	N
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	N
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	N
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	N
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	N
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	N
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	N
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹⁷ greenhouse gas emissions or may exacerbate climate change?	N
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	N
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	N
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	N
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	N
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	N
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	N
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	N
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	N
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	N
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	N
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	N
Standard 4: Cultural Heritage		

¹⁷ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	N
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	N
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	N
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	N
5.3	Is there a risk that the Project would lead to forced evictions? ¹⁸	N
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	N
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	N
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	N
6.3	Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	N
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	N
6.4	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	N
6.5	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	N
6.6	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	N
6.7	Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	N
6.8	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	N
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	N
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	N
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	N
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	N
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	N

¹⁸ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

XIII. ANNEX 3 EXPLANATORY BUDGET

OUTCOME	ACCOUNT	BUDGET ITEM	Note	Unit (months, days, km, lump sum...)	No. of units	Unit rate in USD	Total in USD
		Human resources (gross honorariums)					
OUTPUT1.5	71400	Project Manager part time	gross fee	Months	24	1,667	40,000
OUTPUT1.5	71200	International Expertise	experts fee all costs incl	average daily fee	50	800	40,000
OUTPUT1.5	71300	National Expertise	fee all costs included	average daily fee	240	250	60,000
OUTPUT2.3	71400	Project Manager part time	gross fee	Months	24	1,667	40,000
OUTPUT4.1	71400	Project Manager (national)	gross fee	Months	24	1,700	40,800
OUTPUT4.1	71400	IT maintenance part-time	gross fee	Months	24	500	12,000
OUTPUT4.1	71300	National Expertise	fee all costs included	average daily fee	112	250	28,000
OUTPUT4.2	71400	Portfolio manager part time 30%	gross fee	Months	24	917	22,000
OUTPUT4.2	71300	National Expertise	fee all costs included	average daily fee	90	250	22,500
OUTPUT5.1	71400	Project Manager part time	gross fee	Months	24	1,667	40,000
OUTPUT5.1	71200	International (Regional) Expertise	experts fee all costs incl	average daily fee	70	500	35,000
OUTPUT5.1	71300	National Expertise	fee all costs included	average daily fee	192	250	48,000
OUTPUT5.2	71400	Technical Adviser part time	gross fee	Months	24	1,750	42,000
OUTPUT6.1	71400	Project Manager part time	gross fee	Months	24	1,667	40,000
OUTPUT6.1	71200	International (Regional) Expertise	experts fee all costs incl	average daily fee	30	500	15,000
OUTPUT6.1	71300	National Expertise	fee all costs included	average daily fee	220	250	55,000
OUTPUT7.1	71400	Project Manager (national)	gross fee	Months	24	1,667	40,000
OUTPUT7.1	71200	International Expertise	experts fee all costs incl	average daily fee	10	500	5,000
OUTPUT7.1	71300	National Expertise	fee all costs included	average daily fee	120	250	30,000
ALL	71400	Finance /Admin Associate part time	gross fee prorated	Months	24	1,333	32,000
ALL	71400	Procurement/Logistic Associate part	gross fee prorated	Months	24	1,167	28,000
ALL	64300	Assurance & Monitoring	gross fee prorated	Months	24	3,250	78,000
Subtotal A							793,300
B Travel costs							
OUTPUT1.5	71600	Travel costs-in country	transfer	event	20	1,000	20,000
OUTPUT1.5	71600	Travel costs-international	tickets and per diem	per person	40	1,250	50,000
OUTPUT4.1	71600	Travel costs-in country	transfer	consultations / monitoring mission	18	250	4,500
OUTPUT4.2	71600	Travel costs-in country	transfer	event /monitoring mission	15	250	3,750

OUTPUT4.2	71600	Travel costs-international	tickets and per diem	per person	5	1,250	6,250
OUTPUT5.1	71600	Travel costs-in country	transfer	event /field mission	12	250	3,000
OUTPUT5.1	71600	Travel costs-international	tickets and per diem	per person	26	1,500	39,000
OUTPUT5.2	71600	Travel costs-in country	transfer	event	7	1,000	7,000
OUTPUT5.2	71600	Travel costs-international	tickets and per diem	per person	0	1,000	0
OUTPUT6.1	71600	Travel costs-in country	transfer	consultations/monitoring mission	2	250	500
OUTPUT6.1	71600	Travel costs-international	tickets and per diem	per person	18	1,500	27,000
OUTPUT7.1	71600	Travel costs-international	tickets and per diem	per person	8	1,250	10,000
Subtotal B							171,000
C		Equipment					
OUTPUT1.5	72800	IT Equipment	notebook& tablet & licenses	pcs	1	2,500	2,500
OUTPUT2.3	72800	IT Equipment	PDA server	pcs	1	10,000	10,000
OUTPUT4.1	72800	IT Equipment	portals server	pcs	10	3,000	30,000
OUTPUT4.2	72800	IT Equipment	notebook& tablet & licenses	pcs	1	2,500	2,500
OUTPUT5.1	72800	IT Equipment	notebook& tablet & licenses	pcs	1	2,500	2,500
OUTPUT5.1	72801	IT Equipment	portal hardware upgrade	pcs	1	5,000	5,000
OUTPUT5.2	72800	IT Equipment	notebook& tablet & licenses	pcs	1	2,500	2,500
OUTPUT6.1	72800	IT Equipment	notebook& tablet & licenses	pcs	1	2,500	2,500
OUTPUT6.1	72800	IT Equipment	hardware for roster of experts	pcs	4	1,000	4,000
Subtotal C							61,500
D		Other direct costs					
OUTPUT1.5	72100	Company contract	company consulting services	lumpsum	2	10,000	20,000
OUTPUT1.5	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	15,000	15,000
OUTPUT1.5	75700	Workshop costs	pls see note 1	average cost per event	20	2,500	50,000
OUTPUT1.5	74500	Sundry		lumpsum	1	6,500	6,500
OUTPUT2.3	72100	Company contract *	IT services software dev't	lumpsum	1	436,255	436,255
OUTPUT2.3	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	5,000	5,000
OUTPUT2.3	74500	Sundry		lumpsum	1	3,745	3,745

OUTPUT4.1	72100	Company contract	system analysis & design	lumpsum	1	10,000	10,000
OUTPUT4.1	72100	Company contract *	software development	lumpsum per municipality	10	5,000	50,000
OUTPUT4.1	72100	Company contract	consulting services	lumpsum	2	2,500	5,000
OUTPUT4.1	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	13,000	13,000
OUTPUT4.1	75700	Workshop costs	please see note 1	average cost per event	10	1,250	12,500
OUTPUT4.1	75700	Workshop costs	pls see note 1	average cost per event	1	7,500	7,500
OUTPUT4.1	74500	Sundry		lumpsum	1	5,681	5,681
OUTPUT4.2	75700	Workshop costs	conference cost	per event	2	10,000	20,000
OUTPUT4.2	75700	Workshop costs	please see note 1	average cost per event	20	1,500	30,000
OUTPUT4.2	72600	Grants	NGO grants	average grant value	4	12,500	50,000
OUTPUT4.2	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	10,000	10,000
OUTPUT4.2	74500	Sundry		lumpsum	1	5,000	5,000
OUTPUT5.1	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	10,000	10,000
OUTPUT5.1	75700	Workshop costs	conference cost	per event	4	6,250	25,000
OUTPUT5.1	75700	Workshop costs	please see note 1	average cost per event	12	3,500	42,000
OUTPUT5.1	72100	Company contract	public portal upgrade	lumpsum	1	10,000	10,000
OUTPUT5.1	72100	Company contract	research	lumpsum	2	17,500	35,000
OUTPUT5.1	74500	Sundry		lumpsum	1	10,000	10,000
OUTPUT5.2	75700	Workshop costs	joint workshops	average cost per event	2	5,000	10,000
OUTPUT5.2	72100	Company contract	company consulting services		1	15,000	15,000
OUTPUT5.2	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	10,000	10,000
OUTPUT5.2	74500	Sundry		lumpsum	1	10,000	10,000
OUTPUT6.1	75700	Workshop costs	regional conferences	average cost per event	3	9,000	27,000
OUTPUT6.1	75700	Workshop costs	pls see note 1	average cost per event	10	3,000	30,000
OUTPUT6.1	74200	Printing, Translation and Publishing	pls see note 2	lumpsum	1	20,000	20,000
OUTPUT6.1	74500	Sundry		lumpsum	1	14,000	14,000
OUTPUT7.1	75700	Workshop costs	pls see note 1	average cost per event	10	7,000	70,000
OUTPUT7.1	74200	Printing, Translation and Publishing	pls see note 2		1	5,000	5,000
OUTPUT7.1	74500	Sundry		lumpsum	1	6,500	6,500
OUTPUT7.1	72600	Grants	professional association	grant agreement	1	7,000	7,000
							0
	74100	Evaluation prorated	final evaluation	contract	1	15,000	15,000
	74100	Audit	project component audit	per component	4	2,500	10,000
Subtotal D							1,136,681
E		Indirect / Administrative costs					
	75100	General Management Services 8%					172,999
Sub total E							172,999
TOTAL COST (A+B+C+D+E)							2,335,480

Note1 Workshop costs have been established based on average costs of comparative events in the preceding project phases , based on 30 ppnts. These costs include rental of venue, equipment and catering costs for single day events and hotel accommodation for multiple day events. The majority of events planned under this initiative will be two day events. If at local level, the project will seek to organize area-based events covering multiple municipalities, while if smaller workshops are organized in the capital, premises of project partners will be used to the extent possible.

Note 2 Printing costs are related to materials for workshops, publications, readers and other materials. Printing costs also include design, editing and translation.

* UNDP account policy recognizes as cost of IT services for the development of the tailor made software; developed and operational software should be considered as the intangible assets

