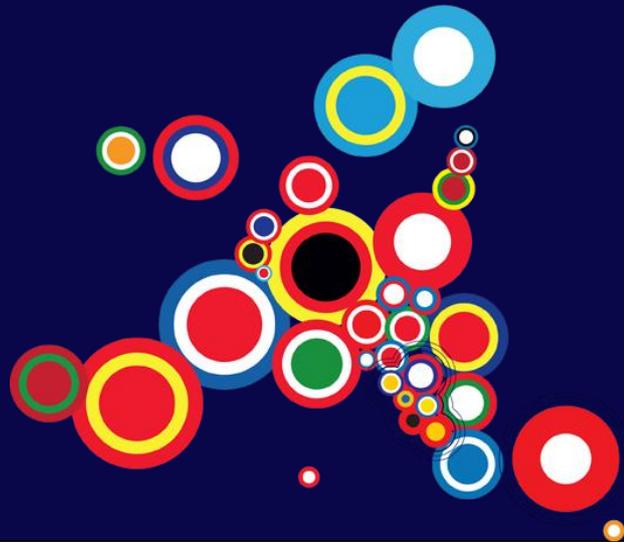




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### SERBIA

European Integration  
Facility –  
Indirect Management



*The aim of this Action is to support Serbia in the process of alignment of legislation and practice in several key sectors with the requirements of the EU acquis and relevant EU standards. The Action will support the implementation of the Better Regulation Approach and contribute to the achievement of progress in reform areas related to the EU accession process. This will be achieved by providing targeted support to already identified priorities, and by securing flexible assistance for both legislative alignment and institutional capacity building needs. The EU for Citizens II action will in particular focus on providing assistance in the field of Home affairs, with the aim of supporting implementation of key priorities related to the Chapter 24 of EU acquis, including fight against organised crime and cybercrime.*

<b>Action Identification</b>	
<b>Action Programme Title</b>	Annual Action Programme for Serbia for the year 2017
<b>Action Title</b>	European Integration Facility Indirect Management
<b>Action ID</b>	IPA 2017/040-498.02/Serbia/European Integration Facility Indirect Management
<b>Sector Information</b>	
<b>IPA II Sector</b>	Democracy and Governance
<b>DAC Sector</b>	15110
<b>Budget</b>	
<b>Total cost</b>	7,586,974.81 EUR
<b>EU contribution</b>	7, 586,974.81 EUR
<b>Budget line(s)</b>	2202 01 01
<b>Management and Implementation</b>	
<b>Management mode</b>	Indirect management
<i>Indirect management:</i> <b>National authority or other entrusted entity</b>	Ministry of Finance - CFCU
<b>Implementation responsibilities</b>	The institutional arrangements for implementation of this Action under indirect management include: Ministry of Interior and Republic Public Prosecutor's Office (Results 1 and 2); Ministry of European Integrations is responsible for the Negotiations and Policy Developments Envelope (Result 3) and evaluations envelope (Result 4).
<b>Location</b>	
<b>Zone benefiting from the action</b>	Republic of Serbia
<b>Specific implementation area(s)</b>	N/A
<b>Timeline</b>	
<b>Final date for concluding Financing Agreement(s) with IPA II beneficiary</b>	At the latest by 31 December 2018
<b>Final date for concluding delegation agreements under indirect management</b>	At the latest by 31 December 2018
<b>Final date for concluding procurement and grant contracts</b>	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation
<b>Final date for operational implementation</b>	6 years following the conclusion of the Financing Agreement
<b>Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)</b>	12 years following the conclusion of the Financing Agreement

<b>Policy objectives / Markers (DAC form)</b>			
<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	X	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

# 1. RATIONALE

## PROBLEM AND STAKEHOLDER ANALYSIS

Serbia is making significant progress in the accession to the EU. The European Council granted Serbia the status of candidate country in 2012. The Stabilisation and Association Agreement (SAA) between Serbia and the EU entered into force in September 2013. Accession negotiations were launched in January 2014. The analytical examination of the EU *Acquis* (screening process) was completed in March 2015.

By March 2017, Serbia has opened negotiations on a number of Chapters of the *acquis*: Chapter 32, dealing with financial control, Chapter 35 (other issues), 23 – dealing with judiciary reform and fundamental rights, 24 – dealing with justice, freedom and security, 5 – dealing with public procurement, 25 – dealing with science and research, 20 – Enterprise and Industrial Policy – and Chapter 26 – Education and Culture. Two chapters (25 and 26) have already been provisionally closed.

Accession negotiations will increasingly require that Serbia improves the capacity of public administration. This improvement is needed both in terms of developing adequate institutional structures, but also in terms of ensuring the sufficient number of qualified experts and competent civil servants with knowledge to work on the harmonisation of the national legislation with the *Acquis*, including by improving the quality of policy and legal drafting processes.

The identification of the accession priorities supported through this Action was performed through the process of analytical assessment by the line national institutions responsible for policies in the individual sectors, in order to support the development of adequate capacities in Serbia to tackle the challenges of the accession process. The coordination and prioritisation of the needs was undertaken with the assistance of MEI. The identification of the needs has taken into account relevant strategic documents in each sector, stakeholder requirements and needs, timing and relevance of the diverse accession priorities, and the results and status of implementation of previously programmed assistance.

**Support to the implementation of priorities under Chapter 24** was identified as a key priority. The opening of chapters 23 and 24 of the *Acquis* in July 2016 marked an important milestone in the accession negotiations for Serbia. Under the new enlargement policy approach, these are the chapters which are expected to be tackled early in the enlargement process to allow Serbia to develop a solid track record of reform implementation. This will ensure sustainable and lasting reforms in the area of the rule of law.

These priorities are also in line with the Global Strategy for the European Union's Foreign and Security Policy as well as with the aims of the implementation of the EU 2030 Agenda. As such, they support the main objectives related to the EU-wide strategic framework to support Security Sector Reform. The two components which this action will support, mainly fight against organised crime and against cyber-crime constitute important elements of conflict prevention, by addressing potential crisis factors. The action will, by developing capacities in these areas, support the development of accountable security institutions in Serbia, which will contribute to the development of effective security services for the population and in the long-term promote peace and sustainable development.

The EU developed its Common Positions on these chapters on the basis of national Action Plans, which Serbia has elaborated in order to fulfil the opening benchmarks for the two chapters. The Action Plans will allow the EU to assess the substantial reforms Serbia is planning, inter alia in areas of Chapter 24 such as migration, asylum, visa policy, external borders and Schengen, judicial and police cooperation, and the fight against organised crime and terrorism.

In line with the new enlargement approach, interim benchmarks were defined to assess further progress of Serbia. These include legislative amendments, robust monitoring mechanisms, institutional and coordination arrangements, initial track records as well as the administrative capacity and resources required to implement and enforce the relevant Acquis in the respective chapters. There are 41 interim benchmarks for Chapter 24 to be met by Serbia.

The Common Position of the EU on Chapter 24 stresses that organised crime remains an important challenge for Serbia. It needs to be systematically and successfully investigated and prosecuted and these crimes need to be followed up with financial investigations. The effective implementation of Serbia's financial investigation strategy for the period 2015 – 2016 needs to be further boosted with the adoption of an Action Plan. Serbia has already taken important steps in this field, by adopting the "*Law on organization and Jurisdiction of government Authorities in suppression of organized crime, terrorism and corruption*". This law will enter into force as of 1 March 2018.

Furthermore, Serbia introduced a prosecution-led investigation system, although it has not yet been properly matched with human and financial resources. Serbia adopted the first national Serious and Organised Crime Threat Assessment (SOCTA) and plans to further develop and implement the concept of intelligence-led policing.

Serbia's anti-money laundering system was evaluated in April 2016 by Moneyval, the Council of Europe committee of experts and a number of recommendations were put forth in order to help strengthen Serbia's legislative and organisational systems. The new "*law on seizure of the proceed from crime*" has been adopted but it is essential to establish and develop an Asset Recovery Office (ARO) that will also be in charge of managing confiscated assets. The EU common position underlines the importance of these measures in the context of the effectiveness of dismantling organised crime groups and stresses the need for ambitious legislation, allocating sufficient financial and human resources and providing the necessary specialised training and equipment to the ARO.

Finally, the EU common position also notes that cyber criminality is becoming an increasing problem in Serbia and that Serbia has so far not developed a strategic vision on how to address this. In this area, Serbia has no long-term strategy; the level of inter-agency cooperation, information flow and exchange between law enforcement agencies needs to be further improved. Serbia ratified the Convention on Cybercrime (Budapest Convention) in 2009 but should further align its legislation with Directive 2013/40/EU on attacks against information systems. Serbia should develop a coherent strategic and long-term vision on how it intends to address cyber-criminality, including on-line child sexual abuse, in line with the EU strategic and operational approach against cybercrime.

A central criminal intelligence system and harmonised statistics have yet to be set up. Cooperation between the police and the Special Prosecutor's Office for Cybercrime is improving. Within the Ministry of Interior there is Department for Combatting Cybercrime operating within the Service for Combatting Organized Crime. Department for Combatting Cybercrime is still understaffed and has insufficient technical resources.

Fight against terrorism is foreseen to be efficiently targeted through the implementation of the above mentioned actions. The conducted SOCTA will be used to further introduce, develop and reorient the sector of Home Affairs towards the concept of intelligence-led policing and inter-sectoral approach. Identification of threats in Serbia is seen as an important pre-condition for aligning priorities of the EU to fight against organized crime, as it is stated in EU Security Agenda in 2015.

In addition to the Chapter 24 priorities, support within this Action has also been envisaged for a specific **Negotiations and Policy Developments Envelope**. Serbia has been entrusted with the indirect management of IPA funds as of the IPA 2013 programme. In order to be able to successfully utilise and fully absorb the allocated funds, national authorities need a flexible envelope for Framework contracts, TA and other related assistance which would allow the preparation of project

technical documentation, and would ensure there is proper support and supervision during project implementation.

The support required by the Serbian institutions in the process of alignment of the legislation to the EU *Acquis* is usually planned in a structured way and included in the regular IPA programming exercise. However, experience from previous programming rounds shows that some urgent actions relating to the accession process were unforeseeable at the time of programming, and proved to be in need of support from IPA. For that purpose a relatively flexible financing envelope needs to be established.

Finally, in line with recommendations from the European Court of Audit, as reflected in the Better Regulation Guidelines and confirmed by the recent and based on the best practices described in the DG NEAR Guidelines on linking planning/programming, monitoring and evaluation, an **evaluation envelope under indirect management** is planned within the action for the conduction of evaluations of mainly the IPA II interventions in a number of sectors. The purpose of the evaluations will be to assess interventions implemented through EU national assistance, based on the principles derived from the DG NEAR Guidelines, with the aim to improve future programming of EU funding to the respective sectors in Serbia.

These evaluations will complement the recurrent monitoring missions and other forms of monitoring as described in the respective section of this Action document, and will serve to underpin strategic evaluations. The evaluations will target both small but sensitive or innovative projects, and mandatorily any projects/programmes, exceeding €10 million. Although the focus will be on final evaluations, mid-term and ex-ante evaluations will be supported, based on recommendations of Results Oriented Monitoring and considerations based on risk, based on an agreed plan of evaluations.

#### **OUTLINE OF IPA II ASSISTANCE**

The IPA 2017 Europe for Citizens II Action aims at providing extended targeted and thematic support to the key institutions in the above described sectors, selected on the basis of the complexity of the respective chapters, and in accordance with the priorities set out in the Indicative Country Strategy (ICS) 2014-2020.

The main expected result of the assistance is to support the Government in establishing of the necessary legislative framework and institutional capacities for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership in the selected sectors. This includes:

Home Affairs: two actions are proposed: 1. Fight against organized crime and terrorism financing and 2. Fight against Cybercrime. The first action will strengthen human capacities of administrative and law enforcement institutions responsible for financial investigations and fight against terrorism financing. It will also mainly but not exclusively support strengthening capacities (human and legal) of the Prosecutor Office and the Criminal Police Department for prevention and fight against organized crime, taking into consideration that the fight against organized crime is a multi-disciplinary process and involves many institutions: Public Prosecutor's Offices, Criminal Police, Courts, Tax Administration, Anti-corruption Agency, Administration for the Prevention of Money Laundering, AFCOS, Customs administration and all reporting entities and supervisory authorities. The envisaged activities directly support priorities defined within the Action Plan for Chapter 24 which indicates that in combating organized crime, it is essential to improve the efficiency of relevant institutions, record keeping, exchange of information at a national and international level, and to further promote regional and international cooperation through regional and international projects. The second action will strengthen capacities (human, technical and legal) of the Cybercrime Police Department and the Special Prosecution, and will support raising public awareness on the issue.

Negotiations and Policy Developments Envelope: Through this envelope, support will be provided to any necessary actions supporting the EU accession process, which cannot be identified in the programming phase, as they will depend on the progress of Serbia's legislation and institution building. The support shall also be dedicated to back-up smaller-scale projects. Moreover, it is

expected that the support to Independent State Bodies, such as State Audit Institution or National Bank of Serbia, will be included within this envelope (if not addressed with other sectorial actions). In particular, support to specific needs related to the Chapters 23 and 24 of the Acquis will be supported through this action.

Support to the conduction of evaluations is also part of the action, with the aim of ensuring the conduction of evaluations in accordance with an agreed evaluation plan, covering a number of sectors implemented in particular from IPA II funding for Serbia, and focusing on innovative or sensitive projects, as well as on any intervention exceeding 10 million Euros, with the purpose of generating lessons learned and recommendations for future programming in those sectors in Serbia.

## **RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES**

All of the actions proposed within the EIF derive from the priorities listed under the IPA II Indicative strategy paper (ISP) for Serbia, and have been aligned with the recommendations of the EC Serbia Report 2016.

In the **Home Affairs** sector, the action will support the realization of the objectives of the ISP in the area of organized crime: strengthening strategic framework, inter-agency cooperation and capacities to implement an integrated approach. Specific support will be provided for the police to carry out complex investigations and improve their analytical capacities. Support will also be provided for combating cyber-crime. The action will contribute to the implementation of the conclusion of the EC Serbia Report 2016 that indicates the legal framework for police cooperation needs to be further aligned with the *Acquis*. The **Negotiations and Policy Developments Envelope** will enhance Serbia's institutional capacities and strengthen it to meet the full range of priorities deriving from the Indicative Strategy Paper, as well as from the Stabilization and Association Agreement. The EC PR 2016 on Serbia highlights a number of issues that may be tackled through this envelope, including the achievement of the accession political criteria, specific emphasis on chapters 23 and 24, the cooperation between the authorities and the independent regulatory bodies, support to public administration reform, fundamental rights and protection of minorities. With regards to the economic criteria, the positive momentum for advancing structural reforms needs to be preserved. This includes priorities in the areas of private sector development, restructuring of state owned enterprises and public utilities and capacities to cope with competitive pressure and market forces within the Union. As regards Serbia's ability to take on the obligations of membership, main issues relate to securing adequate financial and human resources, and improvement of the legislation in the areas of public procurement, statistics and financial control.

Finally, the ISP gives high importance to lessons learned and recommendations stemming from conducted **evaluations** and audit missions in the programming of assistance. The evaluations envelope foreseen within this action supports the systematic use of evaluation as a method for improvement of programming in the long term period.

## **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

The selection of the actions under this action derives from lessons learned through the 2014 evaluation of performance of IPA I assistance, which noted that sustainability of some reforms requires proper, well-designed follow-up to relevant interventions.

In the case of the **Home affairs** sector the action builds on the bases created by a previous IPA 2010 support, "Serbia Project against money laundering and terrorism financing". This assistance was geared at assisting Serbia in the strengthening of the anti-money laundering and counter-terrorist financing system in terms of legislation, skills and operational capacities. A second project from which the action draws continuity is the IPA 2013 „Strengthening the Executive Power Institutions for Law Enforcement in Fighting Organised Crime and Migration Management“ project. This project encompassed two contracts falling within the competence of the Ministry in charge of Home Affairs: 1) Twinning project „Fight against Organised Crime (human trafficking, illegal narcotic drugs trafficking, illegal weapons trade and financial investigations)“ and procurement of the „Laboratories for Evidence Analysis in Criminal Cases Prosecution“. The lessons learned from these projects were

used in the elaboration of the activities included under the Chapter 24 Action Plan, and as a direct input to the definition of activities supported under this action.

The experience gained so far concerning the demand for usage of the IPA '**unallocated**' **negotiation and policy envelopes**, demonstrates high interest of the national administration and the purposefulness of such a programming and financing tool in the national IPA package. This proved to be relevant in particular for sectors with diversified and voluminous *Acquis* such as environment, agriculture and rural development, internal market, but also justice and home affairs . In that respect the policy envelope ensures the reserve of funds to be mobilised with the aim to respond to emerging tasks related to the institution building and further strengthening of administrative capacities of institutions responsible for implementation of the *Acquis* in a flexible and immediate way.

With regard to ensuring objective and transparent allocation of the "unallocated funds" to concrete actions and projects, a comprehensive system for the selection of the priorities to be financed through this envelope is established by the national institutions, primarily the MEI, and the Commission. The prioritisation and decision making of the priorities funded in this manner is treated as a mini-programming exercise with all seriousness that such process requires and deserves. Consequently, as of IPA 2013 the unallocated envelope has been a subject of approval by the Steering committee, with members including the Ministry of European Integrations, the Central Financing and Contracting Unit of the Ministry of Finance, the IPA National Fund and EU Delegation. The basis for the work are the jointly agreed Guidelines for management of unallocated funds.

The Better Regulation Guidelines and the DG NEAR Guidelines on linking planning/programming, monitoring and **evaluation** both confirm the relevance of use of evaluations, through the application of appropriate quantitative and qualitative methodologies, for the improvement of programming in all sectors. The need for a systematic approach has been taken fully into account and an evaluation envelope, as recommended in the Guidelines, makes part of this action.

Finally, a general lesson learnt, applying to all sectors, is that policy and legislative development needs be inclusive and evidence-based, costed and subject to appropriate internal and external stakeholder consultations at the right time of the legislative and policy-making process. This is a key in ensuring implementation and enforcement of adopted policies and legislation.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
To contribute to strengthening legislative framework and institutional capacities, for fulfilling the requirements of EU membership	Rate of transposition of the EU <i>Acquis</i> , as measured by the % of the implementation of the Serbian National Programme for Approximation with the <i>Acquis</i>	EC Annual Reports NPAA Reports	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
To support Serbian administration to effectively meet requirements and conditions deriving from the accession negotiations and successfully manage overall EU integration and pre-accession assistance geared towards EU membership focusing on key areas, mainly in relation to fight against organized crime, fight against terrorism financing and fight against cybercrime.	Progress made towards meeting the accession criteria as measured by relevant <i>Acquis</i> negotiation chapters	EC Annual Reports  SIGMA reports	Continuous support of the GoS to European Integration process;  Continuous support of the Member States to Serbia's European Integration process;  Annual budget allocation by the government of appropriate levels of human and financial resources;  Sufficient dedicated and qualified staff available at beneficiary institutions.
Result 1 - Strengthened capacities of administrative and law enforcement institutions responsible for financial investigations, fight against terrorism financing and fight against organised crime	Degree of Implementation of the Financial Investigation Strategy and its Action plan  Level of implementation of Moneyval Report concerning terrorism financing  Degree of implementation of the related Chapter 24 Interim benchmarks  Degree of implementation of Serious and organised crime threat assessment ( SOCTA)	EC Annual Report  Chapter 24 EU Monitoring Reports  Moneyval Report on investigations/convictions for third party money laundering, (in particular from foreign predicate crime ) and stand-alone ML  MoJ Report on implementation of Financial Investigation Strategy and its Action plan  National and Regional SOCTA Reports	Fight against organised crime remain a high priority for the Government  Sustained relative political stability in Serbia  Continuation of the EU integration process  Legal framework relevant for financial investigations to be amended

Result 2 – Strengthened capacities of Criminal Police Department and Special Prosecutor’s Office in combating cyber-crime	Degree of implementation of SOCTA Recommendations Degree of implementation of the related Chapter 24 Interim benchmarks	EC Annual Report EU Monitoring Reports National and Regional SOCTA Reports	Implementation of the measures to Judiciary and Prosecution Authorities as foreseen in the Financial Investigation strategy achieved Equipment procured
Result 3 - prompt implementation of emerging accession related actions in the sectors covered by the EU Acquis and policy dialogue with EU is ensured through indirect management mode	Improved capacities of specific national institutions implementing the negotiation envelope projects for the achievement of selected NPAA priorities.	Government reports	Continuous support of the GoS to European Integration process
Result 4 – Evaluation of IPA II assistance and National Programme IPA TAIB 2013 is carried out	Number of recommendations deriving from the conducted evaluations implemented	Annual Reports on implementation of IPA TAIB under Decentralised Management, Annual Reports on the implementation of IPA II assistance, and EAMR reports	

## DESCRIPTION OF ACTIVITIES

### **Result 1 - Strengthened capacities of administrative and law enforcement institutions responsible for financial investigations, fight against terrorism financing and fight against organised crime**

#### Activity 1.1 - Capacity building for financial investigation, fight against financing terrorism and fight against organised crime.

The objective of this activity is to provide quality capacity building of relevant institution in systematic and sustainable manner. Deliver of assistance in the scope of this activity encompass a set of the following sub-activities:

- Training Needs Analysis and training program preparation
- Development and implementation of sustainable training programs, including ToT (Training of Trainers) in the areas of financial investigations
- Delivery of trainings in the use of new investigative methods in the context of Joint Investigation Teams in the area of financial investigations for the Criminal police Directorate as well as members of the prosecution
- Development of training and active guide in various latest methods in conducting proactive investigations
- IT Training for Crime analysis
- Assessment of current system of crime data collection, crime mapping and analysis, including gender mainstreaming and provision of recommendations
- Organization of seminars, workshops, courses, study visits, internships, conferences,
- ToT (Training of Trainers) for the Criminal Police Directorate in the areas of fight against organised crime. This sub-activity include the development of the ToT programme, selection of civil servants to be become trainers, delivery of trainings sessions including practical exercises, presentation of best practices through case studies from EU MS and examination of trainees
- Preparation and delivery of trainings for the use of new investigative methods in the context of Joint Investigation Teams in the area of fight against organised crime
- Preparation and delivery of training sessions in the use of new investigative methods in the context of Joint Investigation Teams in the area of fight against organised crime (smuggling of people, extortion and kidnapping, weapons smuggling) for the Criminal police Directorate as well as members of the prosecution will present active guidance in various latest methods in conducting proactive investigations
- Mentoring for the improvement of the current system of crime data collection, crime mapping and analysis including gender mainstreaming within the MoI
- Application of modern investigation methods/Analysis of the state-of-art in investigative methods as introduced and applied in EU MS and presentation of recommendations.
- Latest methods in conducting proactive investigations, providing trainings for investigators, prosecutors, judges and lawyers on advanced crime investigative skills such as asset tracing, the use of circumstantial evidence (especially in cases of inexplicable wealth), the autonomy of the money laundering offence from the predicate offence, and financial investigations initiated in parallel with criminal investigations.

#### Activity 1.2 - Strengthening legal capacities for financial investigation, fight against financing terrorism and fight against organised crime

- Legal gap analysis
- Drafting of legal amendments and related by-laws

- Support in drafting of table of concordance for the laws which are required to be harmonized with EU and international standards.

## **Result 2 - Strengthened capacities of Criminal Police Department and Special Prosecutor's Office in combating cyber-crime**

### Activity 2.1 - Capacity building for Criminal Police Department and Special Prosecutor's Office in combating cyber-crime

The aim of this activity is to develop and implement a sustainable training program. Training should build upon the results of IPA 2012 project, in order to enable further specialization of the Department for the fight against cyber-crime. This activity is of particular relevance taking into consideration the plan for recruitment of new staff. Through trainings for further specializations of the Department for fight against cybercrime the following topics are requested.

- Research "malware" (malicious software)
- Automated data searches on the Internet
- Use free tools and techniques for the purposes of preventing cybercrime (Open Source Intelligence - OSINT)
- Training for the collection of data from the computer ("First responder") and computer forensics in online mode ("Forensic live")
- ISS World Programs Training and Workshop Seminars for Intelligence Support System for Lawful Interception, Electronic Surveillance and Cyber Intelligence Gathering

The implementation of these activities is linked to the existence of relevant equipment for the implementation of the trainings, to be procured through unallocated assistance from the national IPA.

In terms of strategic capacity building, the activities include:

- Assessment of the current situation and the threat of cybercrime in Serbia
- Develop the strategy and action plan to combat cybercrime in the Republic of Serbia

### Activity 2.2 - Internships

This activity includes preparation of selection criteria and selection of civil servants for the internships in the field of combatting cybercrime. The MS country in the EU where the internships will be organised will be decided during the implementation of the project. The selected participants will have to prepare a report related to their internship.

Activity 2.3 - Awareness rising activities (general public information, conferences, development of publications etc.). This shall also include Conference on police cooperation with private companies, academic Institutions, NGOs and prominent experts in the field of information technology

### Activity 2.4 - Strengthening legal capacity in the fight against cybercrime

- Legal gap analysis
- Drafting of legal amendments and related by-laws

To support drafting of table of concordance for the laws which are required to be harmonized with EU and international standards.

## **Result 3 - Prompt implementation of a number of accession related actions in the sectors covered by the EU *Acquis* and policy dialogue with EU ensured through indirect management mode**

### Activity 3.1 - Selection, prioritisation and implementation of the Actions for financing according to established criteria

The envelope will support implementation of needs and gap analyses, action plan drafting, strategy development, legal work, training, study tours, Serbia's participation in activities for the exchange of information, networking, participation in workshops, conferences and similar activities.

In order to facilitate programming of these funds, the NIPAC TS established the Working Group (WG) for the Management of Unallocated Funds within the Instrument for Precession Assistance for the period 2007-2013 and 2014-2020. The role of the WG is to review the Actions proposed for financing and to adopt the list of prioritized Actions for financing under IPA unallocated funds. According to the guidelines of the WG the management of unallocated funds follows this procedure: (i) Potential beneficiaries present possible Actions to be funded to the MEI, that is responsible to consolidate all proposals and present them to the WG<sup>1</sup>; (ii) Proposed Actions are reviewed and considered by the WG; (iii) On the basis of the predefined criteria, the WG shall define the priority list of the proposed Actions, programme year for allocation of funds and management mode of financing; (iv) List will be regularly updated based on the newly identified needs.

Selection and prioritisation of the Actions for financing will be done according to following criteria:

- 1) Linkage to the priorities defined within the ISP;
- 2) Significance for the completion of an on-going project, action or process;
- 3) Maturity (documentation readiness, conditions for start of the implementation – availability of funds for co-financing, capacities of beneficiaries and end recipients);
- 4) Proposal responds to an emergency (for example: floods, migration crises etc.).

#### **Result 4 – Evaluations envelope**

The envelope will be used for the conduction of a number of ex-ante, mid-term and in particular final evaluations, based on an approved evaluation plan, in accordance with the principles and recommendations of the Better Regulation Guidelines and the DG NEAR Guidelines on linking planning/programming, monitoring and evaluation. Sensitive or innovative interventions and projects/programmes exceeding EUR 10 million will be the main subject of the evaluations.

#### **RISKS**

At the level of the entire Action, the following risks have been identified:

Risk	Mitigation measure
Lack of political commitment and willingness to support the actions; including due to changes in the Governmental structures and lack of constant coordination and cooperation between main beneficiary institutions.	The role of MEI and the negotiating structures and the policy dialogue in the context of EU accession should be used to mitigate this risk.
Deficiency in making timely decision about Actions to be funded from unallocated funds.	MEI, being Technical Secretariat to the WG for Management of Unallocated Funds will support work of the WG in making an assessment of proposed Action.
Insufficient resources are allocated to the implementation of EU funds in indirect management	MEI monitors and reports on the implementation of the recommendations of the IPA Monitoring Committee. The National fund and CFCU are tasked with quarterly reporting on the implementation of Audit recommendations related to

<sup>1</sup> Members of the WG can propose Actions for funding as well

	entrustment procedures for Indirect management by beneficiary country.
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### CONDITIONS FOR IMPLEMENTATION

In **Home Affairs** sector, in relation to the Fight against Cybercrime, the activities depend upon the previous supply of relevant equipment which will be carried out through IPA funding (Unallocated envelope), based on detailed Technical Specifications that will be provided by a FWC contract.

Regarding Result 4, the condition is that Joint Plan of evaluations for IPA I and II instrument encompassing all management modes is adopted by the IPA Monitoring Committee along with specification of type, scope, implementation modality, methodology, timing and indicative budget.

### 3. IMPLEMENTATION ARRANGEMENTS

#### ROLES AND RESPONSIBILITIES

In the context of the institutional framework for Home Affairs sector, the following institutions have been responsible for programming, implementation, monitoring and evaluation of the interventions foreseen under this action document: The Ministry of Interior is final beneficiary of the support foreseen under **Result 1**, while the end recipients may be: Criminal Police Directorate, Tax Administration, Anti-corruption Agency, Public Prosecutor's Offices, Administration for the Prevention of Money Laundering, AFCOS, Customs administration, Ministry of Justice, Courts.; The Republic Public Prosecutor's Office is final beneficiary of the support foreseen under **Result 2**, while the end recipients may be: Criminal Police Directorate, Tax Administration, Anti-corruption Agency, Public Prosecutor's Offices, Administration for the Prevention of Money Laundering, AFCOS, Customs administration, Ministry of Justice, Courts.; NIPAC TS (MEI) is responsible for the Negotiations and Policy Developments Envelope and the Evaluation envelope (**Result 3** and **Result 4**) while end recipients of the assistances may be line ministries and other responsible public institutions.

#### IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

This action is designed to address and support measures which in view of their nature and design will be implemented under indirect management by the beneficiary country (mainly twinnings). The action also includes funding for the development of programmatic documentation and for support to immediate activities related to accession negotiations or acquis alignment which are related to programmes implemented under indirect management by the beneficiary country, as well as an envelope for evaluation of programmes from IPA 17 and previous IPA II annual programmes, and also National Programme IPA TAIB 2013 for Serbia. A mirror action for direct management is part of IPA 17 (EU for Citizens I).

#### **Result 1 - Strengthened capacities (human and legal) of administrative and law enforcement institutions responsible for financial investigations, fight against terrorism financing and fight against organised crime**

The activities under the Result 1 will be implemented through twinning contract.

The Ministry of Interior is responsible for the implementation of activities to achieve Result 1.

#### **Result 2 - Strengthened capacities (human and legal) of Criminal Police Department and Special Prosecutor's Office in combating cyber-crime and public awareness**

The activities under the Result 2 will be implemented through twinning contract.

The Republic Public Prosecutor's Office is responsible for the implementation of activities to achieve Result 2.

### **Result 3 - Negotiations and Policy Development Envelope consisting of a prompt implementation of a number of accession related actions in the sectors covered by the EU *Acquis* and policy dialogue with EU**

The activities under the Result 3 will be implemented through several Service, Framework, supply and works contracts. Activities will be implemented in line with Guidelines for Work of the Working Group for Management of Unallocated Funds. Members of the WG are officially appointed representatives of the following institutions: Delegation of the European Union to the Republic of Serbia, Ministry of Finance (Sector for Managing EU Funds and Central Contracting and Financing Unit) and Ministry of European Integration (NIPAC TS).

The Ministry of European Integration is responsible for the implementation of activities to achieve Result 3.

### **Result 4 - Evaluation of IPA II assistance and National Programme IPA TAIB 2013**

The activities under the Result 4 will be implemented through a number of service contracts and framework contracts, in accordance with the plan for evaluations.

The Ministry of European Integration is responsible for the implementation of activities to achieve Result 4.

## **4. PERFORMANCE MEASUREMENT**

### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

Monitoring the progress of implementation will be done in accordance with the rules and procedures for monitoring under **indirect management**. The overall progress will be monitored by means of several sources:

IPA II Beneficiaries' own monitoring: IPA II monitoring process is organised and led by the NIPAC/BCPME. National IPA Coordinator (NIPAC) is the main interlocutor between the Serbian government and the EC regarding strategic planning, co-ordination of programming, monitoring of implementation, evaluation and reporting of the overall IPA assistance and is responsible for ensuring the linkage of IPA assistance to the EU accession process. NIPAC monitors the process of programming, preparation and implementation as well as the sustainability and effects of programmes aiming to improve these processes, timely identification, remedying and alleviation of potential issues in the process of programming and implementation of Action documents.

Through the support of the BCPME, the NIPAC is responsible to establish the monitoring procedure and roles and responsibilities of the institutions in the programming and monitoring process. Furthermore, with the support of BCPME, NIPAC is responsible to establish, chair and organise the work of the IPA Monitoring Committee (IPA – MC) and submits to the EC annual and final reports on the overall IPA implementation. In addition, NIPAC establish, chair and organise the work of the IPA Sectorial Monitoring Committees (SMCs), prepare regular monitoring reports for the Government and the EC based on the reports drawn up by the institutions responsible for implementation, it reports on the formulation and implementation of Action Documents, monitor the fulfilment of preconditions for the initiation of public procurement procedures and organise the process of evaluation of IPA support. The NIPAC submits regular reports to the IPA MC and reports envisaged to include information on status and progress in implementation of all relevant sector support in that respective sector. In addition the NIPAC submits reports to the SMC for examination. Monitoring process envisages participation of various stakeholders such as EC/EUD, NIPAC/BCPME, final beneficiaries, CFCU, NF, AA and other institutions and civil society organisations.

In line with the IPA II Implementing Regulation 447/2014, an IPA II beneficiary who has been entrusted budget implementation tasks of IPA II assistance shall be responsible for conducting evaluations of the programmes it manages.

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In

case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement.

## INDICATOR MEASUREMENT

Indicator	Baseline (value + year)	Target 2020 (3)	Final Target (2025)	Source of information
Progress made towards meeting the accession criteria as measured by relevant Acquis negotiation chapters		Good progress	N/A	EU annual reports for Serbia
Degree of Implementation of the Financial Investigation Strategy Action plan	Relevant Laws are in the process of adoption ( as they are preconditions for implementation of the Strategy and the adoption of the action plan)	70% of actions implemented	100% of actions implemented	
Level of implementation of Moneyval report recommendations concerning terrorism financing	Moneyval Report has been adopted in April 2016	Moneyval evaluation reports show implementation of recommendations in the area of financial investigations	Moneyval evaluation reports show that Serbia has adequate capacities to implement complex financial investigations	Moneyval Report
Degree of implementation of SOCTA Recommendations	SOCTA has been developed in December 2015	50% of recommendations implemented	70% of recommendations implemented	National and Regional SOCTA
Level of alignment of relevant legal framework in the area financial investigations and fight against organised crime with EU and international standards	Legal framework not fully in line with EU and international standards	Legal framework partially aligned	Legal framework fully aligned	EU Report on Serbia

Improved capacities of specific national institutions implementing selected NPE actions for the achievement of NPAA priorities	No institutions supported in 2017	At least 5 institutions supported by 2020	5 (2020)	
Number of recommendations deriving from the conducted evaluations implemented	No evaluations performed by March 2017	At least 5 evaluations conducted and 30% of recommendations incorporated into programming	65% of recommendations incorporated into programming	Annual Reports on implementation of IPA TAIB under Decentralised Management, Annual Reports on the implementation of IPA II assistance, and EAMR reports

(1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)

(2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".

(3) The target year CANNOT be modified.

(4) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

## **5. SECTOR APPROACH ASSESSMENT**

The activities under this Action belong to several sectors, mainly to Rule of Law – Home affairs, which have been identified by relevant sector working groups and presented in relevant national documents covering the programming period 2015-17.

## **6. CROSS-CUTTING ISSUES**

### **GENDER MAINSTREAMING**

The Action, as being focused on implementing specific and urgent needs emerging from European Integration process, represents the tool that will mainstream and provide an effective guide to all actors, to better implement gender mainstreaming and thereby better serve the needs of citizens, both women and men. The gender disaggregated data on which benefits from the support will be developed. During all stages of the operation, the action will aspire to promote non-discriminatory practices and procedures and to prohibit any form of unlawful discrimination including race, colour, religion, national origin, political affiliation, sex, age, marital status, or disability.

In 2016, Serbian Government adopted a National Strategy for Gender Equality 2016 – 2020 with an accompanying Action Plan for its implementation, as the main strategic document for promotion of gender equality in the Republic of Serbia. The Strategy highlights key national policies to reduce gender stereotypes and change some harmful cultural norms, as well as focusing on the development of new policies that will promote equal opportunities between women and men. The Action will closely align with the provisions and measures of this strategy.

### **EQUAL OPPORTUNITIES**

Equal participation of women and men will be secured through appropriate information and publicity material, in the design of action and accessibility to the opportunities they offer. An appropriate men/women balance will be sought on all the activities of the Action. All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs, as a proof of equal participation of men and women in the different phase. Enforcement of those principles is likewise ensured through specific administrative procedures applied in accordance with the Law on non-discrimination. In the implementation of activities under this Action, the same principles shall apply, so that participation in the envisaged activities will be guaranteed on the basis of equal access regardless of sex, ethnic origin, religion or belief, disability, age, etc. Gender equality incentives will be incorporated particularly in activities concerning capacity building.

### **MINORITIES AND VULNERABLE GROUPS**

The Action will in no way harm the rights of any individuals, including minorities and vulnerable groups. Equally, having in mind the demands of EU enlargement, and that the EU has increasingly articulated its aspiration to represent not only stability and prosperity, but also democratic values, articulated in Copenhagen political criteria for membership, the Action, through its visibility and communication activities, shall spread the message that compliance with basic democratic standards is more than a condition for the EU accession.

The Government of the Republic of Serbia has adopted the Strategy and Action Plan for fight against discrimination. Among documents relevant in the context human and minority rights, it should be mentioned that the Action Plan for the *Acquis* Chapter 23 includes a specific sub-action plan for the protection and promotion of minority rights.

## **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

The cooperation with Civil Society Organisations (CSOs) is facilitated by the Government's commitment as part of its European Agenda. Regarding mechanisms for dialogue, two official mechanisms exist: (i) Office for Cooperation with Civil Society; and (ii) Sectorial Civil Society Organisations - SEKO for the processes of IPA programming. Both are examples of good practices in terms of CSO representation in general.

CSOs will be included directly into the implementation of a number of actions within this AD. Civil Society in the area of Rule of law is represented by the following organizations in the SEKO mechanisms: Belgrade Centre for Security Policy, Belgrade Centre for Human Rights and Group 484. During Action related project preparation, these organizations will be invited to provide constructive comments of the proposals, which will contribute to balance and to balance and better project files. Cooperation and consultations with the civil society in regard to implementation of the Action Plan for Chapter 24 will continue after adoption of the Action plan and reports on the implementation of the Action plan will be published on the website of the Ministry in charge of Interior.

Specific attention will be paid in the framework of this action to ensure that civil society and other non-state stakeholders are consulted in the right time of the legislative and policy-making process and that the decision-makers are informed about the outcomes of the consultations.

## **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

..EU environment policy aims to promote sustainable development and protect the environment for present and future generations. It is based on preventive action and among other, on fighting environmental damage at source, shared responsibility and the integration of environmental protection into other EU policies. Compliance with the *Acquis* requires significant investment, both in capacity building and financial resources.

## **7. SUSTAINABILITY**

The action will produce sustainable results in the short run since it is designed to support the already existing beneficiary institutions and structures that are already in place, but which require additional assistance in the complex process of the harmonisation with *Acquis* and for the preparation for negotiations. This process is a key political priority to the Serbian Government, and the resources and attention of the national authorities are strongly geared toward achieving the steps needed for the opening and closing of the negotiation chapters, and for the achievement of all benchmarks in the process of EU accession negotiations. All of the capacities developed through this project will be used in the future period for the further alignment as part of the accession, and they will be a crucial resource for the EU integration. Sustainability is also envisaged in the fact that the support for legislative alignment results in adoption of the laws, by-laws, plans and policy documents by the Parliament, Government or governmental bodies, ensuring that these are part of the system, and not ad hoc interventions.

EIF shall prepare adequate Actions for IPA II funding in order to strengthen the institutions and administrative capacity for the full application of the EU *Acquis* in Serbia and will therefore improve the effectiveness of Serbia's preparations for EU accession. It will also help in strengthening the capacity of institutions responsible for management of IPA II assistance.

This action will ensure that all policies and legislation will be developed according to the better regulation approach, which ensures inclusive and evidence-based policy and legislative development. The increased focus on the quality of the legislative and policy-making process will help to ensure that adopted policies and laws can be better implemented. Also, institution-building under this action will respect effective lines of accountability between institutions (agencies and parent institutions), therefore avoiding any possible fragmentation of administration.

In case of Negotiations and Policy Developments Envelope, the sustainability has to be monitored through sub-actions, since the envelope itself is not using any funds or implementing any actions. The

sustainability of envelope has been ensured in the past through the successful implementation of sub-actions and through the achievement of envelope purposes and results of individual sub-actions.

Finally, the evaluations envelope will generate systemic recommendations and inputs relevant for future programming.

Trainings and training materials provided through this Action, will make an integral part of the annual training plans of the Human Resources Management Service and will be uploaded and available at all times on the MEI web site (via link).

## **8. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the IPA II beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed. Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.

In terms of concrete outputs, support with regard to fight against organised crime, financial and economic crime, terrorism financing and cybercrime will be accomplished by strengthening the capacity of Serbian institutions to ensure a safe and secure environment for Serbian citizens and each person on the territory of Serbia, and to ensure that Serbia has a modern JHA system which makes it a part of a more secure Europe. Visibility will in particular be achieved through the result 2 which focuses on awareness raising, and the unallocated envelope can also be used for this purpose.

