United Nations Development Programme

United Nations Development Programme
Country: Republic of Serbia
Project Document – Revision

Project Title	Accelerating Change: Support for Public Administration Reform and Local Self-Government Development
UNDAF Outcome(s):	By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy
Expected CP Outcome(s): *(Those linked to the project and extracted from the CPAP)*	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): *(Those that will result from the project and extracted from the CPAP)*	Governance institutions operate in a more open and effective manner
Implementing Partner:	The Ministry of Public Administration and Local Self-Government (MPALSG)
Responsible Parties:	The Ministry of Public Administration and Local Self-Government (MPALSG), UNDP

Brief Description

This initiative represents a framework package of support to the MPALSG, focusing on selected priority areas of assistance to the MPALSG, also leaving room for responding to requests for expert and operational support on an ad-hoc basis. Priority areas to be tackled by the project will focus on several aspects of the MPALSG's mandate, according to the Law on Ministries, but not limited exclusively to these: implementation of systemic laws and implementation of the Strategy for Public Administration Reform and its Action Plan as well as strengthening coordination between central and local level of government. The project revision aligns the timeframe to the new programming period, reflects updated PAR priorities, and recognizes potential synergies with complementary initiatives, as well as allocating new resources for implementation.

Programme Period:	2016-2020
Key Result Area (Strategic Plan):	Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance
Atlas Award ID:	87199
Start date:	December 2016
End Date	December 2020
PAC Meeting Date	
Management Arrangements	NIM

Total resources required	USD 905,115
Total allocated resources:	USD 305,115
• Regular /UNDP	USD 10,000
• UNDP (parallel funding)	USD 58,000
• Other:	
○ Donor	
○ Government	USD 237,115
Unfunded budget:	USD 600,000
In-kind Contributions	

Agreed by MPALSG:

Agreed by UNDP:

I. STRATEGY AND BACKGROUND

The Ministry of Public Administration and Local Self-Government (MPALSG) of the Republic of Serbia was established after the parliamentary elections in Serbia in 2014, according to the Law on Ministries, adopted by the National Parliament. Its mandate relates to: administration and organization of the work of ministries, special organizations, public agencies and public services; Ombudsman; administrative inspection; eGovernment, human and minority rights; election for the Republican bodies; Civil Register, political party register; local self-government and other duties.

Within the process of EU integration, Public Administration Reform (PAR) has been identified as key reform process for Serbia in order to successfully complete its accession to the EU. The Government of Serbia is facing the twin demands of reforming its public administration: to conform to the principles of the European administrative space in the areas of Strategic Framework of Public Administration Reform, Policy Development and Co-ordination, Public Service and Human Resource Management, Accountability, Service Delivery, Public Financial Management (published by OECD – Sigma; Link: http://www.sigmaweb.org/publications/Principles-Public-Administration-Nov2014.pdf) and increase the quality and effectiveness of the delivery of PA services to the public — while undergoing a fiscal consolidation. This is particularly demanding as one of the most challenging principles for reform is accountability, which is hard to establish in the present system.

The MPALSG has been entrusted with the overall PAR coordination, whereas it is responsible for implementation of the PAR Strategy of the Republic of Serbia adopted in January 2014 and accompanying Action Plan (2015-2017) adopted in 2015. The PAR Strategy represents a key strategic document in the overall reform process. The role of MPALSG as the PAR coordinator is to ensure coherence and synergy of the entire PAR process. In addition to the overall coordination role, MPALSG has become the agent of change in the Serbian administration – an institution which is able to provide support and advice to other public administration bodies with regards to organizational, human resource, administrative culture, managerial and other reforms which are critically needed in the Serbian administration. Project solutions rely primarily on the most important strategic documents in this field.[1]

---

[1] - Public Administration Reform Strategy: The overall objective of the reform is a further improvement of public administration in accordance with the principles of the European Administrative Space, and the provision of high quality services to citizens and business, as well as the creation of a public administration in Serbia that will significantly contribute to economic stability and raising living standards. Three of the five specific objectives are particularly relevant for this project – improvement of functional and organizational subsystems of PA (which includes restructuring of PA), establishment of a coordinated public-service system based on merits and promotion of human resource management, and increase of citizen participation, transparency, improvement of ethical standards and responsibilities in performance of public administration activities.

- Prime Minister's Speech (expose) in the Serbian National Assembly – the Government Program, which sets out public administration reform, accountability in governance, and smart government as one of the key reform areas, emphasizing better organization and improved staff structure as priorities.

- Open Government Partnership Action Plan (2016-2017), which sets out a range of specific measures aimed at enhancing government transparency, consultation processes, and access to open data.

- European partnership in the field of the public administration reform as one of the midterm priorities, defines the "continuance of the comprehensive implementation of laws in the civil service, carrying out of human resource development measures in the civil service system, capacity building in the management of public policies and the coordination in the public administration..."

- In the framework of the Stabilization and Association Agreement between the EU and the Republic of Serbia, the provision of Article 114 (Chapter VIII - Cooperation policies) is concerned with the public administration, emphasizing that the cooperation between the EU and the Republic of Serbia "will aim to ensure the development of efficient and dependable public administration in Serbia, and in particular to support the implementation of the rule of law, the proper functioning of state institutions for the benefit of the entire population in Serbia and the uninterrupted development of relations between the EU and Serbia. Cooperation in this area will principally focus on the institutional building, together with the development and implementation of a transparent and unbiased recruitment system, HR management and promotion in the civil service, continuous training and promoting ethics in public administration."

MPALSG's competences include the challenging task of supporting other institutions in reform implementation, fundamentally changing the way in which the PA operates. To accomplish this, MPALSG needs not only to build expertise in the large areas of competences that have been added to its portfolio, but it also needs to strengthen the way in which it operates. This particularly means acquiring new skills to efficiently and effectively implement new systemic laws and strategies that are milestones in the PAR process. In order to realize its goals, the MPALSG will follow several key principles, as outlined in the Public Administration Reform Strategy:

1) Reliability and predictability, i.e. legal certainty;

2) Openness and transparency of the administrative system and the improvement of participation of citizens and other social actors in the work of public administration;

3) Accountability of public administration bodies;

4) Efficiency and effectiveness.

The Public Administration Reform Strategy and Action Plan provide for a series of special measures and activities. The present project will particularly contribute to the implementation of the following specific objectives:

- Improvement of Organizational and Functional Subsystems of Public Administration,

- Establishment of a coordinated public-service system based on merits and promotion of human resource management, and

- Increase of citizen participation, transparency, improvement of ethical standards and responsibilities in performance of public administration activities.

- Increase of legal security and improvement of the business environment and the quality of public services provision

When it comes to the local level, the project will support overall efforts to enhance central-local level coordination and local level development. Particular attention should be paid on fostering communication between all government levels as well as between the public administration bodies and citizens and business through various visibility and PR activities on key reform processes,

Brief project description:

The idea of policy advice and support within this project document lies in the necessity to meet the needs of public administration at all levels of government, in particular in the domain of implementation of systemic laws on central and local level as well as the existing strategic framework. The project will rely on a systematic vertical approach in order to support the coordination of strategic priorities, but also on a horizontal cross-link which will identify priority areas for action, following an area-based approach.

The project will focus on selected priority areas of assistance, also leaving room for responding to requests for expert and operational support on an ad-hoc basis. Priority areas to be tackled by the project will focus on several aspects of the MPALSG's mandate, according to the Law on Ministries, but not limited exclusively to these: administration and organization of the work of ministries and other institutions and local self-government, as outlined in the Annual Work Plan and Quality Management for Project Activity Results section. In the previous period, the project focused on instilling a change management culture, first within the MPALSG, capacitating it to extend the approach to the entire Government (MPALSG's initiative - *Delivery for Change – Strengthening the MPALSG for a Changed Public Administration in Serbia*, funded by the Kingdom of Norway), and on development of a comprehensive framework to coordinate measures between the central and local level, aimed at capacitating local self-government. The present Revision of the project builds on the results achieved in the first stage and further supports the implementation

of systemic laws on central and local level, the implementation of the Strategy and the Action plan for public administration reform as well as the implementation of the Open Government Partnership Action Plan for 2016-17.
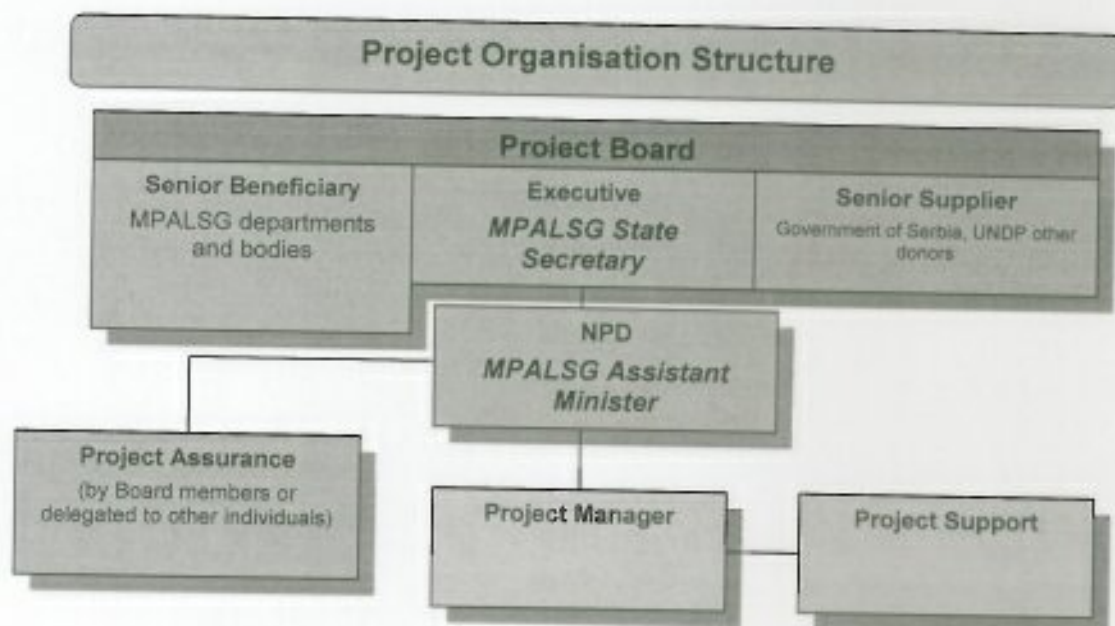
II. WORK PLAN 2016-2017

EXPECTED OUTPUTS And baseline, indicators including annual targets	PLANNED ACTIVITIES List activity results and associated actions	RESPONSIBLE PARTY	PLANNED BUDGET		
			Funding Source	Budget Description	Amount USD
Output 1 Support to Public Administration Reform in the Republic of Serbia **Baseline:** 1. Public Administration Reform Strategy adopted in 2014 and accompanying Action Plan in 2015 2. Package of reform legislation adopted in 2015 – 2016 3. Second Open Government Partnership (OGP) Action Plan (2016-17) adopted in 2016 **Indicators:** 1. Percent of Public Administration Reform Action Plan activities implemented 2. Implementation of OGP Action Plan measures in MPALSG mandate (yes/no) **Targets:** 1. Full implementation of Public Administration Reform Strategy/Action Plan measured annually 2. Full implementation of OGP Action Plan measures in MPALSG mandate	1.1 Activity Result: New HRM policy developed and implemented, support provided to strengthening effective PA staff development and HR management	MPALSG	Gov't CSA	71300-National Consultants	78,324
		UNDP	UNDP**	71300-National Consultants	15,000
	1.2. Activity Result: Support to development and implementation of systemic PAR legislation (laws on general administrative procedures, inspection, public administration, civil servants, salaries of public sector employees)	MPALSG	UNDP	71300-National Consultants	10,000
			Gov't CSA	71200-International Consultants	30,000
	1.3. Activity Result: MPALSG leadership implements improved financial management system and control	MPALSG	Gov't CSA	72100-Company Contracts	30,000
	1.4 Activity Result: Transformation of Information Directories published by public authorities according to the Law on Free Access to Information of Public Importance into digital form using modern technology and publishing as open data	UNDP	UNDP**	72100-Company Contracts	10,000
	1.5. Activity Result: Support to the inspection oversight and fight against the shadow economy	MPALSG	Gov't CSA	71600-Travel	13,000
	1.6. Activity Result: Development/improvement of e-business in public administration bodies	UNDP	UNDP**	71600-Travel	5,000
	1.7. Activity Result: Strengthening coordination and communication at all government levels and between public administration and citizens and business (visibility of public administration reform processes, communication with stakeholders, promotional and educational campaign, PR activities)	MPALSG	Gov't CSA	74200- Printing and Translation	7,000
		UNDP	UNDP**	74200- Printing and Translation	1,704
		MPALSG	Gov't CSA	75700- Training, workshop and conferences	40,500
		UNDP	UNDP**	75700- Training, workshop and conferences	7,000
		MPALSG	Gov't CSA	74500-Sundry	6,000

	Gov't CSA	Management& Backstopping
MPALSG		21,000
UNDP	UNDP**	Management& Backstopping 15,000

Subtotal Direct Project Costs		289,528
General Management Services 5% *		15,587
TOTAL PROJECT COST		305,115

* For budgeting purposes, 5% GMS has been been calculated on government cost sharing funds as well as currently unfunded amounts. In case the funds are secured directly from donors other than the Government, GMS rate is to be calculated at min 8% rate, as per UNDP cost recovery policy.

** Parallel funding

III. MANAGEMENT ARRANGEMENTS

Project Organisation Structure

Project Board		
Senior Beneficiary MPALSG departments and bodies	**Executive** **MPALSG State Secretary**	**Senior Supplier** Government of Serbia, UNDP other donors

NPD
MPALSG Assistant Minister

Project Assurance
(by Board members or delegated to other individuals)

Project Manager

Project Support

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

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

The **Project Board** is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for approval of project plans and revisions. Project Board decisions should be made in accordance to standards[2] that shall ensure best value to money, fairness, integrity transparency and effective international competition. Project

---

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

reviews by this group will be made semi-annually, or as necessary when requested by the Project Manager. This group is consulted by the Project Manager for decisions when time, budget and quality tolerances are likely to be exceeded. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.

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

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

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

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

IV. MONITORING FRAMEWORK AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the Project Board and key stakeholders, 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 long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	

Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. 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 and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

V. LEGAL CONTEXT

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

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

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

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

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

OFFLINE RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	*Early Parliamentary elections*	Project development phase	Political	Enter probability on a scale from 1 (low) to 5 (high) P = 1 Enter impact on a scale from 1 (low) to 5 (high) I = 4	Ensure discussion at the highest level regarding the scope of the project and priority areas in need of support, after the elections	Project manager	Project developer	Project development phase	
2	*Lack of horizontal coordination among Government focus areas*	Project development phase	Operational Political Strategic	P = 4 I = 2	The outputs of the project will inherently contribute to improved coordination among Government bodies	Project manager	Project developer	Project development phase	