

Pursuant to Article 68 of the Budget System Law (“Official Gazette of the Republic of Serbia”, No. 54/09, 73/10, 101/10, 101/11, 93/12 and 62/13) and Article 42, Paragraph 1 of the Law on Government (“Official Gazette of the Republic of Serbia”, No. 55/05, 71/05 – correction, 101/07, 65/08, 16/11, 68/12 – Decision of the Constitutional Court and 72&12), and in connection with Articles 6, 7 and 8 of the Law on endorsing the Framework Agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the Rules for Co-Operation concerning EC-Financial Assistance to the Republic of Serbia in the Framework of the Implementation of the Assistance under the Instrument for Pre-Accession Assistance (IPA) (“Official Gazette of the Republic of Serbia – International Agreements“, number 124/2007),

the Government issues the following

DECREE

ON THE MANAGEMENT OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER COMPONENT IIB OF THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA) – CROSS-BORDER COOPERATION WITH IPA BENEFICIARY COUNTRIES FOR THE PERIOD 2007-2013

I INTRODUCTORY PROVISIONS

Article 1

The Decree shall further define the method for managing European Union (EU) pre-accession assistance programmes funded under Component Iib of the Instrument for Pre-Accession Assistance (IPA) – Cross-border Cooperation between the Republic of Serbia and Candidate Countries and Potential Candidates for EU membership, the duties and responsibilities of responsible persons and bodies, as well as the method of regulating their interrelations, pertaining to preparation, coordination, implementation, monitoring, evaluation and reporting on the implementation of programmes and projects funded under IPA Component Iib in the system for the decentralised management of EU pre-accession assistance to the Republic of Serbia.

Definitions

Article 2

Specific terms used in this Decree shall have the following meaning:

- 1) **Instrument for Pre-Accession Assistance (IPA):** a financial instrument of the EU that supports the EU enlargement strategy by providing assistance to Candidate Countries and Potential Candidate Countries in the process of accession to the EU;
- 2) **IPA Component II – Cross-Border Cooperation:** the second out of a total of five components comprising IPA, aimed at providing assistance to Candidate Countries and Potential Candidate Countries in strengthening Cross-border and Transnational Cooperation with one or more EU Member States, and with one of more IPA Beneficiary Countries;

3) **IPA Component IIb – Cross-Border Cooperation with IPA Beneficiary Countries:** a sub-component of IPA Component II aimed at providing assistance to the Candidate Countries and Potential Candidate Countries in strengthening Cross-border Cooperation with one or more EU Member States by promoting joint activities in the fields of environmental protection, natural resources, culture, public health, prevention of organised crime, and in other areas of importance for Cross-border Cooperation programmes;

4) **Decentralised Management:** one of the EU funds management methods in which the accredited national bodies perform duties pertaining to programming, contracting, implementation, execution of payments, as well as monitoring and evaluation of Cross-border and Transnational Cooperation Programmes; In the context of IPA, these are the bodies constituting the Operating Structure of IPA component IIb;

5) **Accreditation Package:** the set of documents confirming the compliance with requirements for a Candidate Country for decentralised management of EU pre-accession assistance, submitted by the Beneficiary Country to the European Commission with the request for conferral of management powers for self-management of IPA funds;

6) **Conferral of Management Powers:** the procedure in which, based on the relevant decision of the European Commission, a relevant body or a set of bodies which have met the established accreditation criteria are conferred competencies and powers for decentralised management of EU pre-accession assistance programmes, while the European Commission retains ultimate responsibility for the execution of the general budget;

7) **Cross-Border/Transnational Cooperation Programme:** a document that lays down the priorities, objectives and methods of financing activities from a defined budget, and their implementation, which is produced by the Operating Structure for Cross-border and Transnational Cooperation Programmes in the countries participating in the programme. The Programme is implemented in accordance with the Financial Agreement signed by the Government of the Republic of Serbia and the European Commission;

8) **Project:** refers to a set of activities contributing to the achievement of a clearly established objective, within a defined time frame and budget, which is implemented through a contract which is concluded between the Contracting Authority and the Contractor;

09) **Priority Axes:** general areas of intervention under the Cross-border/Transnational Cooperation Programmes, which are further divided into specific measures implemented through operations.

10) **Measure:** a specific objective under a priority axis, implemented through operations;

11) **Grant:** the non-repayable funds allocated to the legal entity or organisation for the purpose of implementation of predefined activities and they are regulated by an agreement or contract between the Grant beneficiary and the Contracting Authority according to the EU rules;

12) **Grant beneficiary:** a legal person responsible for proposing and implementing projects funded under Cross-border Cooperation Programmes;

13) **Contractor:** the service provider, goods provider, works contractor or grant beneficiary who/which concludes the contract with the Contracting Authority;

14) **Co-financing:** the obligatory financial participation of the Republic of Serbia in the implementation of EU financial assistance

15) **Principles of Sound Financial Management:** the set of principles ensuring accurate, transparent, economical, efficient and effective operating with operations/contracts, transactions and funds during the implementation of the EU pre-accession assistance funded programmes.

II PERSONS AND BODIES RESPONSIBLE IN THE SYSTEM OF MANAGEMENT OF PROGRAMMES OF PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT IIb

Responsible Persons and Bodies

Article 3

Under the decentralised management system of EU pre-accession assistance funded programmes, under IPA Component IIb, the following responsible persons and bodies shall be designated:

- 1) National IPA Coordinator (*NIPAC*)
- 2) Technical Secretariat of the National IPA Coordinator (*NIPAC TS*)
- 3) Competent Accrediting Officer (*CAO*)
- 4) National Authorising Officer (*NAO*)
- 5) National Fund (*NF*)
- 6) Joint Monitoring Committee for the implementation of the pre-accession assistance programmes under IPA Component IIb (*JMC*)
- 7) Joint Technical Secretariat (*JTS*)
- 8) Operating Structure for the implementation of the pre-accession assistance programmes under IPA Component IIb.

The rights and obligations of the responsible persons and bodies referred to in this article, as well as their interrelations shall be regulated by specific Implementing Agreements, as defined in Article 18 of this Decree, Operating Agreements, in Article 19 of this Decree, as well as Manuals of Procedures regulating work arrangements and performance of delegated tasks, in Article 20 of this Decree.

National IPA Coordinator

Article 4

A National IPA Coordinator shall be a representative of the Serbian Government or a high-ranking public service official.

The National IPA Coordinator shall have the following responsibilities:

- 1) Ensuring comprehensive coordination of financial assistance under IPA Component II, alignment of the pre-accession process and the use of pre-accession assistance, and cooperation with the European Commission concerning the use of IPA Component II;
- 2) Ensuring consistency, coordination and alignment of the programmes funded under IPA Component II with the programmes funded under other IPA components, in the programming process, to achieve their optimal effect;
- 3) Implementing the programs and projects financed under IPA Component II, with regards to achieving the goals and results;
- 4) Chairing the IPA Monitoring Committee;
- 5) Monitoring the sustainability and effects of Cross-border and Transnational Programmes funded under the IPA, through the IPA Component II Annual Reports.

The Technical Secretariat of the National IPA Coordinator shall provide expert, technical and administrative assistance to the National IPA Coordinator.

Technical Secretariat of the National IPA Coordinator

Article 5

The Technical Secretariat of the National IPA Coordinator shall be appointed by the Government.

The Technical Secretariat of the National IPA Coordinator shall have the following responsibilities:

- 1) Providing technical assistance to the National IPA Coordinator in establishing, chairing and organising the work of the IPA Monitoring Committee;
- 2) Preparing, collecting and analysing regular and annual reports on programme implementation under IPA Component IIb, in terms of realisation of their purposes and objectives;
- 3) Implementing appropriate measures to ensure the publicity and visibility of activities funded under the IPA, including preparing the IPA Communication Strategy and monitoring its implementation

The National IPA Coordinator shall lay down procedures regulating work arrangements and performance of functions/tasks delegated to the Technical Secretariat of the National IPA Coordinator.

Competent Accrediting Officer

Article 6

The Competent Accrediting Officer shall be the Minister in charge of financial affairs.

The Competent Accrediting Officer shall have the following responsibilities:

- 1) Issuing, monitoring and suspending or withdrawing the accreditation of the National Authorising Officer and the National Fund;
- 2) Organising regular meetings with the Audit Authority with the purpose of obtaining the assurance of the fulfilment of all the criteria necessary for maintaining the Accreditation under IPA Component IIb;
- 3) Approving Manuals of procedures regulating work arrangements and performance of delegated tasks for the National Authorising Officer/National Fund;
- 4) Informing the European Commission on the accreditation of the National Authorising Officer, and on the changes pertaining to his accreditation.

National Authorising Officer

Article 7

The National Authorising Officer shall be appointed by the Government, at the proposal of the Competent Accrediting Officer.

The National Authorising Officer shall be responsible for:

- 1) Providing assurance about the regularity and legality of underlying transactions;
- 2) Submitting to the Commission Certified Statements of Expenditure together with Requests for funds to the European Commission;
- 3) Verifying the existence and correctness of the co-financing elements;
- 4) Providing binding instructions and directions to the Operating Structure, from Article 11 of this Decree, and monitoring its work for issues falling under his competence;
- 5) Issuing, monitoring and suspending or withdrawing the accreditation of the Operating Structures for IPA Component IIb;
- 6) Ensuring the existence and effective functioning of systems of management of assistance under IPA Component IIb;
- 7) Ensuring that the system of internal control concerning the management of funds is effective and efficient;
- 8) Issuing a Statement of Assurance and reporting on the management and control system to the European Commission and forwarding a copy to the Competent Accrediting Officer;
- 9) Ensuring that a proper reporting and information system is functioning;
- 10) Implementing corrective measures in accordance with the findings of the Audit Authority and European Commission auditors, and reporting to the European Commission on the implemented measures;
- 11) Notifying the European Commission and the Competent Accrediting Officer, any significant change concerning the management and control systems;
- 12) Ensuring the identification and immediate communication of any irregularity to the European Commission;
- 13) Making the financial adjustments required in connection with irregularities detected;
- 14) Ensuring proper reporting and follow up of proceedings related to cases of suspected fraud;
- 15) Establishing the Manuals of Procedures specifying his/her responsibilities and the cooperation with the Competent Accrediting Officer, National IPA Coordinator, National Fund, Operating Structure, from Article 11 of this Decree;
- 16) Providing recommendations to the National IPA Coordinator, in the programming phase, with regards to the implementability of the proposed sector supports and/or projects, in terms of administrative capacities for implementation.

The National Authorising Officer may engage independent external auditors in order to perform an additional audit of the institutions included in the decentralised management system of EU pre-accession assistance under IPA Component IIb.

National Fund

Article 8

The ministry responsible for financial affairs shall perform the tasks of the National Fund.

The National Fund shall be responsible to the National Authorising Officer.

The National fund shall be responsible for:

- 1) performing operational activities of financial management and control of the use of EU pre-accession assistance funds financing the Cross-border Cooperation Programmes under IPA Component IIb;
- 2) Ensuring cooperation with internal units and authorities within the ministry responsible for financial affairs which perform tasks of budget planning, budget execution, harmonisation of the financial management and control system and internal audit methodology, and accounting and financial reporting, so that the financial management and accounting system within decentralised management system of EU pre-accession assistance can completely meet the European Commission criteria;
- 3) Supporting the National Authorising Officer in supervising the work of the Operating Structure for the implementation of programmes of pre-accession assistance under IPA Component IIb, including on-the-spot checks;
- 4) Keeping accounting records and ensuring financial reporting according to the European Commission requirements and in accordance with the Manuals of procedures regulating work arrangements and execution of delegated tasks, referred to in Article 20 of this Decree;
- 5) Preparing Certified Statements of Expenditure and Request for Funds to be submitted to the European Commission;
- 6) Establishing the system for recognising and reporting on irregularities, follow-up of the corrective measures and recovery of funds in case of irregularities;
- 7) Providing support, if necessary, to the work of the IPA Monitoring Committee;
- 8) Performing other tasks as set out in the relevant Manual of procedures regulating work arrangements and performance of delegated tasks from Article 21 of this Decree.

Joint Monitoring Committee for Pre-Accession Assistance Programme under IPA component IIb

Article 9

The Joint Monitoring Committee for pre-accession assistance programmes under IPA component IIb is specifically established for each Cross-border and Transnational Cooperation Programme with the Candidate Countries and Potential Candidates for EU membership, and is responsible for decision making at programme level and for monitoring the implementation of the programme.

The Joint Monitoring Committee for IPA Component IIb shall consist of the representatives of the countries participating in a given programme.

The scope of work, membership, chairing and work dynamics shall be defined under the Rules of Procedure.

Joint Technical Secretariat, Antennas/Info Points of Joint Technical Secretariats

Article 10

A Joint Technical Secretariat is a separate body, without legal person status, formed by Operating Structures of participating countries, for each Cross-border and Transnational Cooperation Programme.

The Joint Technical Secretariat shall perform professional, administrative and technical operations for the Joint Monitoring Committee for pre-accession assistance programmes under IPA component IIb, and Operating Structures for the implementation of pre-accession assistance programmes under IPA component IIb.

It is responsible for preparing and submitting all materials to be reviewed and discussed by the Joint Monitoring Committee for pre-accession assistance programmes under IPA component IIb.

The Joint Technical Secretariat shall have Antennas/Info points in the Republic of Serbia that will perform activities concerning programme implementation, in accordance with the powers delegated to them.

III OPERATING STRUCTURE FOR THE IMPLEMENTATION OF PRE-ACCESSION ASSISTANCE PROGRAMMES UNDER IPA COMPONENT IIb

Operating Structure for the Implementation of Pre-accession Assistance Programmes under IPA Component IIb

Article 11

The Operating Structure for the Management of Programmes of EU Pre-accession Assistance under IPA Component IIb shall be established as a group of bodies and persons, within state administration, responsible for the management of EU pre-accession assistance under IPA Component IIb.

Responsible persons and bodies within the Operating Structure, referred to in Article 12 of this Decree, shall in performing their tasks adhere to the relevant provisions of the signed Financing Agreements, based on which Annual National Programmes are implemented under IPA Component IIb, to the Implementing Agreements, from Article 18 of this Decree, Operating Agreements, from Article 19 of this Decree, as well as Manuals of Procedures regulating work arrangements and performance of delegated tasks from Article 20 of this Decree.

Responsible Persons and Bodies

Article 12

The Operating Structure, as set out in Article 11, shall consist of:

- 1) The Head of the Operating Structure for the implementation of pre-accession assistance programmes under IPA component IIb;
- 2) The Programme Authorising Officer;
- 3) The Head of the Cross-Border Cooperation Body;
- 4) The Contracting Authority;
- 5) The Cross-Border Cooperation Body.

Head of the Operating Structure for the Implementation of Pre-accession Assistance Programmes under IPA Component IIb

Article 13

The Head of the Operating Structure for the implementation of pre-accession assistance programmes under IPA Component IIb shall be appointed by the Government to perform activities pertaining to the management of the Operating Structure referred to in Article 11 hereof.

The Head of the Operating structure for the implementation of the pre-accession assistance programmes under IPA component IIb reports directly to the National Authorising Officer for the legality and regularity of transactions and responsible financial management, and the National IPA Coordinator for achieving the objectives and results of the programmes..

The Head of the Operating structure for the implementation of the pre-accession assistance programmes under IPA component IIb shall have the following responsibilities:

- 1) Ensuring the legality, validity and sound financial management within the Operating Structure of Article 11 of this Decree,
- 2) coordinating and supervising all the participants within the Operating Structure and control of functioning of the financial management and control system,
- 3) establishing the Joint Technical Secretariat of the Cross-border Cooperation Programmes within the territory of the Republic of Serbia (where applicable).

The Head of the Operating structure for the implementation of the pre-accession assistance programmes under IPA component IIb is supported by the HOS Support Unit in assuming his regular activities.

The Programme Authorising Officer

Article 14

The Programme Authorising Officer within IPA component IIb shall be appointed for the management of the Contracting Authority by the National Authorising Officer, after consulting the National IPA Coordinator.

The Programme Authorising Officer shall be responsible for the organisation and realisation of activities falling within the purview of the Contracting Authority pertaining to the implementation of contracts through which Cross-border Cooperation Programmes within IPA component IIb are realised, as well as ensuring the legality, regularity and sound financial management within the relevant Operating Structure of Article 11 of this Decree.

The Programme Authorising Officer within IPA component I Ib shall have the following responsibilities:

- 1) Establishing the system for conducting public procurement procedures, contracting, contract management and implementation, control of the fulfilment of contractual obligations, execution of payments to Grant Beneficiaries and ensuring the recovery of funds from Grant beneficiaries and bodies constituting the Operating Structure in case of irregularities, and submits Requests for payments to the National Fund;
- 2) Considering and approving the criteria for selecting the projects to be financed under I Ib component of IPA programme and approving changes to the criteria in accordance with programme needs;
- 3) Making the final decision, after voting and consultation with other members of the Joint Monitoring Committee of the Republic of Serbia, in relation to establishing the criteria for the selection of projects;
- 4) Concluding the contracts for the implementation of programmes funded by EU pre-accession assistance under IPA Component I Ib;
- 5) Implementing corrective measures in accordance with the findings of the Audit Authority and European Commission Auditors and the National Authorising Officer, and respective reporting of the National Authorising Officer;
- 6) Controlling the work and functioning of the Joint Technical Secretariats under Article 10 hereof, for each Cross-border Cooperation Programme in relation to the delegated tasks;
- 7) Other activities set out in the Implementing Agreement, in Article 18 of this Decree, the Operational Agreements, in Article 19 of this Decree, and the relevant Manuals of procedures regulating work arrangements and performance of delegated tasks, in Article 20 of this Decree.

Head of the Cross-Border Cooperation Body under IPA component I Ib

Article 15

The Head of the Cross-Border Cooperation Body under IPA component I Ib shall be responsible for the programming and monitoring the implementation of the Cross-border Cooperation Programme under IPA Component I Ib.

The Head of the Cross-Border Cooperation Programme Body under IPA component I Ib shall also have the following responsibilities:

- 1) making operating decisions relating to the preparation of Cross-border and Transnational Cooperation Programmes under IPA Component I Ib, in cooperation with relevant institutions in other states participating in the programme, making the final decision, after voting and consultation with other members of the Joint

Monitoring Committee of the Republic of Serbia, on the implementation of the programme objectives and the proposed changes in the programme;

- 2) controlling the operation and functioning of the Joint Technical Secretariats under Article 10 hereof, for each Cross-border and Transnational Cooperation Programme in connection with the delegated tasks;
- 3) nominating external evaluators of project proposals;
- 4) monitoring the implementation of Cross-border Cooperation Programmes as well as reporting on their implementation at the programme level and at the level of IPA component IIb;
- 5) functioning of the management and control system within the Cross-Border Cooperation Body under IPA component IIb.

Contracting Authority

Article 16

The Contracting Authority shall perform public procurement, contracting, execution of payments, accounting, monitoring of contract implementation and financial reporting pertaining to the procurement of services, supplies, works and grants funded by EU pre-accession assistance under IPA Component IIb.

The Contracting Authority shall have the following responsibilities:

- 1) Planning, preparation and implementation of public procurement procedures for the purpose of implementing Cross-border Cooperation Programmes funded through operating programmes under IPA Component IIb;
- 2) Contracting, implementing and managing contracts, as well as ensuring the control of fulfilment of contractual obligations, either directly or by delegating the tasks to another body;
- 3) Planning financial resources based on the Procurement and Grants Plan, submitting Requests for Funds to the National Authorising Officer/ National Fund, and executing payments to Grant Beneficiaries;
- 4) Implementing the accounting standards and procedures in compliance with the requirements of the European Commission;
- 5) Reporting on irregularities, monitoring the implementation of corrective measures and recovery of funds from Grant beneficiaries due to irregularities;
- 6) Supervision of other bodies in relation to the performance of delegated tasks (where applicable);
- 7) Reporting on the implemented controls to the Head of the Operating Structure from Article 13 of this Decree;

- 8) Implementing follow-up actions in response to the internal and external audit findings, implementing the corrective measures and reporting thereon to the Head of the Operating Structure;
- 9) Ensuring the audit trail and complying with the requirements related to reporting and providing information to the European Commission, the National IPA Coordinator, the National Authorising Officer and the National Fund in accordance with the Manuals of procedures regulating work arrangements and performance of delegated tasks, referred to in Article 20 of this Decree;
- 10) Other activities set out in the Manuals of procedures regulating work arrangements and performance of delegated tasks, referred to in Article 20 of this Decree.

The Contracting Authority shall execute its tasks in accordance with the principle of sound financial management.

Cross-Border Cooperation Body

Члан 17.

The Cross-Border Cooperation Body under IPA component IIb shall be responsible for programming and monitoring of Cross-border Programmes at programme level, in cooperation with the competent authorities of partner countries, participation in the development of criteria and procedures for receiving project proposals and project evaluation.

The Cross-Border Cooperation Body shall participate and direct the work of the Joint Monitoring Committee (where applicable) and shall participate in decision-making of the Joint Monitoring Committees for the pre-accession assistance programme under IPA component IIb.

The Cross-Border Cooperation Body under IPA Component IIb shall supervise the Joint Technical Secretariats in relation to the conferred activities conducted in support of the Operating Structure of Article 11 of this Decree, and the Joint Monitoring Committees for the pre-accession assistance programme under IPA component IIb of Article 9 of this Decree.

The Cross-Border Cooperation Body under IPA component IIb shall also have the following responsibilities:

- 1) Establishing the systems and procedures in accordance with applicable regulations;
- 2) Ensuring that reporting and communication within the Cross-Border Cooperation Body are conducted in compliance with relevant requirements;
- 3) Providing adequate support to the work of Joint Monitoring Committees of Cross-Border Cooperation Programmes under IPA component IIb;
- 4) Proposing the members entitled to vote in the Joint Steering Committee;
- 5) Establishing and maintaining a system for determining the irregularities and reporting on them in cooperation with the National Fund;

- 6) Reporting on irregularities, implementing and the follow up corrective measures;
- 7) Establishing and implementation of procedures for the retention of all documents required to ensure an adequate audit trail;
- 8) Ensuring the implementation of corrective measures in accordance with the findings of the auditors;
- 9) Preparing, conducting and reporting on projects financed from the technical assistance of Cross-border Cooperation Programmes under IPA Component IIb;
- 10) Other duties laid down by the Operating Agreement referred to in Article 20 of this Decree and relevant procedures regulating work arrangements and performance of delegated functions/tasks referred to in Article 21 of this Decree.

Activities of the Cross-Border Cooperation Body under IPA component IIb shall be performed by the Department for Cross-Border and Transnational Cooperation Programmes in the European Integration Office, Government of the Republic of Serbia.

IV RELATIONS BETWEEN RESPONSIBLE PERSONS AND BODIES FOR THE IMPLEMENTATION OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT IIb

Implementing Agreement on the implementation of Cross-Border Programmes with IPA Beneficiary Countries under IPA Component IIb

Article 18

Mutual rights and obligations of the National IPA Coordinator, the National Authorising Officer and the Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb shall be regulated by the Implementing Agreement on the implementation of Cross-Border Cooperation Programmes with IPA Beneficiary Countries under IPA Component IIb.

Operating Agreement on the Management and Implementation of Cross-Border Cooperation Programmes with IPA Beneficiary Countries under IPA Component IIb

Article 19

The mutual rights and obligations of Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb, the Programme Authorising Officer and the Head of the Cross-Border Cooperation Body shall be regulated by the Operating Agreement on management and Implementation of Cross-Border Cooperation Programmes with IPA Beneficiary Countries under IPA Component IIb.

Manuals of Procedures Regulating Work Arrangements and Performance of Delegated Functions/Tasks

Article 20

For the purpose of efficient performance of delegated tasks and detailed regulation of work arrangement in the processes of programming, implementation, monitoring and evaluation of Cross-border Programmes funded by EU pre-accession assistance under IPA Component I, responsible persons and bodies, as defined in Articles 3 and 12 of this Decree, shall establish relevant manuals of procedures regulating work arrangements and performance of delegated functions/tasks.

The Manuals of Procedures regulating work arrangements and performance of delegated functions/tasks by responsible persons and bodies constituting the Operating Structure, from Article 12 of this Decree, shall be approved by the National Authorising Officer.

The Competent Accrediting Officer shall approve Manual of Procedures regulating work arrangements and performance of delegated functions/tasks of the National Authorising Officer and the National Fund.

The Manuals of Procedures regulating work arrangements and performance of delegated functions/tasks are an integral part of the Accreditation Package to be submitted to the European Commission, together with the Application for Conferral of Management of programmes of EU pre-accession assistance under IPA Component IIb.

V IRREGULARITY MANAGEMENT

Irregularities

Article 21

The National Authorising Officer shall be responsible for the investigation of irregularity signals and follow-up of cases of confirmed irregularities, as well as reporting on irregularities to the European Commission.

The National Authorising Officer shall provide binding instructions to responsible persons and bodies from Article 3 of this Decree, and the Final Beneficiaries/End Recipients with regard to the necessary measures to be taken in order to prevent and counter irregularities.

A civil servant, an employee or a third person shall report any discrepancy, inconsistency or infringement of regulations which constitute irregularity or raise reasonable doubt of suspected fraud.

The manner of reporting and the measures in connection with irregularities shall be regulated under the Implementing Agreement, from Article 18, the Operating Agreement, from Article 19 of this Decree, and the Manuals of procedures regulating the work arrangements and execution of delegated functions/tasks, from Article 20 of this Decree.

A civil servant or an employee of a body involved in the implementation of an EU pre-accession assistance programme under IPA Component IIb shall sign a Statement of Awareness confirming familiarity with the definition of irregularity and with the system of reporting on irregularities.

A civil servant, an employee or a third person who reports a suspected irregularity during the implementation of an EU pre-accession assistance programme under IPA Component I, shall not be subject to the initiation of disciplinary procedure, adoption of a decision on employment contract termination or be subject to any other measure with adverse effect on the employment status for reporting an irregularity signal, pursuant to the Law on the Anti-Corruption Agency (“Official Gazette of the Republic of Serbia”, No. 97/2008, 53/2010, Article 56) and the Rulebook on Protection of Persons Who Report Suspicion of Corruption (“Official Gazette of the Republic of Serbia”, No. 56/2011) and other legal acts pertaining to the protection of whistleblowers.

The identity of the civil servant, the employee or the third person, who reports an irregularity, shall be kept confidential, in accordance with the regulations.

The National Authorising Officer, from Article 7 of this Decree, shall be responsible for the coordination of all legislative, administrative and operational aspects of protection of EU financial interests and close cooperation with the European Anti-Fraud Office (OLAF).

The National Authorising Officer shall also be responsible for ensuring proper means of reporting and follow up with the authorised national bodies on measures taken with regards to cases of suspected fraud.

Recovery of Funds

Article 22

The Beneficiary of IPA funds, pursuant to Article 29 of the Law on endorsing the Framework Agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the Rules for Co-Operation concerning EC - Financial Assistance to the Republic of Serbia in the Framework of the Implementation of the Assistance under the Instrument for Pre-Accession Assistance (IPA), shall perform a recovery of unduly disbursed funds.

For payments not executed on legal grounds, recovery of funds in the corresponding amount shall be performed in accordance with the Implementing Agreement, from Article 18, Operating Agreement, from Article 19, the End Recipient Agreement, from Article 17, and the relevant Manuals of Procedures from Article 20 of this Decree.

The contracts concluded between the Programme Authorising Officer and the Grant Beneficiary shall contain provisions regarding the recovery of unduly disbursed funds and the possibilities for the offsetting of debts.

VI PROGRAMMING OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT IIb

Article 23

The Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb shall be responsible for organising stakeholder consultations in the Republic of Serbia in order to determine the initial position of the Republic of Serbia in negotiation process with regards to determining the priorities and measures within a Cross-border Cooperation Programme with the partner country.

The line ministries, special organizations, Government services, the representatives of the civil sector and local representatives propose their representatives for the Working Group for programming.

The Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb invites the relevant institutions to nominate their representatives

The National IPA Coordinator consults with the National Authorising officer on the capacities of the Operating Structure for implementing a specific Cross-border Cooperation Programme with the IPA beneficiary countries during the programming process.

VII MONITORING IMPLEMENTATION AND EVALUATION OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT IIb

IPA Monitoring Committee

Article 24

The IPA Monitoring Committee for all IPA Components shall be the body responsible for monitoring the implementation of the entire EU pre-accession assistance implemented under IPA.

The National IPA Coordinator Technical Secretariat shall act as the secretariat of the IPA Monitoring Committee and be responsible for the preparation and submission of all materials to be reviewed and discussed by the Committee.

The Joint Monitoring Committee for pre-accession assistance programmes under IPA component IIb from Article 9 of this Decree shall perform monitoring of the implementation of Cross-border Cooperation Programmes with the Candidate Countries and Potential Candidates for EU membership.

Evaluation of IPA Programmes

Article 25

Over the course of programme implementation, the National IPA Coordinator may evaluate the EU pre-accession assistance programmes under IPA Component IIb.

VIII CONTROL AND AUDIT UNDER DECENTRALISED MANAGEMENT

Control and audit of Grant beneficiaries

Article 26

The National Fund, from Article 8 of this Decree, the Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb from Article 13 of this Decree as well as the Contracting Authority from Article 16 of this Decree may conduct on-the-spot checks of Grant Beneficiaries for the purpose of controlling the fulfilment of contractual obligations.

Grant Beneficiaries shall be subject to audits by the Audit Authority, the European Commission, European Anti-Fraud Office and European Court of Auditors, in accordance with Article 27 of the Framework Agreement.

Grant Beneficiaries shall ensure access to bodies, referred to in paragraphs 1 and 2 above, to their premises, employees and the relevant documentation pertaining to the contracts in implementation, which are financed from EU pre-accession assistance, in accordance with the provisions of the contract signed by the Programme Authorising Officer, from Article 14 of this Decree, and the Grant Beneficiary.

Grant Beneficiaries shall retain all documentation in accordance with the provisions of the signed Financing Agreements, Financing Agreements, based on which Cross-border Cooperation programmes under IPA Component IIb are implemented

Control and Audit of the Operating Structure

Article 27

The National Fund, from Article 8 of this Decree, the Head of the Operating Structure for the implementation of pre-accession programmes under IPA Component IIb from Article 13 of this Decree may conduct on-the-spot checks of the bodies constituting the Operating Structure from Article 12 of this Decree.

The responsible persons and bodies comprising the Operating Structure from Article 12 of this Decree shall be subject to audits by the Audit Authority, the European Commission, European Anti-Fraud Office and European Court of Auditors, in accordance with Article 27 of the Framework Agreement.

The Operating Structure shall provide the representatives of the bodies and authorities, referred to in paragraphs 1 and 2 above, with access to their staff, premises and relevant documentation pertaining to IPA programmes and funds, pursuant to the provisions of the signed Financing Agreements, based on which Cross-border Cooperation programmes under IPA Component IIb are implemented.

Bodies and responsible persons constituting the Operating Structure, from Article 12 of this Decree, shall provide the bodies, referred to in paragraphs 1 and 2 above, with access to their premises, staff and relevant documentation for at least three years following the closure of the Cross-border Cooperation programmes under IPA Component IIb.

Internal Audit

Article 28

Internal audit of the management system for implementing programmes of EU pre-accession assistance under IPA Component IIb shall be performed by the internal auditors within the state administration bodies at least once annually.

The responsible persons in the bodies constituting the Operating Structure from Article 12 of this Decree shall submit copies of annual audit plans which relate to their scope of competencies to the Head of the Operating Structures for IPA Component IIb from Article 13 of this Decree.

The Internal Auditors from paragraph 1. shall submit audit reports to the head of the state administration body and copies directly to the Head of the Operating Structures for IPA Component IIb from Article 13 of this Decree and to the National Authorising Officer.

The responsible persons in the bodies constituting the Operating Structure from Article 12 of this Decree submit reports on the measures undertaken or to be undertaken with respect to the accepted audit findings in accordance with a harmonised action plan within 30 days, to the Head of the Operating Structure for IPA Component IIb from Article 13 of this Decree, in order to communicate the audit findings, recommendations and measures that have been or will be taken in compliance with the harmonised action plan

The Head of the Operating Structure for IPA Component IIb from Article 13 of this Decree shall inform the National Authorising Officer, from Article 7 of this Decree on the audit findings and recommendations, and measures undertaken or to be undertaken with respect to the accepted audit findings with regards to the system for managing EU pre-accession assistance programs under IPA component IIb.

IX FINAL PROVISIONS

Repeal of the Previous Decree

Article 29

The Decree on the Decentralised Management of the EU Development Assistance under the Instrument of Pre-accession Assistance (IPA) (Official Gazette of RS 70/2011 and 49/2012) shall be repealed with effect from the date of entry into force of this Decree.

Entry into Force

Article 30

This Decree shall enter into force on the eighth day following the day of its publication in the Official Gazette of the Republic of Serbia.

05 Number: 110-8831/2013
Belgrade, 21st of October 2013.

GOVERNMENT