

**Report by Republic of Serbia**  
**Conference on Donor Coordination**  
**Tirana, 2<sup>nd</sup> and 3<sup>rd</sup> of April 2009**

With the overall objective of increasing aid effectiveness in Serbia, priority objectives in the previous period included strengthening ownership, particularly in terms of planning and programming capacities, increasing aid predictability and improving alignment with national priorities and systems. Main principle is an integrated approach to all sources of aid (EU funds and other donor funds) as well as integrated approach to planning of external and own sources of financing. With that respect, main achievements in the previous period include

- ✓ establishment of a set of institutional mechanisms for effective aid planning, programming and reporting
- ✓ improvement of IS as a tool for aid coordination
- ✓ establishment of a comprehensive national mid-term planning/ programming document, as a priority platform for all sources of financing (Needs Assessment Document)
- ✓ defining an annual programming procedure for international assistance, including a set of programming tools and intensive capacity building activities. Programming process is defined as to ensure synchronisation with the GoS planning and budgeting processes, and envisages the common project identification phase for all development assistance.

***Building effective donor coordination capacities at central level***

National institutional mechanisms for aid coordination include high- level Commission for Programming and Management of EU Funds and Development Assistance; Intersectoral Working Group for Development Assistance (operational level); Inter-sector Working Groups in the following areas: rule of law, infrastructure, local and regional development, economy and human resources and public administration reform (EU funds relating issues). National Aid Coordination institution as well as NIPAC Technical Secretariat is Sector for Programming and Management of EU Funds and Development Assistance/ Ministry of Finance. Donor coordination capacities in terms of existing instruments and tools are developed (national policy framework, database of aid flows, overview of expected support and areas of intervention for the following 3 years). Donor coordination meetings on the central level are organised at least twice a year to discuss national priorities, international assistance reports, aid effectiveness progress, etc.

***Translation of the national development and EU integration strategy into sectoral action plans***

Line ministries are annually developing the Operational Plans of activities within sector, defining the projects/ programs based on the analysis of the strategic framework (planning process includes defining strategic, mid-term and short-term objectives based on the national development strategies

including the EU integration strategy and National Plan of Integrations), sector SWOT analysis and other planning tools. Developed Annual Operational Plans serve as the basis for financial planning for those institutions preparing budget according to the programmatic classification, as well as the input for drafting the document "Needs of the Republic of Serbia for International Assistance".

***Establishing effective donor coordination mechanisms at sector level based on a comprehensive sector strategy***

Guidelines for drafting Operational Annual Plans based on the comprehensive sector strategy are amended as to include regular consultations with the donor community representatives on the policy measures and priorities at the beginning, as well as project and program level, later in the year. Regular donor coordination mechanism on the sector level was incorporated in the GoS planning process in 2009, and in practice will be piloted in the environment sector in April 2009.

***Adopting and implementing Public Financial/Expenditure Management reform plans, taking into account the specific objective of the accreditation to EU Decentralised Management***

With respect to the introduction of the DIS, in line with the Strategy for DIS introduction (adopted in April 2008), following activities have been completed: NIPAC, NAO and CAO appointed, Sectors for National Fund and Central Financing and Contracting Unit established within the Ministry of Finance, PMUs establishment within the line ministries is ongoing, as well as finalisation of the Strategy for Internal Control of Public Finances, including establishment of the Central Harmonization Unit.

***Coordination in the Rule of Law Area- Progress***

Within the Multi-donor Trust Fund, in the area of judicial reform, it is envisaged to have a partnership forum 4 times a year with all the relevant national stakeholders and donor representatives, in order to discuss the progress, policy and priorities in the justice sector.

***Coordination in the Civil Society Development Area- Progress***

Sector for Programming and Management of EU Funds and Development Assistance is currently working on defining and introducing a mechanism for consultations with the civil society within the aid programming and coordination, in particular with regards to the IPA funds. This mechanism will build upon the best practice examples of consultation and cooperation between Government and civil society in Serbia (PRS, SEIO Memorandum of Understanding, civil society participation in the development of the National Youth Strategy in Serbia) and will be in line with Ljubljana Declaration). It is envisaged that mechanism will be in place by September 2009. Currently, consultations with civil society organizations in programming of IPA are done using existing mechanisms for consultations developed within other national institutions.