

SECTOR PLANNING DOCUMENT

REPUBLIC OF SERBIA

HOME AFFAIRS

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PART ONE - SECTOR PROFILE

1. SECTOR CONTEXT

Most common types of organized crime in Serbia are: organized narcotics and financial crime, human trafficking and smuggling, trafficking and smuggling in firearms, property crime, kidnapping, organized forms of cyber-crime, corruption and money laundering.

Serbia is on the main Balkans **drug trafficking** routes and according to the crime statistics the organized criminal groups dealing with narcotics vary in the number uncovered (in 2010, 35, in 2011 – 22) but total amounts of yearly seizure of narcotics is increasing (2009 1.3 tons, 2010 – 1.7 tons, 2012 1.4 tons), indicating that smuggling of heroin and modified marijuana was increasing. In the year 2011, 5,253 seizures were realized while in 2012, Ministry in charge of home affairs was involved in 15 operations at regional and international levels in which significant amounts of cocaine, heroin, marijuana and synthetic drugs were seized in Serbia and abroad. In addition in the Republic of Serbia, 3 illicit laboratories for manufacturing synthetic drugs were discovered. As regards **cooperation in the field of drugs**, a new strategy for the prevention and fight against drugs (that should be in line with the EU Drugs Strategy (2013–2020) as well as the main objectives of the renewed (2013) EU-Western Balkan Action Plan on Drugs) for the period 2013–2020 has yet to be finalised and adopted. Beside the recommendations regarding the policy framework, the Screening Report for Chapter 24 and European Commission Progress Report 2014 (EC PR 2014) both highlight the need to further improve cooperation between law enforcement and judicial authorities, to introduce modern investigation techniques and the systematic seizure of criminal assets and to develop capacities for storage and destruction of drugs.

The Ministry in charge of home affairs has taken extensive measures and activities in the fight against all forms of **organized crime** and to improve international **police cooperation**. There has been an increase of indictments for computer fraud; increase in the number of persons charged for bribery (90 persons in 2009 to 126 persons in 2011); the number of persons charged with abuse of an official position increased to over 1,500 persons in 2011. As a result seizure and confiscation of proceeds of crime was €350 million. However, the EC 2014 Progress Report, in the field of organized crime, concludes that through rationalisation of the Ministry of Interior, including reorganisation of its human resources management, it is advisable to increase efficiency in fighting crime. The introduction of transparent and merit-based criteria for recruitment and career advancement is crucial, as is more specialised training. Organised crime remains a serious concern in Serbia.

Both Screening Report on Chapter 24 and ECPR 2014 indicate that **financial investigations** is subject to further improvement and that additional efforts are needed to systematically carry out financial investigations in conjunction with complex criminal investigations (both law enforcement and judiciary).

Serbia has a Strategy for **Combating Organised Crime** (2009 – 2014) and is implementing an accompanying Action Plan. Serbia has adopted Guidelines on the recording and classification of organized criminal groups in Serbia as one of the key prerequisites for the development of National threat assessment of organized crime, according to the EUROPOL SOCTA methodology, and is preparing for the introduction of the concept of Intelligence Led Policing - ILP, based on crime mapping and systematic use of threat assessments. However, both Screening Report on Chapter 24 and ECPR 2014 recognize that these problems still need to be addressed. Also, final convictions and the effective dismantling of criminal organisations remain rare. The track record of proactive investigations and final convictions needs to be established.

The internal control remains an area in need of improvement. Alongside the anticorruption policy, internal control departments are lacking the technical and human resources and capacities. The ECPR 2014 indicates that "Fighting organised crime and corruption is fundamental to countering criminal infiltration of the political, legal and economic systems". In addition, the Action Plan for the implementation of the National Strategy for the Fight against Corruption defines the activities to be carried out in accordance with measures related to building police capacities required for investigations of criminal offenses related to corruption and strengthening the integrity and internal control mechanisms for the purposes of combating corruption in the police sector. Alongside, the Draft Action Plan for Chapter 23 recognises the needs to take steps to strengthen internal control and auditing bodies and to further develop, implement and assess the impact of specific measures to tackle corruption in particularly vulnerable areas, such as among others, in the Police.

In 2012, an improved system of electronic record-keeping of offences became operational in the Ministry in charge of home affairs. Data entry for the relevant operational and strategic analysis was harmonised and improved, enabling proactive approach in the fight against organised crime and increasing the efficiency. In September 2010 the Agreement on the cooperation in fight against of all types of crimes was signed between Ministry in charge of home affairs, Ministry in charge of finance and Ministry in charge of justice. The **Law on the organisation and responsibilities of the State institutions in**

suppressing organised crime,¹ corruption and other severe criminal offences extended the powers of the Prosecutor for Organised Crime and police. Financial investigation, cyber-crime and drug smuggling units have been established within the Ministry in charge of home affairs allowing greater specialization and expertise. However, capacity to carry out complex financial investigations needs to be strengthened and in this context², action geared towards removing bank secrecy and beneficial ownership regulations in relation to a wider spectrum of corruption offences needs to be pursued. The level of inter-agency cooperation, information flow and exchanges between law enforcement agencies needs to be improved. Risk assessments and crime mapping need to be used more broadly and intelligence-led policing needs to be developed. Identified problem is the absence of legislative and policy implementation follow-through. The Financial Investigation Unit (FIU) within Service for Combating Organized Crime (SCOC) lack of means and technical expertise and this is the reason for additional seminars, workshops and trainings for police officers.

Steps are being taken to modernise **police work**, to improve internal coordination, as well as international and regional cooperation and to bring the police close to the citizen via community policing. Efforts have resulted in adoption of several key strategies and laws and the establishment of specialised inter-ministerial structures, such as the Commission for Inter-ministerial Coordination in the field of Justice and Home Affairs.

Relative to the **fight against money laundering and the financing of terrorism**, Serbia has conducted a Money Laundering National Risk Assessment (NRA) in 2012 and drafted a new National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy and Action Plan, including the most important outcomes of the NRA. The Proposed National AML/CFT Strategy and Action Plan provide for a series of measures and actions to improve the Serbian AML/CFT system. These documents are organised around four strategic themes, each with a set of objectives, including for the level of policy, level of prevention, level of enforcement (repression), and the level of training.

With regard to **terrorism**, there have been a number of recent developments. Amendments to the Criminal Code (CC) adopted in 2013 have contributed to Serbia's compliance with the international standards and EU Acquis. Serbia is party to 14 of the 18 such instruments. However a new strategy and implementing action plan for fighting terrorism have yet to be finalised. The Law on Freezing of Assets with the Aim of Preventing Terrorism is in currently awaiting adoption in Parliament. The National AML/CFT Strategy provides for a number of objectives related to the prevention of terrorism financing.. Although it has not ratified the 2005 Amendment to the Convention on the Physical protection of Nuclear Material, Serbia has largely incorporated the criminalization provision of these instruments into its CC. Serbia has also amended its Code of Criminal Procedure and the Law on Mutual Legal Assistance³ is also applicable to cases of international cooperation in criminal matters related to acts of terrorism. Institutionally, the National Security Council (NSC) was established in 2012 and has responsibility for overall coordination of counter-terrorism efforts at the policy level. Specialized prosecutor's office for organized crime, deals with crimes related to terrorism and it's financing.

Serbia remains a country of origin, transit and destination for **trafficking in human beings**, and for sexual and labour exploitation. From 2000, there are trends of so-called internal trafficking which affected mainly Serbian citizens. The Government of the Republic of Serbia established a national mechanism for coordination of activities and creation of policies for fight against human trafficking, acting on two levels – central (strategic) and operative. Within the Ministry in charge of home affairs, special police units have been formed for fight against human trafficking. In 2012 the Centre for the Protection of Victims of Human Trafficking was established, with the purpose of providing assistance and support to victims of trafficking, including child victims of human trafficking. Contact points for prosecution and coordination of human trafficking cases have been appointed at all Higher Prosecutor's Offices. However, main shortcomings of the national referral mechanism in Serbia is the weakness of the procedures, both for identification and for handling of identified victims; victims are expected to report the crime and witness before the court, but their protection and their safety need to be improved. Trials are lengthy, sentences for traffickers are around prescribed minimum and a small number of them end in jail. Data for 2010 shows that out of 76 victims 73 were citizens of Serbia and 72 out of 74 in 2011. Last available statistics indicates that in 2011 the number of victims increased to 88 victims, number of perpetrators significantly increased to 198, but only 52 criminal charges were submitted and in the end only 14 persons were sentenced.

In 2013 30 criminal charges involving 63 perpetrators of the crime of trafficking in persons were filed, and of those, 62 perpetrators were Serbian citizens. 45 victims of human trafficking were identified, all citizens of Serbia. In the period January-November 2014 17 criminal charges against 25 perpetrators for the crime of trafficking in persons were filed, of which 24 were citizens of Serbia. The proposal Strategy for prevention and combating trafficking in human beings, especially women and children and the protection of victims in the Republic of Serbia for the period 2015-2020 has been prepared. The proposal and action plan for the period 2015-2016, is expected to be adopted by the Government early 2015. The area of trafficking in human beings, within AP Chapter 24 is under sub-section "Organized Crime" in the negotiation chapters. Both

¹Official Gazette RS, no. 42/2002, 27/2003, 39/2003, 67/2003, 29/2004, 58/2004 – other law, 45/2005, 61/2005, 72/2009, 72/2011 – other law, 101/2011 – other law 32/2013

²Lack of internal capacity and expertise in financial investigations and asset recovery, together with a lack of technical equipment for special investigative measures, hamper the effectiveness of investigations.(ECPR 2014)

³Official Gazette of the RS, No.20/2009

the institutional framework and shelter capacity should be considerably enhanced to ensure that the fight against trafficking in human beings is deterrent and sustainable.).

The Republic of Serbia faces secondary illegal **migration** of nationals of countries of the Afro-Asian, from Greece as the starting point. A multiple growth trend is caused by the progressive pressure of illegal migration at the Greek-Turkish border. In comparison to 2011, when 10,383 persons were prevented from illegal border crossing (an increase of 459% compared to 2010), in 2012 14,793 people were prevented (an increase of 42.5%), the largest number on the border with the Republic of Macedonia (8,348), which is the entry point into the territory of Serbia. Irregular migrants transit through the state territory in an attempt to illegally cross the border with Hungary, Croatia and Romania or to stay in Serbia for a certain time and abuse the right to asylum. In 2013 7,736 people were prevented from illegal border crossing, which is significant decrease of almost 50% compared to 2012. However, during eleven months 2014 (January-November) 7.557 people were detected during illegal border crossing, so, decrease cannot be expected compared to 2013.

The Republic of Serbia borders with: Hungary, Romania, the Republic of Bulgaria, the Republic of Macedonia, the Republic of Albania, Montenegro, Bosnia and Herzegovina and the Republic of Croatia. The total length of the border is 2,351.7 km and the total number of border crossings is 94. There has been an increase in detection of illegal travellers at border points, with the annual figure increasing four times in one year - from 2,797 (2010) to 10,217 (2011), 15.346 (2012) 7.736 (2013) in the context that the total number of travellers (by land, air and sea) remained the same. There are significant differences between the 94 **border crossing points** in the sense of technical and infrastructure capacities. There have been numerous illegal border crossings and illegal women and children migrants. There is lack of capacities to ensure control of external borders in line with EU standards. All major border crossing points (BCPs) are technically equipped (passport scanners, licence plates cameras, video surveillance and fingerprint scanners) but further modernisation of equipment at BCPs (including smaller BCPs), connection to the Interpol database and more training of staff is needed. Border traffic across alternative roads, in particular with Bosnia and Herzegovina, as recognized in ECPR 2014, is an issue that needs to be urgently addressed while there are still needs to improve interconnectivity between the databases and biometric devices (in both directions) to support the operations of the border police.

In the area of **border management**, the Law on State Border Protection is being implemented and a cooperation agreement between the ministries involved in border management was signed in February 2009. Since 2006 Serbia is implementing an **Integrated Border Management (IBM)** Strategy and Action Plan (revised in 2013). The Agreement on cooperation in IBM was signed between the Ministries in charge of home affairs (border police), finance (customs), agriculture and environmental protection (veterinary and phytosanitary inspection) and transport and infrastructure (port authorities). The Strategy stipulates establishment of the Coordinating Body and the Operational Working Group for Coordination of Integrated Border Management at the Central Level with its six inter-sectorial sub-groups. Within the Ministry in charge of home affairs, an information system for the border control, with the use of the automatic document reading, has been developed and operates at the border crossings.

Both Screening Report on chapter 24 and ECPR 2014 identify the need to develop a joint risk analysis capacity, to improve inter-agency cooperation between the bodies operating at the borders and strengthen the activities of the coordinating body for implementing the IBM. Within the Ministry in charge of home affairs, an information system for the border control, with the use of the automatic document reading, has been developed and operates at the border crossings. The Border Police Directorate is implementing parts of the National Strategy for the Fight Against Corruption (2013-2018) and its accompanying Action Plan.

Serbia legislative framework is not yet compatible with the **Schengen Acquis**. Preparations in this area were at an early stage. IPA 2014 Action Document for Home Affairs sectors identifies activities related development of a Schengen Action Plan, which will after a thorough analysis present further activities that Serbia requires to take in order to be ready for the full implementation of the Schengen *Acquis*. The Screening report on Chapter 24⁴ recommends that a Schengen Action Plan which covers measures ensuring alignment with the EU visa *Acquis* upon accession to the EU should be prepared and - where relevant - upon accession to the Schengen area later on.

From April 1, 2008, when the Law on **Asylum**⁵ entered into force, there was a constant growth of evidenced asylum seekers in Serbia. In 2008 there were 77 requests, 275 in 2009, while the total number in 2010 was 522 exceeding to 3,134 in 2011. Until 2011, the existing capacity for providing accommodation and basic living conditions were adequate but 600% increase in the number of asylum seekers has produced additional challenges such as the arrival of whole families with small children; the number of minors seeking asylum increased to 25%; women asylum seekers make up 15%; while a constant flow of unaccompanied minors asylum seekers (UMAS) accounted for 4% of the total population. In 2011, a total of 771 persons have been provided with accommodation in the Asylum Centres and in 2012 a total of 1,021 have been accommodated in the two AC. Over the course of 2013, a total of 3.465 asylum seekers, including UMAS, were accommodated within two permanent and four temporary ACs. In 2014 the number of asylum seekers who at one point in time were accommodated

⁴ See Screening report Serbia, Chapter 24, 15.05.2014),

⁵Official Gazette of the RS, no. 108/07

within the existing facilities rose to 8.931. Criteria for verifying safe countries of origin and the list of safe third countries remain to be fully aligned with the Acquis. The initial state body deciding on asylum claims is Ministry in charge of home affairs, and the final decision is made by an independent Asylum Commission of the Government. The asylum seekers are granted a legal basis to stay and right to be accommodated in the Asylum Centre (AC)⁶. According to the Law on Asylum persons accommodated in AC enjoy complete freedom of movement, health protection, right on elementary and secondary education, while those outside of AC have access to financial assistance provided by the AC for Social Welfare. In 2012, a database of asylum seekers was set up and ultimately, the Republic of Serbia for the first time granted refugee protection, i.e., shelter (in three cases).

In the past two decades, the Republic of Serbia (RS) was challenged to solve the problems of a vast number of **forced migrants**. After the disintegration of the Socialist Federal Republic of Yugoslavia (SFRY), a massive influx of refugees came to Serbia, mostly from Croatia and Bosnia and Herzegovina. According to the Official data (UNHCR and SCRM) there are around 43.763 refugees and 204.000 Internally Displaced Persons (IPDs) in Serbia. Following the 1999 conflict, a large number of Serbs and members of other non-Albanian communities fled Kosovo and Metohija and sought refuge in Southern and Central Serbia and adjacent countries. Around 204.000 IDPs, mainly residing in Southern and Central Serbia and Belgrade, have been so far registered on the territory of inner Serbia (not including the territory of Kosovo). As a response to the protracted Refugees situation after the 1991-1995 conflicts in Former Yugoslavia, "Joint Regional Programme on Durable Solutions for Refugees and Displaced Persons" known as the "Regional Housing Programme" (RHP) was initiated. It is a joint initiative of Bosnia and Herzegovina, Croatia, Montenegro and Serbia with the aim to contribute towards resolving the protracted displacement situation of the most vulnerable refugees and displaced persons (DPs) and it is expected that 27,000 households in the region, of which 16.780 refugee families in Serbia, will benefit from it.

Although voluntary return is the best solution for refugees and IDPs, only a quarter of refugees realised a durable solution through return. The situation is worse concerning IDPs. According to UNHCR data, only 17.000 Serbs and other non-Albanians returned to Kosovo. It is estimated that only 5.000 persons actually achieved sustainable return. Apart from the refugee and IDP issues, Serbia also faces problems in the field of reintegration of returnees under the readmission agreements. IDPs face numerous problems protecting their land, housing property and other acquired rights in Kosovo due to absence of comprehensive administrative mechanisms for resolving these issues. Freedom of movement in Kosovo is a major constraint for IDPs in accessing their rights as well as for the lawyers representing them.

Reforms in the **area of defence** shall ensure more efficient and economically sustainable system of intervention in regard to protect support civilians in the case of natural disaster and danger. In this regard the possibility for developing regional coordinated programs may be assessed. Military Security Agency and Military Intelligence Agency perform security activities of importance for the defence proscribed by the law for the military security services as well as with other laws.⁷ The most relevant policy document in this sector is the Strategy for the National Security of the Republic of Serbia from 2009. Terrorism, organized crime, corruption, proliferation and trafficking with firearms, problem with the internally displaced persons and refugees as well as the national and other type of disasters are listed as main challenges for the national security that are to be addressed via the national security system in its wider and narrow meaning.

<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> • National and EU approximation strategies and other policy documents in place • Most of EU legal requirements addressed by country policy documents • Most of EU standards addressed in the legislative and institutional framework • Coordination mechanisms established for Chapter 24 • The Government has established Coordination Body for the EU Accession Process and Subgroup on Chapter 24 • NPAA for the period 2013-2016 adopted by the Government 	<ul style="list-style-type: none"> • Lack of policy documents - New strategies for majority of the sector priorities are yet to be finalised and adopted • Lack of coordination and overlapping in systematic planning documents and identified policies • Lack of means and technical expertise for financial investigations • Insufficient Legal framework for the police cooperation and the fight against organised crime at national and international level • Insufficient infrastructure and equipment at border crossings
<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> • The accession negotiations started on January 21st 2014 • Availability of financing from EU and bilateral funds • Availability of technical assistance from EU and bilateral 	<ul style="list-style-type: none"> • Lack of impetus for reform due to insufficient reform results undertaken during previous programming period • Lack of absorption capacity for sustainable reforms in the

⁶The Centre is a separate unit, founded according to the Decision on Social Protection Institution Network of the Government of the Republic of Serbia, Official Gazette RS, no. 51/08

⁷The Constitution of the Republic of Serbia, Law for the Defence, law for the army of Serbia, Law for the fundamentals of Regulating the Security Agencies in the Republic of Serbia, Law for the Military Security agency and Law for the Military Intelligence Agency, Criminal Code, Law for the Criminal Procedures and other laws.

cooperation	IBM sector • Budgetary cutbacks
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The SPD is foreseeing and focusing on existing gaps and the requirements for the assistance for the upcoming negotiation process and reform processes. For that purpose stocktaking of projects funded by bilateral donors and EU (IPA I and actions perceived within IPA 2014 programme) and matching them with recommendations of the Screening Report on Chapter 24 and draft Action Plan for Ch. 24 and institutions involved, was the driving force for identification of the actions within this SPD.

IPA 2012 actions are under final tendering stage and they relate to police reform and HR system management and migration management. IPA 2013 contracts, which will be tendered in the course of 2015 and 2016, are covering themes on fight against organised crime related to human trafficking, drugs trafficking, illicit arms trafficking and financial investigation; and asylum system. IPA 2014 actions relate to trafficking in human beings, enhancement of border control, enhancement of accommodation capacities for asylum seekers and upgrading priority border facilities and construction at the three CCPs. In terms of supporting forced migrants, both IPA 2012 and IPA 2014 are envisaging support.

In terms of timing, IPA II assistance (2015-17) is thus focusing on: prevention and fight against crime - financial organised crime and international cooperation, money laundering and terrorist financing, development of forensic service, supporting the analytical and statistical reporting process in the Ministry in charge of home affairs and supporting the internal control in the fight against corruption within the police (IPA 2015 and IPA 2017); enhancing border control - modernisation of facilities and infrastructure at border crossings, development of capacity of border police and institutions involved in border management and ICT capacity improvement (IPA 2015 and IPA 2017); Enhancing migration management focusing on asylum policy and procedures alignment with the Acquis (IPA 2015) and Support to the needs of IDPs (IPA 2015 and IPA 2017).

2. SECTOR APPROACH ASSESSMENT

2.1. Assessment criteria

2.1.1. National sector policy(ies) /strategy(ies)

The Home Affairs sector deal with security and safety, crime prevention and defence, and it covers policies related to protection of citizens and the communities, fight against organised crime, drugs, money laundering and terrorism financing, terrorism, human trafficking, border management and control, including migration and asylum, and protection of human rights of refugees and IDPs.

There are 17 strategies relevant for this sector: The Development strategy of Ministry of Interior (2011 – 2016); the National Strategy for the Fight against Organised Crime in 2009⁸; The Integrated Border Management Strategy (2012) revised in November 2013⁹; The Community Policing Strategy with Action Plan, adopted on 30 April 2013 to 2017; National Strategy for emergency Management and Civil Protection(2011-2016) ¹⁰; Strategy for fire protection¹¹ (2012-2017); National Defence Strategy¹²; Strategy for the National Security of the Republic of Serbia ¹³ (2009); Small arms and light Weapons control strategy (2010-2015)¹⁴; National strategy for resolving the problems of refugees and internally displaced persons (2011-2014)¹⁵; National strategy for prevention and combating violence against women (2011); National Strategy against Money Laundering and Terrorism Financing¹⁶, is to be approved by Government by the end of 2014 (2015-2019) and the action plan for the same period; Strategy for fight against trafficking in human beings¹⁷ (2006)/to be transcended by the new one; Strategy for Combating Illegal Migration in the Republic of Serbia¹⁸ (2009-2014); Migration Management Strategy (2009)¹⁹, National Anti-Corruption Strategy²⁰ for 2013 – 2018; Strategy on the Reintegration of Returnees Based on the Readmission Agreements²¹(2009).

⁸ For the period 2009 – 2014

⁹ For the period

¹⁰For the period 2011 – 2016

¹¹ For the period 2012-2017

¹² Adopted in 2009

¹³ For the period

¹⁴ For the period 2010 – 2015

¹⁵ For the period 2011 – 2014

¹⁶ For the period 2014 – 2019

¹⁷ For the period

¹⁸ For the period 2009 – 2014

¹⁹ For the period 2009 – 2011

²⁰Official Gazette of the RS^a, No. 57/2013

²¹ For the period 2009 – 2010

Based on the main strategic documents for the sector and sector status (see Section1) the following six national priorities have been identified, for assistance under IPA for this planning period:

- I. **Strengthen the security of citizens through democratic, responsible and efficient police service** is the main strategic vision and key priority described in the Development Strategy of the Ministry of Interior which also defines values and mission for the coming period up to 2016 emphasising also the need to respond to the EU enlargement requirements.
- II. **Prevention and fight against organised crime**, foresees capacities of the Republic of Serbia for prevention and reduction of the organized crime to the lowest possible rate following the long-term trends and directions of functioning of the organised crime structures. **Fight against money laundering and prevention of the use of the financial system for money laundering and terrorist financing purposes**, will deal with the levels of policy, prevention, repression and training in the anti-money laundering and the countering of the financing of terrorism (AML/CFT area), along the lines of the four AML/CFT strategic themes specified in the National AML/CFT Strategy and its Action Plan.
- III. **Sustainable Integrated Border Management** that will ensure comprehensive and efficient safety and security of **movement** of citizens and goods through the borders as well as securing efficient functioning of IBM will be provided through adequate infrastructure and technical conditions, corresponding to EU standards and recommendations. **Migration management and Illegal migration** is a key priority for the development of a strategically, legally and institutionally arranged domain of migration.
- IV. **Respond to the needs of the IDP's and refugees** is a key priority for resolving their problems as it is stipulated in the National strategy for resolving the problems of refugees and internally displaced persons²².
- V. **Fight against trafficking in human beings** with special emphasis on the protection of human rights of victims is another strategic objective in this sector.

A review of the sector policies carried out by the General Secretariat of the Government jointly with the European Integration Office (in the end of 2013), resulted in production of "Discussion paper on moving to strategic framework for each sector in 2014-2020". The paper provides the assessment of the quality of sector strategies and on the basis of this has made a series of recommendations for the improvement of sector strategic frameworks. The results of this assessment have highlighted that the strategies developed in this sector are policy documents that set out the context and make a series of proposals. Strategic objectives are identified as well as the time for the implementation. However most of the strategies have expired without adoption of the action plan and for those that are still valid the action plans are yet to be adopted. The strategy on prevention and fight against organized crime is essentially a statement of good intentions, including mission, values, generic description of the likely damage caused by organised crime but the analysis of contributing factors to organised crime's development is too vague to be used for measure design. This makes the strategic framework in the sector an issue of priority in the context of designing effective and efficient policies and mechanism for addressing the areas of priority.

In addition, the strategic assessment found that the existing strategies do not cover the entire scope of the sector (as defined above). The main gap relates to crime prevention and detection. The strategies overlap considerably, right across the sector:

Organised crime is heavily involved in money laundering, human trafficking, and use of small arms and light weapons;

- Integrated border management is essential for migration management, combating illegal migration, combating human trafficking and the smuggling of small arms and light weapons;
- Migration management covers all aspects of people's movement within and outside Serbian borders, including emigration and immigration, asylum-seekers, refugees and IDPs, returnees on the basis of readmission agreements, and human trafficking (as well as Diaspora, and internal migration);
- National security subsumes defence and the financing of terrorist activities, and relies on effective border controls;
- Fire-fighting is one aspect of emergency management and civil protection.

While the strategies often cross-refer to each other (and other documents outside the sector), there is no sign of explicit coordination in their preparation to ensure synergies are taken fully into account, which is unsurprising given their different timeframes, and in the design of objectives and alignment of measures.

The process for drafting new strategic framework is underway and will take into account the findings of the strategic review. Some parts of the revised framework are already well advanced; in this respect it can be noted that a new Strategy for

²² For the period 2011 – 2014

Prevention and Suppression of Human Trafficking and Protection of Victims²³ has been prepared -awaiting adoption: the Strategy for Integrated Border Management (2012) was revised in November 2013 and the new Strategy and Action Plan for Fighting Terrorism are in the process of being finalised; the new Strategy for Fighting Money Laundering has been prepared and is awaiting adoption and a new Strategy for Combating and Prevention of Drug Abuse 2013-2020 is currently under preparation.

2.1.2. Institutional setting, leadership and capacity

Institutional setting

The Commissariat for Refugees and Migration (CRM) is the central focal point in **migration** management policies and established a unified system of data and information collection on migratory movements. Ministry in charge of home affairs - Border Police, the Department for Foreigners and the Criminal Police are the leading bodies in the fight against irregular migration. The labour inspectorate in the Ministry in charge of labour conducts inspections in high risk sectors for employing irregular migrants.

The institutional framework in the field of **asylum** is following: Ministry in charge of home affairs - running a procedure in 1st instance and passing a 1st instance decision (Asylum Office), Commissariat for Refugees and Migration - accommodation and provision of basic living conditions to asylum seekers and integration of persons who were granted an asylum (Asylum Centres), Ministry in charge of labour, employment and social policy - care of persons with special needs and social welfare of asylum seekers and persons who were granted an asylum (Social Welfare Centres), Ministry in charge of health - providing medical care to asylum seekers and persons who were granted an asylum (Health Centres). Procedural competence also belongs to: Asylum Commission - decides of appeals taken against 1st instance decisions (running a procedure in 2nd instance and passing a 2nd instance decision), Administrative Court - decides of suits taken against 2nd instance decisions - final decision.

In view of the **Visa Information System (VIS)**, institutional framework consists of the Ministry in charge of foreign affairs and its consular posts abroad and the Ministry in charge of home affairs.

Institutional framework related to **integrated border management**, and thus **external borders**, encompass following: the Border Police Directorate of the Ministry in charge of home affairs (as a single and centralized service, hierarchically organized at central, regional and local level), the Customs Administration of the Ministry in charge of finance, and the Veterinary and Phyto-Sanitary Inspection of the Ministry in charge of Agriculture. Those four border services, by their joint work at borders, should guarantee basic preconditions for an efficient system of control and surveillance at borders. The Customs Authority is an executive body within the ministry in charge of finance that executes the customs policy of the Republic. The Customs performs its activities organized in 15 regional customs units that conduct customs proceedings in the passenger and good transport – activities of the customs overseeing of the goods, combating illegal import, customs administrative and misdemeanour proceedings, sale of the customs goods and forcemeat enforcement of the customs duty. Regarding the fight against corruption at the borders, the Border Police Directorate is implementing parts of the National Strategy for the Fight Against Corruption (2013-18) and its accompanying Action Plan.

The main institutions responsible for the **fight against organised crime** are the Ministry in charge of home affairs and in particular the Special Service for Suppression of Organised Crime, the Security Information Agency and the Military Security Agency, the Special Department of the High Court in Belgrade and the Appellate Court in Belgrade, courts and Prosecution's Office for Organised Crime.

National institutions responsible for **financial investigations** are Ministry in charge of home affairs - Financial Investigation Unit, Office of the Prosecutor for Organized Crime, Administration for the Prevention of Money Laundering within the Ministry of Finance and within the Ministry in charge of justice - Directorate for Management of Seized Assets.

Relative to the **prevention and fight against money laundering and terrorism financing**, the key stakeholders include AML/CFT obliged entities (financial institutions and designated non-financial businesses and professions), supervisory authorities (e.g. National Bank of Serbia, Tax Administration, etc.) and relevant law-enforcement authorities (Prosecutors' Offices, police), but also other authorities, such as Security Information Agency, Anti-Corruption Agency, etc.

Operational **international police cooperation** is an important element of the operating procedures of the Special Service for Suppression of Organised Crime. It is achieved through the International Operational Police Co-operation Department through channels with Interpol, Europol and the Law Enforcement Centre in South East Europe (SELEC).

²³In March and April 2013, a publicdebate was held on these strategic documents andthey are expected to be adopted soon. STATEMENT byH.E. Mr. Feodor StarčevićPermanent Representative of the Republicof Serbia to the United Nations (13 May 2013)

The Department for Monitoring and Suppression of Violence at Sports Events - National Football Information Centre (NFIC) within the General Police Directorate of the Ministry in charge of home affairs operates as a centre for exchange of relevant information on sports events of national and international character and for international police cooperation related to football matches.

Concerning **trafficking** in human beings, National Co-ordinator was appointed within the Ministry in charge of home affairs. The State Agency for Co-ordination of Protection of trafficking victims ensures victims' referral to specialized institutions,

Government authorities in combating **high-tech crime** are following: Special Prosecutor's Office for the fight against cyber-crime; Higher Court in Belgrade; Ministry in charge of home affairs-Department for the Fight against Cyber Crime; Ministry in charge of telecommunications; The Republic Agency for Electronic Communications; Republic Radio Broadcasting Agency.

Ministry in charge of home affairs established services to combat **terrorism and extremism** in the Criminal Police Directorate. Service for the fight against terrorism and extremism, besides the Department for Combating Terrorism and the Department for Combating Extremism has four regional Divisions in Belgrade, Novi Sad, Nis and Novi Pazar. Other institutions involved are Security Information Agency, Military Security Agency and Military Intelligence Agency. In the area of the prevention of terrorism financing, Administration for the Prevention of Money Laundering is responsible for receiving, analysing and disseminating suspicious transaction reports received from AML/CFT obliged entities and is one of the authorities (within Ministry in charge of finance) responsible for the implementation of the relevant parts of the Acquis.

In January 2014, a new Service for Drug Prevention Addiction and Repression was created in the Ministry in charge of home affairs, a new department for the monitoring and prevention of misuse of psychoactive substances was established in the National Public Health Institute to serve as a national monitoring centre, and together with Customs administration they represent institutional framework for the **cooperation in the field of drugs**

Basic courts, as well as Commercial Courts and Administrative Courts (in respect of requests concerning their jurisdiction) are responsible for implementing the legal framework for **judicial cooperation in civil and commercial matters**. The Ministry in charge of justice is responsible for international cooperation in this area.

The competent institution for receiving and sending requests for international legal assistance is the Department for International Legal Assistance in criminal matters in the Ministry in charge of justice. Courts and the Republic Prosecutor Office are competent to act on requests from international judicial bodies.

Institutional leadership

The Home Affairs (HA) sector is led by the Ministry in charge of home affairs (hereafter the Ministry). One of its main responsibilities is leading the relevant sector institutions (as listed above) in the process of designing and implementing sector policies. In relation to negotiation process the Ministry has the leading role in chapter 24 and chairs the Negotiation Group for this chapter, but also, in cooperation with other ministries and relevant institutions, is involved in chapters 30 and 31.

Beside the Ministry, other institutions with the responsibilities in the HA sector, like Commissariat for Refugees and Migrations, Office for Kosovo and Metohija²⁴, administrative bodies within Ministries (Administration for the Prevention of Money Laundering, Customs Administration within the Ministry of Finance), etc. are supporting the processes of policy making, designing strategic and regulatory framework and participate in their implementation, monitoring and reporting in relation to their competences. Some authorities, such as the Administration for the Prevention of Money Laundering, in addition to contributing to Chapter 24, 31 and 23, is one of the leading institutions under Chapter 4 – Free Movement of Capital – which adds to the complexity of planning and calls for greater coordination of actions in various intertwined fields.

The overall planning and programming of international assistance (including the IPA II) is organised according the Sector Approach. It is nationally led and coordinated by the NIPAC/NIPAC Technical secretariat (NIPAC TS); however within the HA sector and with the view of introducing full-fledged sector approach, it is expected that the Ministry as the Sector Lead Institution would take overall management responsibility and responsibility in coordinating relevant sector institutions and providing the inputs to this SPD.

Institutional capacity

In line with detailed provisions of the respective procedures under Indirect Management of IPA II the programming and implementation and monitoring of EU funds functions are separated and organised under the Department of Finance, Human Resources and Common Affairs and Division for Management of EU Funded Projects within Ministry in charge of home

²⁴Office for Kosovo and Metohija performs tasks related to functioning of the institutions of the Republic of Serbia on the territory of Kosovo-Metohija; education, health care, social policy, culture, infrastructure, system of local self-government and telecommunications in Serbian populated areas; cooperation with Serbian Orthodox Church

affairs. The Division is organized into two Sections: (i) Section for Project Preparation and Programming and (ii) Section for Project Implementation and Monitoring; taken together these two Sections constitute the IPA Unit.

In period 2007-2013, Ministry received IPA funds of total value 13,800,000 EUR (IPA 2007, 2012 and 2013). In the context of IPA 2013 that will be implemented under Indirect Management, Ministry will have implementation responsibility for 2 contracts of total value of 3,380,000 EUR and will bear the role of direct beneficiary. In the context of Justice Sector, Ministry was identified as the beneficiary of IPA 2011 and 2012 assistance with total 7,000,000 EUR funds. With regards to IPA 2014 Action Document (AD), the Ministry will have implementation responsibility for 2 Twinning and 1 Supply contracts of total value 3,300,000 EUR. To date, the tendering and contracting of IPA 2013 has yet to be concluded; it is expected that this process will be postponed to 2015. Implementation of the contracts, in the earliest possible scenario, will start during (or by the end) of 2015. Sequencing of the proposed SPD actions/activities envisages that tendering of the majority of contracts is expected in 2016 and 2017 followed by their implementation from 2017 onwards. It may be concluded that significant overlap in tendering and implementation between contracts from IPA 2013 and those envisaged in SPD may happen in 2016, 2017 and 2018.

The Administration for the Prevention of Money Laundering was the main beneficiary of a 2.2-million-Euro worth MOLI-Serbia Project against money laundering and terrorism financing, under IPA 2010 that lasted from 15 November 2011 until 15 May 2013. Indirect MOLI-Serbia beneficiaries included the Ministry of Interior, Public Prosecutor's Office, National Bank of Serbia, Ministry of Defence, etc.

Commissariat for refugees and migration (CRM) has been accredited for the Indirect Management of IPA funds and, accordingly, has set up the necessary structures for programming and implementation of EU funded actions. In period 2007-2013, CRM has been indicated as the main beneficiary of IPA funds of total value 44,850,000 EUR (IPA 2007, 2008, 2009, 2011, 2012 and 2013). In the context of IPA 2013, CRM will be responsible for implementation of 1 contract of 950,000 EUR. In the context of IPA 2014 AD, CRM will have benefits of 1 Service contract and 1 Grant scheme (mutual cooperation with Office for Kosovo and Metohija) of total value of 6,400,000 EUR (that will be implemented under direct management by EUD). In case of 2 Service, 1 Supply and 1 Works (IPA 2014), CRM will bear full implementation responsibility under indirect management (total value 3,240,000 EUR).

In period 2007-2013, Office for Kosovo and Metohija (OKM) has been indicated as the main beneficiary of IPA funds of total value 7,700,000 EUR (IPA 2008, 2009, 2011 and 2013). Regarding IPA 2013 OKM will be responsible for implementation of 1 contract of 3,400,000 EUR. As already mentioned, Commissariat, together with the Office for Kosovo and Metohija, will be responsible for the Grant scheme within IPA 2014 AD, but also, OKM will be the main stakeholder – beneficiary related to activities of reconstruction at the three CCPs (Mucibabe, Jarinje, Konculj) that will be implemented through Indirect Management Delegation Agreement (IMDA) with UNOPS.

Sequencing of the proposed SPD actions/activities that relate to CRM and OKM implementation responsibilities, envisages that tendering of majority of the contracts is expected in 2017 followed by their implementation.

Administrative capacities within the sector have been assessed in the light of EC Progress Report 2014 (ECPR 2014) that highlights the need to strengthen administrative and human and technical capacities across all subsector areas.

2.1.3. Sector and donor coordination

Inter-institutional cooperation and coordination in different areas of the sector takes place on the basis of legal provisions. It is expected that in the light of fully flagged sector approach, the Ministry in charge of home affairs will bear main responsibilities for improvement and coordination of activities related to the preparation, management and monitoring of sector policies.

ECPR 2014 emphasise weaknesses in terms of coordination throughout different fields of the sector. This is particularly stressed out in relation to coordination among institutions involved in irregular migration and asylum, while inter-agency cooperation between the bodies operating at the borders and in the field of organised crime and terrorism need to be enhanced.

The coordination mechanism related to Serbia's EU accession negotiations is based on the establishment of Negotiating Groups per each Chapter of the *Acquis*. The ministry in charge of home affairs leads the Negotiation Group for Chapter 24 and is responsible for coordinating all other institutions participating in the Group in order to secure implementation of the activities related to participation in the screening; preparation of draft negotiating positions; development, review and monitoring of the implementation of the National Programme for the Adoption of the *Acquis*; responsibilities for the follow-up of European Union regulations; preparation of proposals for the planning of communication activities for the chapter 24.

With regards to coordination of activities related to the management of EU funds and other international assistance the **Sector Working Group (SWG)** for Home Affairs²⁵ has been established. The SWG is responsible for coordinating activities related to the programming and management of EU funds and other international assistance. Representatives of the donor community participate in the SWG meetings based on the needs and requirements of each SWG meeting and take part in consultation processes. The SWG also acts as the Sectorial Monitoring Subcommittee for IPA under the Indirect Management. NIPAC/NIPAC TS is responsible for coordination and ensuring the efficient functioning of all activities of the SWG.

NIPAC TS established a consultation mechanism with the Civil Society Organisation (CSOs). This mechanism is based on the consultative process with **Sectorial Civil Society Organisations (SECOs)** and serves as a platform which enables exchange of information and contribution of CSOs in relation to programming and monitoring of the international assistance including IPA. Members of SECO participate in SWG meetings based on the needs and requirements and take part in consultation processes. Another mechanism that allows involvement of CSOs in negotiations on the accession of the Republic of Serbia to the European Union has been established through the Office for Cooperation with Civil Society of the Government of the Republic of Serbia. During 2013 and 2014, Office for Cooperation with Civil Society in cooperation with the Negotiating team for the accession and relevant institutions for different negotiation chapters included CSOs in negotiations. CSO participation in this process so far included monitoring of explanatory screenings, participation in the preparation of the bilateral screening for some negotiating chapters and participation in briefing meetings that followed bilateral screenings.

2.1.4. Mid-term budgetary perspectives

As explained in Section 2.1.6 below, there is as yet no mid-term, sector-based, budgetary planning process in Serbia that could be used to develop mid-term expenditure frameworks across a whole sector. A major reform of the Serbian budgetary process will take place with the introduction of programme-based budgets (PBBs) for all direct budget beneficiaries from 2015 onwards. However, this reform aims to introduce strategic budget planning at the individual institutional level rather than at sectorial level. It will take several years yet before the PBB methodology can be used to develop mid-term sector budget planning. At present it is only possible to estimate sector budgets on the basis of individual annual budgets for the sector institutions and to gain a mid-term perspective by using the forward projections of these budgets made by government in the most recent Fiscal Strategy (*'Fiscal Strategy 2014 with projections for 2015-16'*).

Table 1 below, shows the annual budgets of the sector institutions identified in Section 2.1.2 (Institutional setting) over the period 2014-16. The figures for 2014 are taken from the *'Amended Budget Law of Republic of Serbia for 2014'*²⁶ and show actual budgets for:

- the sector lead institution;
- institutions that will be involved in the coordination, implementation and monitoring of activities planned in this SPD
- institutions that will be beneficiaries of actions planned in this SPD. The figures for 2015 and 2016 are taken from the Fiscal Strategy.

Table 1: Budget beneficiaries' expenditure ceilings, (in EUR) for the Home Affairs Sector

Institution	2014	2015	2016
Ministry of Interior	588.914.487	569.259.902	508.010.698
Fund for emergency situation	2.943.316	-	-
Administration for the Prevention of Money Laundering	534.024	-	-
Directorate for Execution of Criminal Sanctions	53.861.145	-	-
Directorate for Management of Seized Assets	278.114	-	-
Security Information Agency	41.726.726	38.409.041	35.010.516
Demining centre	145.455	141.187	127.976
Ministry of Defence	504.111.675	471.569.748	434.466.286

²⁵Based on the Article 21 of the Regulation on the Management of the EU Instrument for Pre-Accession Assistance within the Component I of the Instrument for Pre-Accession Assistance (IPA) - Transition Assistance and Institution Building for the period 2007-2013 ("Official Gazette of RS", No. 92/2013) and the GoS Act from 14 October 2013 No: 119-8403/2013

²⁶ Adopted October 2014

Office for Kosovo and Metohija	40.111.886	38.409.041	35.010.516
Office for Combating Drugs	88.064	-	-
Commissariat for Refuges and Migration	15.204.377	14.291.146	14.394.286
Total	1,247,919,269.00		

* The amounts in the Budget for 2014 and in the Fiscal Strategy for 2015 and 2016 are presented in RSD. Amounts in the Table above have been converted at the following exchange rates: 118.8 RSD: 1 EUR for 2014, 123 RSD: 1 EUR for 2015 and 126 RSD: 1 EUR for 2016 (National Bank)

The IPA funds planned within this SPD will add over 31MEUR to the sector budget as shown in Table 2 below.

Table 2: IPA Funds Allocated to the Implementation of the Home Affairs SPD (EUR)

2015	2016	2017	Total
32,368,000	x	16,320,000	48,688,000

2.1.5. Performance assessment framework

Sector Performance Assessment Framework (PAF) is currently under development. For time being sector PAF is based on two key mechanisms: (i) system of indicators which have been developed to accompany the document "National Priorities for International Assistance for period 2014-17 with 2020 projections (NAD)" and (ii) periodical review of the implementation of strategies and action plans relevant for the sector.

Result-based system of indicators accompanying the NAD defines baseline and target values (benchmarks) for a period up to 2020 and will be revised in 2017. Indicators are linked with the relevant sector priorities and measures defined in the NAD. Definition of the NAD indicators took into account availability of information and their sources (statistics, information that are collected by sector institutions, etc.); sector indicators used in the PEP (Pre-Accession Economic Program) and internationally accepted indicators measured by the relevant IO/IFIs. It is important to note that the NAD indicators and targets have been prepared by the responsible sector ministries in consultation process with SEIO, Sector Civil Society Organisations and key donors. NAD HA sector priorities were formulated at the level of national sector strategy objectives and are therefore set at the impact level of national public policies (Context indicators). The indicators at the level of NAD HA sector measures were designed to measure impact taking into account mainly international assistance (Programme indicators).

Having in mind this logic, the indicator matrix (section B6.7 of the NAD) has been prepared. The indicator matrix provides strategic and consolidated information required for monitoring and evaluation for easy reference and it contains:

- The definition of indicators and measurement units
- Baseline values from 2012 and targets set up by 2020
- Means of verification for each indicator, and
- Definition of the institutional responsibilities related to collection and submission of data on indicator to the SEIO.

As the priorities and measures defined in the NAD and Action Plan for Chapter 24 serve as the basis for development of this Home Affairs SPD, a set of indicator are transferred as well on appropriate level in the SPD intervention logic, and these are:

Action 1 Prevention and fight against crime

NAD Indicators:

- Number of criminal offences recorded by police according to EUROSTAT methodology
- % of implementing activities from Action plan of Ministry in charge of home affairs development strategy (2011-2016) annually
- Establishing transparent record of organised crime activities
- The number of prosecutions launched
- Number of proactive intelligence-led cases compared to re-actively opened cases

AP chapter 24 Indicators:

- Number of conducted training sessions in the area of money laundering;

- Increased number of employees in Financial Investigations Unit - 56 officer employed in Fin. Investigations Unit ; trainings conducted
- Security standards and recommendations defined by EUROPOL documents fulfilled, adequate level of physical security of premises ensured, procedures developed, missing equipment procured
- Equipment and software procured and put in operation; technical preconditions established for recording queries to the national database of fingertips, vehicle registration and DNA; recording queries about completed checks in the database; recording hits;
- Strengthening of institutional and administrative framework for fight against drugs.

AP Chapter 23 indicators

- Capacities of internal control within The Ministry in charge of home affairs strengthened
- Training police in relation to integrity performed.

Action 2 Enhancing border control

NAD Indicators:

- The level of illegal migrants reduced.
- Improved infrastructure and equipment on border-crossings
- % of number of border crossings covered by synchronized IT system

AP chapter 24 Indicators:

- Number of border police officials trained in the field of risk analysis
- Number of border police officials trained for using the new equipment and data bases
- Strengthened the Border Police capacities
- Measures plan to prevent corruption of employees of all border services containing mechanism for monitoring the implementation of the plan drafted
- Measures plan to prevent corruption of employees of all border services containing mechanism for monitoring the implementation of the plan drafted
- Joint trainings of all border services delivered. Evaluation of delivered trainings conducted.
- -Total No. of trainees beneficiary of joint trainings
- Introduction of new data exchange systems (I-link, SIRENA, SIS 2, PRUM, SIENA), standards on personal data protection and data confidentiality, access to the Schengen Information System
- Number of automated entries and cancellations of passenger motor vehicles in the INTERPOL and SIS II database;

Action 3 Enhancing migration management

- % of implemented relevant activities envisaged by AP for Ch. 24

Action 4 Support to the needs of IDPs

- Number of supported IDP and returnee families

Ministry in charge of home affairs is the Sector Lead Institution and bears full responsibility for overall management and implementation of all SPD measures thus will be responsible institution for collecting data and reporting to SEIO (NIPAC TS). Bodies responsible for activities shall act as monitoring data provider to the Sector Lead Institution and are responsible to provide validated and accurate data for the indicators as determined by the indicator tables presented in the section 3.2 of the SPD. Monitoring data sent by SLI to the SEIO will be analysed and stored in the SEIO database (ISDACON) and used to compile regular SEIO reports on the use and performance of international assistance.

2.1.6. Public finance management

Serbia is committed to engage in the comprehensive reform of public financial management (PFM). This area is acknowledged to be an important aspect of public administration reform and is partly covered under the new public administration reform strategy. The Ministry in charge of finance is preparing a PFM reform programme which aims to sequence the reform actions in different parts of the public finance system. The reform programme is expected to address a number of challenges that Serbia faces, including improvement of revenue administration and tax collection, transition to a medium-term expenditure framework and multi-year programme budgeting, more efficiency in debt management policy, in accounting and reporting, in public procurement, in public internal financial control, antifraud measures and external audit.

The new public administration reform strategy which was adopted in January 2014 includes public internal financial control (PIFC) among its priorities. A new PIFC strategy and an action plan for 2015-19 are under preparation and PIFC is expected to be embedded in a wider framework for reform of public financial management. Implementation of financial management

and control is at an early stage and risk management is not applied systematically. Implementing legislation to better define managerial accountability still remains to be developed. Understanding of the managerial accountability principle and internal control standards at central and local levels and in publicly owned enterprises is still weak and needs to be further developed among senior managers. The centralised budget inspection function has yet to be developed and regulated in line with PIFC requirements. In the area of external audit, the State Audit Institution (SAI) published its first performance audit report in June 2014. According to EC Progress report 2014, the 2013 audit programme was implemented on time, but audit capacity is still insufficient to ensure full audit coverage. Some progress has been made in the area of financial control. Considerable efforts are needed with implementation of PIFC at all levels of the public administration. A new PIFC strategy and an action plan need to be developed for 2015-2019. In the area of the protection of the EU's financial interests, the national anti-fraud coordination service needs to become operational (page 63-64).

Several assessments of the PFM have been done in Serbia in the recent years. In the recent period, the EU supported PIFC. According to recent assessments efforts should be targeted on managerial accountability in the context of use of public funds (PIFC) and establishing a parallel management and control system for decentralised management of EU pre-accession assistance under IPA. In addition, in the near future, the question of creating of several Contracting Authorities will become important and managerial accountability should be improved at ministerial/institutional level. PFM situation needs special attention as a series of issues: the preparation of medium-term plans, PFM Strategy, PFM Action Plan and PFM coordination platform. The assessment of the Expenditure Management System has been done in Serbia through the PEFA assessment in 2010 (A new PEFA assessment is expected in the coming period and should be done through an EU funded project.). The 2010 Public Expenditure and Financial Accountability Assessment (PEFA) report highlighted important challenges which largely remain valid to date. The Annex 4 gives results of the PEFA Indicators and Dimension Scores for some indicators related to the Policy-based budgeting and the Comprehensiveness and Transparency. The weakest area seems to be budget planning, including policy based budgeting and planning for investment cycles. Important steps in this direction are being currently undertaken with preparations for programme budgeting which is legally mandated to be introduced in year 2015 for all budget beneficiaries. The report is more positive regarding capacity and modernization of tax and customs administration. Also public internal financial control is in place, but needs further development, capacity building, and putting more stress on management accountability. In public procurement, lack of capacity and better designed of complaint procedures is highlighted.

The introduction of a Programme-Based Budget (PBB) is of major importance for the improvement of public finance, as it enables continuous multi-year financing of priority policies, programmes and projects. By the end of 2013 a comprehensive preparation of institutions has been conducted for the introduction of programme budgeting. By the end of 2013, fourteen (14) Serbian pilot institutions have adopted Programme Based Budget. During 2014, the preparation of institutions for the introduction of Programme budgeting will continue, as it is planned for the 2015 budget year according to the Budget System Law. To this end, methodology for regulating the manner of creation and the content of the programme budget for all budget users will be determined. The Methodology on Programme based budget has been included in the draft of the Budget Law. Early 2014, The Ministry of finance is still fine-tuning the Methodology on Programme based budget with the support of USAID. The Fiscal Strategy 2014 (with 2015 and 2016) indicates as goal for the coming period the development of the strategic planning and coordination with public policies and their link with the Programme budgeting. Programme-Based Budgeting (PBB) contributes to improve expenditure efficiency and effectiveness by linking funding to results, by use of performance information to achieve that linkage. Good expenditure prioritization is particularly essential when the Government face new and unexpected challenges which require substantial expenditure responses in the context of limited internal and external resources. A Programme-Based Budget, implemented successfully, can provide improvement in economic governance. It provides mechanisms by which a government can make decisions about the efficacy of budget allocations and determine whether policy objectives are being met or not.

Programme-based budgeting is one of the last actions in the sequencing of PFM reforms. The Programme budgeting reform has started several years ago and several reviews on it have been conducted. The programme budgeting (PB) should be implemented by 2015 in accordance with the Law. This is an important ongoing reform which will have important consequences, both at budgeting and institutional level. The budget structure has been modified in the 2014 budget by the introduction of the Programme based budget hierarchy and new classification with Programmes, Projects, and Activities. There are 24 sectors in the PBB. These changes are functional, programme oriented and operational. Establishment of goals and objectives of Programmes / Sub-Programmes should be done with a clear link to the Strategies (Action Plans). Mechanism for monitoring should be developed and introduced. Currently allocations are still done on linear institutional level and not at a sectorial level. At this stage the PBB cannot be considered as a sectorial budget.

In the Home affairs sector, the Commission for Refugees and Migration is one of the 14 pilot institutions that are implementing currently a Programme based budget.

In the Commission for Refugees and Migration, there are two programs:

- Coordinated management of migration with 1 related project

- Missing Persons with 1 related project

2.1.7. Macro-economic framework

The table below shows the values of key macro-economic indicators for Serbia from 2008 up to the present and, where data are available, makes projections until 2016/ 17. The economy was in recession in 2009 and 2012 and the real annual decrease of the Gross Domestic Product(GDP) amounted 1.7%. The fiscal consolidation measures passed in autumn 2012 have led to a certain degree of stability in public finances, but in spite of those measures the budget deficit (consolidated fiscal result) in 2012 increased to 6.4% of the GDP and the public debt to 59% of GDP. In 2013 the macroeconomic situation was still very difficult but there was an economic recovery led by the growth of the industrial and agricultural production and net export growth. Export of motor vehicles, electrical machines and devices, painted metals, metal products and fruit and vegetables, constituting 35.8% of the total export, contributed the most to the export growth. Due to the favourable agricultural season the renewal of the industrial production and net export growth, the real GDP growth in 2013 was 2%. The economic recovery in 2013 was notable since it was achieved despite the worsening economic prospects of Serbia's main trading partners in the region and in the Eurozone.

Macro-economic trends and forecast 2008-2017

Main macroeconomic Indicators	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP, real change in %(COM, IMF, NBS)	3.8	-3.5	1.0	1.6	-1.5	2.0	-1,0(b)	-0,5(b)	2.50(c)	3,5(c)
Unemployment rate - LFS, in %, average (COM, IMF)	14.7	16.1	19.2	23.0	23.9	22.1	22.6	22.5	-	-
Inflation %(COM, IMF, NBS)	8.6	8.4	6.5	11.0	7.8	7.8	3.8	4.5	4	-
Gross fixed capital formation (COM)	1.9 -	-9.1	2.0	8.4	-3.4	7.4	5,5	9,8	-	-
Fiscal balance in % of GDP (IMF)	-2,7	-4,6 -	-4,9	-5,1	-7,6	-7,3	-7,8	-8,2	-8,8	-
Public debt in % of GDP (COM)	34,2	34,0	43,5	46,0	59,0e	63,2	70,7	74,4(a)	69,7(a)	-
Current account deficit (in % of GDP) (IMF, COM, NBS)	21,6	-15,3	-11,6	-7,5	-8,9	-8,3	-5,0	-	-	-
Consolidated fiscal result (in % of GDP (NBS)	-2,6	-4,5	-4,7	-5,0	-6,4	-5,4	-7,83	-8,2	-8,8	-
Exports of goods and services (COM)	2,6	-4,6	5,2	1,3	1,8	4,4	5,3	4,9	6,9	-
Imports of goods and services (COM)	4,7	-12,1	1,7	4,4	1,5	3,1	2,4	3,6	6,7	-
Trade balance* 3.3 (COM)	-26,0	-17,1	-16,5	-16,9	-18,2	-15,2	-11,9	-11,4	-14,9	-
FDI inflow, EUR mn (IMF, EBRD)	3,8	4,7	3,1	5,8	0,8	3,1	2,4	3	2,8	-

Sources: EU Commission (COM), IMF, EBRD, WB, Fiscal Strategy, PEP, NBS

(a)EU Commission, (b): NBS, (c)IMF

Macroeconomic projections for the period in 2014 to 2016, indicate a slow path to recovery. The economy contracted in the first half of 2014 according to the EC (spring report 2014) and IMF with estimated growth rates of 1.1% and 1.5-1.9% for 2014 and 2015 respectively. However, domestic estimates are more pessimistic with the National Bank of Serbia forecasting an economic contraction -1,0% in 2014 and -0,5% in 2015 (as shown in the table above). In addition to structural problems, the Serbian economy also reflects the adverse effects of the heavy floods in spring 2014 which hit agriculture and damaged transport and, in particular, energy infrastructure. The floods had a marked negative impact on the economy and industrial activity in sectors heavily damaged by the flood (e.g. mining and energy) strongly deteriorated. Industrial production fell by an average of 11.8% over the months of June-August 2014. Manufacturing dropped as well, led by a steep decline in the production of motor vehicles. The envisaged growth profile over 2016-17 depends crucially on increased investment, linked to the country's EU accession prospects, an acceleration of domestic reforms, and a steady growth in exports. Despite a new round of fiscal consolidation efforts, increased spending is foreseen to keep the planned deficit high at 5.5 % of GDP in 2014.

The National Bank of Serbia has set an inflation target of 4 %, $\pm 1.5\%$. After staying at the average of 7.8% in 2013, inflation decelerated strongly, influenced by weak demand, a relatively stable exchange rate, dampened food prices after a good harvest and further reduction of tariff protection under the Stabilisation and Association Agreement. Since October 2013, monthly inflation rates have averaged 0.1 % until August and year-on-year inflation stayed mostly below the target band, the central bank missing its target for six consecutive months. The central bank reduced its key policy rate only gradually, from 11 % in September 2013 to 8.5 % by mid-June 2014. According to the EC, inflation will accelerate from 3.8% in 2014 to 4.5% in 2015 but will stay within the central bank's target tolerance band of 2.5% to 5.5%.

The public debt to GDP ratio in fourth quarter of 2013 was 63.7%, it grew steeply to 70.7% in 2014 and is forecast by the National Bank to rise to 74.4% by 2015. In the period between 2008 and 2013, Serbia's budget deficit rose on average 1.5% annually, faster than in other countries in the region, and public debt two times faster as public companies and banks eroded public finances. Inflation is set to decelerate to the National Bank of Serbia's target tolerance band. Serbia's budget gap has been on a steady upward trend during the past four years. In January 2014, Fitch Ratings has downgraded Serbia's long-term foreign and local currency Issuer Default Ratings (IDR) to B+ from BB- and the country's ceiling to B+ from BB-, citing continuous deterioration of public finances. The rating agency expects Serbia's consolidated general government deficit to increase for the fourth year in a row to 7.1% of GDP in 2014 from an estimated 6.5% in 2013. It pointed out that Serbia has overshoot its original consolidated deficit targets in 2012 and 2013, notably as a result of the restructuring of state-owned enterprises and the recapitalisation of state-owned banks.

High unemployment is a key policy concern. There are wide and growing discrepancies between different sources of data about the labour market. There are also huge differences between regions (e.g. in South of Serbia unemployment rate is over 40%). Managing the social and regional implications of high unemployment would require a sustained commitment from the budget and active labour market measures to address youth and long-term unemployment. Unemployment stood very high at an average of 22.1 % in 2013. According to the Labour Force Survey (LFS), it remained above 20 % in the first half of 2014. The number of registered employed has steadily declined and a fifth of total employment is in agriculture and about a third in the public sector, revealing deep-seated structural problems. According to the LFS, informal employment remains substantial and has further increased. The activity rate of the population aged 20-64 is comparably low at 66 %, as is the employment rate, which stood at 51.2 % in 2013. In a step towards reversing growing public employment, the government adopted a partial hiring freeze in January. However, strict implementation of the envisaged public administration reform is needed to streamline the bloated public sector and to tackle the unfounded salary differentials in the public administration. Long-term and youth unemployment are very high and active labour market programmes remain underfunded. Following a few months of real growth in the autumn, gross wages fell throughout most of the period and by an average of 1.0 % in the first seven months of 2014. A number of labour market rigidities have been addressed with the recently adopted revision of the Labour law. According to EU Commission deep-seated structural problems and a weak economy keep unemployment very high.

The Serbian public sector is large in Serbia and stabilising the macroeconomic framework will pass by major reforms in the public sector. The deficit to GDP ratio has increased over the last years and so has debt to GDP reaching 62% GDP. These major reforms will not only improve efficiency of the public sector but most importantly improve the fiscal consolidation needed for a sustainable growth. The government structural reform agenda aims to improve labour market efficiency, strengthen pension system finances, and reform bankruptcy law. The current policymaking challenges are vast, especially for fiscal consolidation. The government faces measures such as shrinking the public-sector wage bill; lowering subsidies to State-owned enterprises (SOEs) and improving their profitability (the government intends to wind down or privatize 179 SOEs in coordination with the World Bank); and improving tax collection and administration. The competitiveness of Serbia and its fiscal sustainability will depend largely on the public sector reforms. Improvement of public finances require more than short-term reduction of expenditures and require the immediate start of major long-delayed long-term structural reforms to take place in the labour market, the pension system (third of revenues) but most of all the privatisation of public enterprises and the related necessary development of entrepreneurship and SMEs.

A new round of consolidation measures was implemented at the beginning of 2014, which saw the reduced VAT rate raised from 8 % to 10 %, progressive reduction of public sector wages and limitations on public sector employment. Amendments to the pension and disability insurance law were adopted in July — a welcome step towards improving the long-term sustainability of the pension system. Penalties for early retirement were introduced and the retirement age for women is set to gradually increase to 65 years, equalising with that for men in 2032. Other reforms, with a potentially large budgetary impact, like finalising the process of enterprise restructuring or improving the efficiency of big state-owned companies, suffered continuous delays. A process of modernisation of costly public administration was launched with the adoption of a public administration reform strategy in the end of 2013 but more efforts would be needed for its sustained implementation. Repeating a pattern from previous years revenues underperformed and, by the end of July, the budget deficit expanded by 21 % to 2.7 % of the expected GDP.

2.2. Overall assessment

Home Affairs is a broad sector and is covered by several sub-sector strategies. Strategic orientation and vision for the development in this Sector is described in sub-sector strategies. For the period up to 2016, as indicated above, Strengthen the security of citizens through democratic, responsible and efficient police service is the main strategic vision and key priority described in the Development Strategy of the Ministry of Interior which also defines values and mission for the coming period up to 2016. According to the National Strategy on prevention and fight against organised crime, the Prevention and fight against organised crime, foresees capacities of the Republic of Serbia for prevention and reduction of the organized crime to the lowest possible rate following the long-term trends and directions of functioning of the organised crime structures. The overall objective of the 2015-2019 National AML/CFT Strategy, echoing the FATF's high-level objective in implementing AML/CFT measures, is to protect Serbia's financial system and its economy of from the threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security. Sustainable Integrated Border Management is also an objective that will ensure comprehensive and efficient safety and security of movement of citizens and goods. In addition, Migration management and Illegal migration is a key priority for the development of a strategically, legally and institutionally arranged domain of migration. Respond to the needs of the IDP's and refugees is a key priority for resolving their problems as it is stipulated in the National strategy for resolving the problems of refugees and internally displaced persons (for the period 2011-2014). Fight against trafficking in human beings with special emphasis on the protection of human rights of victims is another strategic objective in this sector. For the period up to 2020, revision and drafting of Strategies are expected. In 2013 SEIO launched an initiative to reduce the large number of sector strategies by fostering the development of overarching strategies covering the broader sub-sectors. The strategic review is underway and being led by the Sector for Public Policies which provides assistance to ministries on the methodology for sector strategic planning. The updated strategic framework will be completed within the lifetime of this SPD.

The sector is led by the Ministry in charge of home affairs. Taking into account national sector policies deployed among crucial strategies described above, the need for more coherent policy formulation is more than evident. Furthermore, the mechanisms for coordination of the implementation of these policies needs to be further reinforced, especially on the eve of opening of the Chapter 24, which requires particular attention in terms of human resources. Coordination framework for this sector is straightforward, having in mid that the existing structure of the ministerial task for the functions under the Home Affairs sector are within the Ministry in charge of home affairs and few other Institutions. Cooperation with other bodies is also well developed.

Considering the numerous indicators for measuring the progress on different levels, it represent key impediment to successful implementation of the Home Affairs sector policies together with the support actions envisaged in this SPD in following sections. Moreover, the key undergoing policies encompassing the Home Affairs sector, as described in the section above in context of the sector scope, that is Improving the overall security and fight against crime and ensuring integrated border management and management of migration flows. Therefore, carefully tailored polices in this sector and enabling enough resources for its coordination and implementation would be of utmost importance for its effectiveness. The key reform measures have been already addressed and once monitoring and evaluation mechanism established, the Home Affairs sector could provide data for impacting the economic development, continuously following trends of European policies. Programming of actions under this SPD envisages support which will have impact of the harmonization process and in line with the Action Plan for Chapter 24 and some relevant areas in Action Plan 23.

3. RELEVANCE WITH OTHER POLICIES AND STRATEGIES

The Accession Partnership (AP)/ European Partnership (EP)

After being granted Candidate Country status in December 2012, on June 28 2013 the European Council endorsed the Council of Ministers conclusions and recommendations to open accession negotiations with Serbia, and announced that they would commence by January 2014 at the latest. The accession negotiations started on January 21st 2014. The start of negotiations will represent a major change in relations with the EU and will significantly shape the work of the public administration for the coming years.

Stabilisation and Association Agreement (SAA)

Article 6: Serbia commits itself to continue to foster cooperation and good neighbourly relations with the other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest, notably those related to border management and combating organised crime, corruption, money laundering, illegal migration and trafficking, including in particular in human beings, small arms and light weapons, as well as illicit drugs. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and thus contributes to regional stability.

Article 80: Reinforcement of institutions and rule of law - In their cooperation on justice, freedom and security, the Parties shall attach particular importance to the consolidation of the rule of law, and the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the administration of justice in particular. Cooperation shall notably aim at strengthening the independence of the judiciary and improving its efficiency, improving the functioning of the police and other law enforcement bodies, providing adequate training and fighting corruption and organised crime.

Article 86: Preventing and combating organised crime and other illegal activities. Regional cooperation and compliance with recognised international standards in combating organised crime shall be promoted.

The NPAA (National Plan for the Adoption of the Acquis) 2014-2018

The NPAA represents a multiannual programme of all legislation to be adopted in order to implement obligations from the SAA²⁷ and prepare for further alignment with the *Acquis*. The document defines development and strategic goals, relevant policies, reforms and measures (2014-2018)

The NPAA defines priorities and measures for the forthcoming period for the Chapter 24:

External border and Schengen

In regard to the border management the priorities are related to development of organisational structure and operational effectiveness of border police at all levels of organisation in accordance with the best EU practices and standard in accordance with the Schengen Action Plan; Updating the curricula for specialist training of border police; Building and modernising facilities and infrastructure at border crossings, with the goal of faster movement of people and goods, and raising the quality of border controls; and further modernisation and improvement of infrastructure and equipment at border crossings, for the purpose of surveillance and providing state border security as well as other societal issues such as human rights, regional Partnerships and increased engagement by CSO. Also, it is planned to complete activities on the establishment and operation of joint contact services/centres on the borders with neighbouring countries. Establish joint patrols and joint border crossings where the need arises. It is also planned to adapt the legal framework to allow handling of the border police in accordance with European standards and to implement the Convention on Police Cooperation in South East Europe, as well as to sign of the protocol on the particular forms of cross-border cooperation (joint patrols, joint risk analysis, joint contact centres, joint border crossings, etc...). Regarding the policy framework, Serbia needs to adopt a new multi-year strategy and action plan based on the concept of integrated border management to be applied in the EU. Strategy and Action Plan should include evaluation mechanisms; Adoption of a new strategy for integrated border management is planned for the end of 2016. Preparations are underway for the development of the Protocol on the exchange of information between the services involved in the system of integrated border management in the Republic of Serbia.

Migration Management

The priorities for Migration management are completing of the regulatory framework for implementation of the Law on Foreigners; Creating a Central data base of foreigners connected to all the authorities involved in visa issuing procedures, residence and work permits (Ministry in charge of foreign affairs, Ministry in charge of home affairs, National Employment Service); Issuing biometric documents for foreigners and development of a new Strategy and Action Plan to Combat Illegal Migration; and improving the position of particularly vulnerable groups, especially social inclusion of children with disabilities and adults with intellectual disabilities and mental health problems, as well as victims of human trafficking. During the period 2014-2018, it is planned to complete the legislation in the area of migration and to analyze the training needs of police and other government officials in the field of legal migration for the efficient and uniform application of the new

Visa policy

For the Visa policy, establishment of a full visa information system that would be linked to diplomatic missions, Ministry in charge of foreign affairs, Ministry in charge of home affairs, border crossings and area police administrations is priority.

Asylum

During forthcoming period, priority will be full harmonisation of national legislation in the field of asylum with all relevant EU directives, as well as full implementation of all standards that apply to this area in the territory of EU member states. In addition, full consideration will be given to expanding the existing capacities to accommodate asylum seekers, as well as to improve the efficiency of the procedure to test the merits of asylum applications (to reduce the time required for the

²⁷ "The Stabilisation and Association Agreement (SAA) and the Interim Agreement on Trade and Trade-Related Matters (ITA) were signed on 29 April 2008. The Serbian National Assembly ratified the SAA and ITA on 9 September 2008 (Official Gazette of RS No. 83/08). The ITA came into force on 1 February 2010 after being ratified in December 2009. The SAA is still in the ratification phase having been ratified by 26 of the 27 EU Member States

processing, while improving the quality of processing of application), which would, among other things, lead to the fact that, in the ordinary state of things, decrease risks of lack of capacities

Police cooperation and fight against organized crime

Legal framework for the police cooperation and the fight against organised crime is planned to be completely set up by 2016, by adopting organisational structure and to develop administrative capacities, especially databases needed to establish the NCIS and to have it implemented in at least two organisational units of the Ministry in charge of home affairs. In the period 2014-2018, efficient tools for strategic analysis and proactive investigations should be developed. It is also planned to develop a unified registration system in the fight against organized crime in order to provide credible information on the progress of specific criminal cases. It will be necessary to provide and develop qualified staff in public bodies responsible for the fight against organized crime, with a focus on objective criteria and a high selection, development and career advancement based on merit and results. It will be necessary to take measures relating to the implementation and development process proactive investigations, to establish and develop a system of effective tools for strategic analysis of organized crime groups and improve the coordination and cooperation of bodies involved in combating organized crime. .

In relation to Cooperation in the fight against drugs planned activities are: Drafting of a strategy for supervision in the field of controlled psychotropic substances and precursors; Amendments to the Law on psychoactive controlled substances in accordance with Council Decision 2005/387/JHA; Amendment of the Law on substances used in the illicit production of narcotic drugs and psychotropic substances (precursors) in accordance with Regulation (EC) No 273/2004; Drafting of by-laws related to the Law on psychoactive controlled substances; Drafting of by-laws related to the Law on substances used in the illicit production of narcotic drugs and psychotropic substances (precursors); Establishment and institutionalisation of a national centre for the collection, processing and reporting; Drafting of by-laws regulating the field of drug abuse prevention, treatment and rehabilitation; Evaluation of the National Strategy for the Fight against Drugs 2009-2013; and Implementation of the ESPAD survey.

With regard to the Administration for the Prevention of Money Laundering, it will be necessary to strengthen its analytical capacity of the, in terms of spatial and technical, personnel, information technology and professional equipment, deploy a police liaison to the Administration for the Prevention of Money Laundering, which will have direct access to the database of the Ministry of Interior, analyse APML's business process and improve them and in accordance with the analysis, organize ongoing training of APML staff in the area of tactical and strategic analysis and other relevant training. .

Concerning police co-operation, effective implementation of the Law on Ratification of the Agreement on Operational and Strategic Cooperation between the Republic of Serbia and the European Police Office in connection with which it will implement the following measures: Support the administrative and technical capacity of the National EUROPOL units in order to carry out tasks within its competence as a central contact point between the other competent authorities of the Republic of Serbia and EUROPOL, in terms of the exchange of data 24 hours a day, review, correction and/or deletion of personal data submission EUROPOL of information to store in its database; selection and deployment of at least one police liaison officer to the headquarters of Europol National Units from EUROPOL-a, etc. defining procedures for automatic simultaneous testing of national and Schengen Information System (SIS) and INTERPOL's database. Strengthening the capacity of national football information points to the football game (NFIP) through the training of its officers; Implementation of the National Plan for the Fight against violence and misbehaviour at sports events. Development of single information system for the automated exchange of DNA profile data about fingerprints and vehicle registration data by the principle of "hit/no hit" in relation to the enforcement and prevention of criminal offenses and maintain public safety.

In the area of Customs cooperation activities are going to be focused on revision of the Strategy on Information and Communication Technology of the Customs Administration for the period 2011–2020.

Fight against terrorism and extremism

A draft law on freezing of assets with the aim of preventing terrorism has been adopted by the Government and submitted for approval by the National Assembly of the Republic of Serbia. The 2015-2019 National AML/CFT Strategy and the Action Plan have been sent to the Government of the Republic of Serbia for adoption. The actions from the Action Plan will be implemented from 2015 to 2019; the Action Plan will be revised after two years of implementation. It is planned to implement the Action Plan that follows the national strategy.

Cooperation in the field of drugs

The adoption of a national strategy for the period 2014- 2021 is underway and Action plan for its implementation for the period 2014-2017 in line with the European Strategy on Drugs (2013-2020) and Action Plan (2013-2016) (Deadline: end of 2014).For the first half 2016, it is planned to Improve the capacity of the national center for the collection, processing and reporting of the Ministry of Health. It is planned to Improve before the end of 2015 the capacity of the Ministry in charge of home affairs of Serbia in accordance with the recommendations of the Council of 25 April on improving investigation methods in the fight against organized crime linked to organized drug trafficking: simultaneous investigations of drug trafficking by criminal organizations and their assets. Continuation of the systematic destruction of all confiscated drugs

based on legally issued court rulings, and promotion practices accordingly exchanged experiences in terms of legislation and good practices with EU Member States.

National Priorities for International Assistance 2014-17 with projections to 2020 (NAD) defines following priorities within the Home Affairs sector: 1) *Improving of overall security and fight against crime* - envisages attainment of this priority by focusing and implementation of strategic and normative framework for crime fighting and prevention and by strengthening the capacities of state authorities to efficiently process cases of organised crime, corruption, money laundering and terrorism financing, terrorism, war crimes and other criminal acts; 2) Ensuring integrated border management and management of migration flows - directly addresses key themes covered by the integrated border management national priority.

EC Progress Report 2014

Notwithstanding the fact that the European Commission's Progress Report for Serbia 2014 maintains an overall positive undertone, a more detailed analysis reveals that, compared to the previous year, in 2014 there has been a significant slowdown in the process of implementing reforms. Namely, the progress in chapter 24 was graded as limited, which is one degree less than in the previous year due to its ineffective approach in dealing with the organized crime, as well as with addressing asylum and migration related issues. In its conclusion, the ECPR 2014 underlines need to strengthen migration management and asylum policies and procedures alongside the need to deal with unfounded asylum applications lodged by Serbia's nationals in the EU Member States. In the field of border control, a risk analysis system is needed as well as increasing the inter-agency cooperation between the services operating at the borders. Further alignment with the EU acquis, in the field of cooperation between the judiciary, law enforcement and non-law-enforcement bodies is also highlighted. With regards to international and regional police and judicial cooperation, a track record of proactive investigations and final convictions needs to be established. Financial investigations in conjunction with complex criminal investigations need to be systematically addressed, while strategic threat assessment on organised crime is lacking.

With regards to administrative capacities within the sector, the EC Progress Report 2014 (ECPR 2014) highlights following: In the field of migration, upgrading and adapting reception and accommodation capacity is needed, but also it is needed to ensure sufficient and well-trained staff to deal with migratory pressure; in the field of asylum it is needed to secure sufficient and well-trained staff to handle an increasing number of applications and to strengthen accommodation capacity, also it is necessary to enhance capacity and resources for integrating Serbian returnees from the EU; in the field of judicial cooperation in civil and criminal matters, administrative capacities and necessary infrastructure to reply promptly to requests for mutual legal assistance and, later on, to apply the principle of mutual recognition are still in-adequate; In the area of police cooperation and the fight against organised crime, report emphasis, that although new services within the Ministry have been established, most positions still have to be filled and staff trained and equipped; lack of progress in building capacity to carry out financial investigations and criminal investigations, further improvement of human resources management in the Ministry, sufficient resources in terms of staff and capacity and storage space of the Directorate that manages seized assets need to be secured, capacities of the High-Tech Crime Unit should be strengthened, capacities of Judiciary and law enforcement services need to be improved to handle money laundering and financial crime cases more efficiently, capacities in the field of human trafficking require strengthening, newly set up services for fight against terrorism need to be fully staffed, as well as in a new Service for Drug Prevention Addiction and Repression; also the investigative powers of the custom officers and the scope for exchanging data with other agencies at the border need to be expanded.

ECPR 2014 emphasise weaknesses in terms of coordination throughout different fields of the sector. This is particularly stressed out in relation to coordination among institutions involved in irregular migration and asylum, while inter-agency cooperation between the bodies operating at the borders (including further modernisation of crossing points) and in the field of organised crime and terrorism need to be enhanced.

Draft Action Plan Chapter 24 - Recommendation 6.2.2, Prepare for the establishment of a single centralised criminal intelligence system and a safe platform for communicating between law enforcement bodies. Ensure better connection of relevant databases (including an analysis of the costs, administrative resources, budget and training needs) and improve the collection of unified crime statistics. Activity 6.2.2.3, Develop the plan to implement the adopted model.

6.2.2.4, Develop the normative framework to enable automated data exchange between law enforcement authorities in charge of the fight against organised crime.

6.2.2.5, Define and prepare technical preconditions to enable automated data exchange between law enforcement authorities in charge of the fight against organised crime.

Draft Action Plan Chapter 24 - Recommendation 4.6. Prepare a draft of comprehensive measures to improve the fight against corruption at the borders, covering all agencies active at the border, activity 4.6.4, Prepare a curriculum for joint training of staff of all agencies active at the border on the suppression of all forms of corruptive behaviour.

The importance of contribution to regional, EU , cross border and international efforts in this field, through collecting evidence, analysis, investigations and international police cooperation is emphasized in the Action Plan for Chapter 24, recommendations and activities: 4.6; 6.1.2./6.1.1.2, 6.2.1, 6.2.4, 6.2.5/6.2.5.4; 8.1.4/8.1.4.1, 8.1.4.2.

Draft Action Plan Chapter 24- Recommendation 92, Activity 9.2.2. Participation in Project of the Ministry of Interior aimed at adopting the updated strategy of integrated border management in order to establish a systemic access to databases and exchange information among the control agencies at the border.

Draft Action Plan for Chapter 23, recommendations and activities: 2.2.6, 2.2.10/2.2.10.1, 2.2.10.2, 2.2.10.3, 2.2.10.4, 2.2.10.21, 2.2.10.22, 2.2.10.24; 2.3.2.7

Draft Action Plan for Chapter 23 - Recommendation 2.2.6. Take steps to depoliticise the public administration to strengthen its transparency and integrity including through strengthening internal control and auditing bodies and 2.2.10. Further develop, implement and assess the impact of specific measures to tackle corruption in other particular vulnerable areas, such as Health, Taxation, Education, Police, Customs and local administration. More specifically, the contracts will contribute to implement activities from AP Chapter 23, such as 2.2.10.1.; 2.2.10.2.; 2.2.10.3., 2.2.10.4., 2.2.10.21, 2.2.10.22, 2.2.10.24

The realisation of this SPD will contribute to **the Southeast Europe Strategy 2020:** Having in mind the effects of this action and implementation of activities of common interest especially those related to border management and fight against organised crime, corruption, money laundering, illegal migration and trafficking, would be a key factor in the development of relations between neighbouring countries and strengthening regional stability.

In order to help implement the SAA successfully, the Republic of Serbia has adopted the **Integrated Border Management Strategy**²⁸. The concept implies that the borders should be open for trade and movement of people, for regional cooperation, both within the region and between the regions and the European Union. At the same time, the borders should be closed for criminal and other activities that jeopardize stability and security in the region. The whole region has to fight against organized crime, terrorism, irregular migration and human trafficking, particularly at border crossings. The role of CAS as one of the four IBM agencies is of the utmost importance.

The Action Plan for the implementation of the **National Strategy for the Fight against Corruption** defines the activities to be carried out in accordance with measures determined by objectives in Point 3.5.1 Build police capacities required for investigations of criminal offenses related to corruption and point 3.5.2 Strengthen integrity and internal control mechanisms for the purposes of combating corruption in the police sector. The Customs Administration of Serbia **Business Strategy 2011-2015** emphasises border management as well as **Business Plan 2014 with projections for 2015 and 2016** which marks 3 BCPs (Kotroman, Vatin, Gostun.) as priority ones.

²⁸ IBM Strategy (Official Gazette 111, 22.11.2012)

PART TWO – SECTOR SUPPORT

4. FINANCIAL ASSISTANCE CONTEXT

4.1. Relevance with the IPA Indicative Strategy Paper

The Indicative Strategy Paper 2014-2020 for Serbia (the Strategy Paper) sets out the priorities for EU financial assistance for the period 2014-2020 to support Serbia on its path to EU accession. It describes that in the Home Affairs sector support will be provided for implementation of the action plan to be devised under Chapter 24 and will focus on the creation of an effective and efficient law enforcement system in the fight against organised crime, border management, migration and asylum.

SPD IPA II assistance for period 2015-2017 in the Home Affairs sector will focus on harmonising with the EU *acquis* on Chapter 24 and building capacity for efficient implementation and enforcement, especially concerning the fight against organised crime; border management; and migration and asylum.

Having in mind the Strategy Paper priority areas in the HA sector, this SPD will specifically target following ISP results:

- **An integrated approach to organised crime is implemented, including risk assessment, crime mapping, improved capacities of the police for investigations, including financial investigations, implementation of a centralised criminal intelligence system, improved inter-agency cooperation, solid track record of investigations, prosecutions and final convictions in organised crime cases developed, strengthened control system for public procurement, and enhanced protection of witnesses in organised crime cases and victims of human trafficking** – *by implementation of the Action 1 of the SPD on prevention and fight against crime that envisage activities related to financial organised crime and international cooperation, money laundering and terrorist financing, development of forensic service, supporting the analytical and statistical reporting process in the Ministry in charge of home affairs and supporting the internal control in the fight against corruption within the police (IPA 2015 and IPA 2017);*
- **Integrated Border Management (IBM) approach is implemented with improved facilities and strengthened cross-border and inter-agency coordination between border police, customs and phytosanitary services and improved risk assessment, data collection and databases systems; and a comprehensive Schengen Action plan is developed and implementation is on track** - *by implementing the Action 2 of the SPD related to enhancement of border control through modernisation of facilities and infrastructure at border crossings, development of capacity of border police and institutions involved in border management and ICT capacity improvement (IPA 2015 and IPA 2017);*
- **Migration, especially irregular migration, is efficiently managed, while regular migrants are integrated into the society, in line with EU requirements; and asylum processing and asylum management is improved in line with EU requirements, including adequate asylum reception facilities** – *by implementing Action 3 of the SPD related to migration management with focus on asylum policy and procedures (IPA 2015) and Action 4 on provision of support to the needs of IDPs (IPA 2015 and IPA 2017).*

In the **Enlargement Strategy** it is stated that among the key challenges it faces, Serbia will need to pay particular attention to the key areas of the rule of law, particularly the reform of the judiciary, fight against corruption and fight against organised crime, public administration reform, independence of key institutions, media freedom, anti-discrimination and protection of minorities.

4.2. Lessons learned from past and on-going assistance

Lessons learned: As there have been a significant number of interventions through development assistance in the respective sector, there are several important key messages and lessons learnt for the more successful implementation of future sector measures. They can be summarized as follows: it is of utmost importance to program only the interventions mature enough for the implementation, maturity being reflected in the preparedness of strategic framework linked to accession priorities, in existence of administrative structures to implement strategic priorities and in commitment of policy decision-makers to pursue the agreed reforms; Given the complexity of the sector scope and the underlying institutional setup – the number and the variety of stakeholders which are the carriers of sub-sector policies - the success of any intervention is directly proportionate to the extent of readiness of institutions to cooperate, share and exchange information; Availability of up-to-date sector assessments and targeted analyses is essential as well as the awareness of sector stakeholders of the data and statistics contained therein.

Number of evaluations were conducted which provided information on effectiveness of IPA and development assistance in relevant sectors in the past period and drawing conclusions and recommendations for the future planning of assistance. They include: EC funded evaluations of assistance implemented and financed by IPA programs and other donors in the Republic of Serbia per sector; IPA Interim Evaluations and meta- evaluation of IPA assistance, funded by the EC; and Evaluation of Effectiveness and Efficiency of Development Assistance to the Republic of Serbia per sector in the period 2007- 2011, initiated by SEIO and implemented with the SIDA support. Also, EC has initiated a project “Monitoring and Evaluation Capacity Building in Western Balkans and Turkey”, implemented by the World Bank, in order to assist the beneficiary countries in strengthening capacities in monitoring and evaluation, with a focus on defining the performance indicators on the sector level.

5. INTERVENTION LOGIC

5.1. Objective(s) of the IPA sector support

To reflect the SWOT analyses and guide assistance programming **the overall objective** is formulated as follows: **Setting up efficient and effective response to the field of organized crime, border control and management of migration flows.**

Specific objectives are:

Specific objective 1: Improvement of overall prevention and fight against organised crime, money laundering, terrorism and other forms of crime To support prevention and fight against crime by further aligning of the policy and legislative framework with the Chapter 24 of the *acquis* and with other international standards and its effective implementation; To strengthen legal and institutional capacities necessary for carrying out complex investigations and improve performance in combating all forms of crime and terrorism;

Specific objective 2: Ensure enhanced border management control

To enhance the implementation of regulatory framework harmonized with EU models, standards and recommendations, as well as with recommendations for Western Balkans, in order to secure safe and protected borders and suppress all cross-border criminal activities which could threaten safety and stability in the region and to further improve the migration and border management system in the Republic of Serbia, related physical infrastructure and its full compliance with the EU standards.

Specific objective 3: Ensure efficiency in the management of migration flows

The management of migration movement present challenges that are going to be addressed by ensuring efficient functioning of the coordinated support to the migrants. Comprehensive, coherent and effective measures are going to be implemented to properly address the challenge of migration. Also, more protective and efficient Asylum System will be set-up and measures implemented with the respect fundamental rights of IDPs and returnees.

5.2. Sector support actions, results, activities and outcome indicators

Action 1

<i>Action title</i>	Prevention and fight against crime
<i>Specific objective</i>	Strengthened efficiency and coordination in prevention and fight against organized crime money laundering, terrorism financing, terrorism and other criminal act at national and international level
<i>Action results</i>	<ul style="list-style-type: none"> • Institutional, human and technical capacities for prevention and fight against organised crime and terrorism improved and capacities of SPOC (Single Point of Contact – INTERPOL, EUROPOL, SELEC and planned SIRENE Bureau) improved with a view to validating different instruments for police cooperation. • Improved prevention of crime proceeds from entering the financial and other sectors and ensured detection and reporting of such proceeds, if already in the system; Improved detection and disruption of money laundering and terrorism financing threats in accordance with the outcomes of the ML/TF National Risk Assessments, and ensured sanctioning of perpetrators and seizure and confiscation of criminal assets.
<i>Activities</i>	<p>Activity 1.1 Support institutional capacity building in fight against crime, applying modern methods to investigate financial organised crime and international cooperation.</p> <p>Support for increasing capacities in a number of areas: Mapping of the crime data, Proactive</p>

investigation, Joint Investigation teams, High Technology crime (Financial Investigation, Children pornography), fight against terrorism and extremism, drugs, modern crime investigation methods (Motorcycle bands, IPA funds fraud); EUROPOL security standards as well as improvement of working conditions (IPA 2015).

Providing equipment for better functioning of Criminal Police Directorate, equipping special interrogation rooms (cameras, audio recording etc) external stationery and mobile surveillance; and IT for supporting the Criminal Police Directorate capacities in its investigation process. Provision of equipment necessary for achieving EUROPOL standards in order to strengthen international cooperation in the fight of cross border crime.

Activity 1.2. Support the fight against money laundering and prevention of the use of the financial system for money laundering and terrorist financing purposes.

This should be ensured by effective implementation of prioritised segments of the National AML/CFT Strategy and its Action Plan, notably by improving the quality of STRs received by APML, further reinforcing APML's administrative and analytical capacities, reviewing the status of AML/CFT compliance officers, reviewing the system of responsibility for AML/CFT issues in the banking sector and by improving interagency cooperation and coordination.. The specific actions from the Action Plan under Chapters 24 and 4, such as the comprehensive assessment of the APML's necessary capacity upgrades, improvement of the reporting quality, etc., will be implemented so as to ensure, among other things, faster and more efficient financial-intelligence analyses. This activity will be implemented through a Service contract to cover both capacity building and ICT-upgrade needs of the Administration for the Prevention of Money Laundering (alternatively, it could be supported by a twinning contract).

Activity 1.3. Support to development of forensic service (Ministry in charge of home affairs) through providing necessary conditions for upgrading and optimal use of forensic identification data-base, strengthening capacities for DNA expertise and other forensic resources

This activity will be implemented through Supply contract and Twinning light: 1)Purchase of equipment for the three laboratories (Uzice, Nis and Belgrade) for efficient functioning, in terms of analysis, time and resources (Supply contract); 2)Training in modern/up to date analysis methods(Twinning light).

Putting in place preconditions for implementation of activities foreseen in the AP chapter 24, related to police cooperation and fight against organised crime (Recommendation 6), implementation of the Prum Treaty as well as aligning with the Legislations in the field of Forensic.

Activity 1.4.Improvement and development of a platform for establishing Analytical and Statistical Reporting Process based on data and information containing in the Unified Information System of the Ministry in charge of home affairs in order to effectively support decision making at the strategic and tactical level (predictive analytics) in the Ministry in charge of home affairs.

Establishing of a unified analytical database, with features ad-hoc reporting and applying the principles of predictive analytics has been recognized as the primary security support decision making at all levels, and thus providing instructions in work. This will be done by providing major software, hardware and consolidation of data. Training in reporting, etc for Analytic Directorate, IT Directorate and Criminal Police Directorate. In order to improve analytical support planning of police conduct, both at the tactical and operational levels, and to monitor the implementation of security policy, or the realization of the strategic directions of the Ministry of Interior, will build a unique analytical database, using analytical software that will allow sublimation of statistical and analytical data in quality and complete analytical information to a relevant to, write home about either, preventative (as well as repressive) policing (e.g. crime mapping, prediction, etc..). This linking of data from different bases provide fast and efficient tracking results of police work and the impact of the measures and activities, which is also a function of estimates generated effect, and quality planning of further police activity.

Activity 1.5. Support to internal control in the fight against corruption within the police

Training in the area of providing evidence as well as methodology of work which is required

	for such evidence to have probative value in court proceeding, prepare legal base for “Integrity Test”, procedures, etc. and Purchase of equipment for implementation of “Integrity Test” and surveillance. This activity will be implemented with a Twinning contract
<i>Implementation arrangements</i>	<p>SLI and also responsible for implementation: the Ministry in charge of home affairs. In the case of Activity 1.2, Administration for the Prevention of Money Laundering within the Ministry of Finance shall be responsible for the implementation.</p> <p>Beneficiaries: the Ministry in charge of home affairs – Criminal Police Directorate-Ministry of Interior; Ministry of Finance - Administration for the Prevention of Money Laundering.</p> <p>Implementation modality:</p> <p>Activity 1.1. One Twinning, one Supply (2 contracts for IPA 2015)</p> <p>Activity 1.2. One Service contract for IPA 2015 (alternatively a twinning contract)</p> <p>Activity 1.3., Twinning light and two Supply contracts (1 Contract for IPA 2015 and 2 Contracts for 2017)</p> <p>Activity 1.4. One Supply and One Twinning contracts (2 Contracts for IPA 2015)</p> <p>Activity 1.5. One Twinning and one Supply contracts (2 Contracts for 2015)</p>
<i>Performance indicators</i>	<p><u>NAD Indicators:</u></p> <ul style="list-style-type: none"> • Number of criminal offences recorded by police according to EUROSTAT methodology • % of implementing activities from Action plan of Ministry in charge of home affairs development strategy (2011-2016) annually • Establishing transparent record of organised crime activities • The number of prosecutions launched • Number of proactive intelligence-led cases compared to re-actively opened cases <p><u>AP chapter 24 Indicators:</u></p> <ul style="list-style-type: none"> • Number of conducted training sessions in the area of money laundering; • Increased number of employees in Financial Investigations Unit - 56 officer employed in Fin. Investigations Unit ; trainings conducted • Security standards and recommendations defined by EUROPOL documents fulfilled, adequate level of physical security of premises ensured, procedures developed, missing equipment procured • Equipment and software procured and put in operation; technical preconditions established for recording queries to the national database of fingertips, vehicle registration and DNA; recording queries about completed checks in the database; recording hits; • Strengthening of institutional and administrative framework for fight against drugs. <p><u>AP Chapter 23 indicators</u></p> <ul style="list-style-type: none"> • Capacities of internal control within The Ministry in charge of home affairs strengthened • Training police in relation to integrity performed.

Action 2

<i>Action title</i>	Enhancing border control
<i>Specific objective</i>	Secured, safe and protected borders
<i>Action results</i>	<ul style="list-style-type: none"> • Capacity of the Ministry in charge of home affairs strengthened • Border control improved through improvement of physical and technical capacities of the border crossings

	<ul style="list-style-type: none"> • Database and joint facility(ies) for the registry of legal migrants improved
<i>Activities</i>	<p>Activity 2.1 Modernisation of facilities and infrastructure at border crossings. Implementation of Integrated border management (IBM) and support to implementation of the Schengen Action Plan.</p> <p>Development of measures needed for improvement of fight against corruption at the borders, covering all agencies active at the border; Development of measures in order to achieve EU standard for implementation of the Strategy, monitoring, etc. Providing equipment related to implementation of IBM Strategy; equipment related to implementation of the Schengen Action Plan that is planned to be developed under IPA 2014. Upgrade infrastructure on priority Border Crossing Points (BCPs) - Gostun (border with Montenegro) and Vatin (border with Romania).</p> <p>Activity 2.2. Support to the development of capacity of border police and institutions involved in border management through the Police training centre in Sremska Kamenica.</p> <p>Training, with a ToT component should be a good backup for the turnover of staff, given that the Ministry losses a number of trained staff annually and new ones come, the Centre shall be in position to support training, for suitability. Inter-institutional training programmes that shall be developed (Twinning contract)</p> <p>Activity 2.3. ICT capacity improvement in order to provide continuous work of the system, as well as IT services which are in use, in order to suppression and fight against cross border organized crime - Disaster Recovery system.</p> <p>Analyse the technical requirements for infrastructure and IT required to fulfil standards secure, available and continuity of business information system (vital administrative data) – recovery of information and communication as required for the fulfilment of STESTA link, EU Schengen system 2 – Visa Information System, such as communication, server platform and accessories, system software, etc. (Supply contract); Works on providing technical working standards, by renovating and completion of an existing structure, at the location the disaster recovery centre is planned. (Works contract); Purchase of equipment for implementation of backup system, as per No Single Point Failure standards (Supply contract).</p> <p>Support for activities in recommendation 6 AP chapter 24, police cooperation and fight against organised crime, as well as put in place conditions for Schengen Information System and functioning of the SIRENE Bureau.</p>
<i>Implementation arrangements</i>	<p>SLI and also responsible for implementation: the Ministry in charge of home affairs</p> <p>Beneficiaries: Border Police Directorate-Ministry of Interior Customs Directorate-Ministry of Finance and Veterinary and Phytosanitary Directorates of the Ministry of Agriculture and Environment protection</p> <p>Implementation modality:</p> <p>Activity 2.1. One Twinning and One Supply contract; One works and one supervision contract (4 Contracts for IPA 2015)</p> <p>Activity 2.2. One Twinning contract (1 Contract for IPA 2017)</p> <p>Activity 2.3. One Works contract, One Supply and One Twinning light contract (3 Contracts for IPA 2017)</p>
<i>Performance indicators</i>	<p><u>NAD Indicators:</u></p> <ul style="list-style-type: none"> • The level of illegal migrants reduced. • Improved infrastructure and equipment on border-crossings • % of number of border crossings covered by synchronized IT system <p><u>AP chapter 24 Indicators:</u></p> <ul style="list-style-type: none"> • Number of border police officials trained in the field of risk analysis • Number of border police officials trained for using the new equipment and data bases

	<ul style="list-style-type: none"> Strengthened the Border Police capacities Measures plan to prevent corruption of employees of all border services containing mechanism for monitoring the implementation of the plan drafted Measures plan to prevent corruption of employees of all border services containing mechanism for monitoring the implementation of the plan drafted Joint trainings of all border services delivered. Evaluation of delivered trainings conducted. Total No. of trainees beneficiary of joint trainings Introduction of new data exchange systems (I-link, SIRENA, SIS 2, PRUM, SIENA), standards on personal data protection and data confidentiality, access to the Schengen Information System Number of automated entries and cancellations of passenger motor vehicles in the INTERPOL and SIS II database;
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Action 3

<i>Action title</i>	Enhancing migration management
<i>Specific objective</i>	Improved migration management system in the Republic of Serbia
<i>Action results</i>	<ul style="list-style-type: none"> The asylum policy and procedures aligned with the Acquis
<i>Activities</i>	<p>Activity 3.1 – Building capacities of the Commissariat for Refugees and Migration and other relevant institutions for further aligning of the migration and asylum policy and procedures with the Acquis</p> <p>Relevant institutions should receive support in order to implement new legislation in the field of migration and asylum. Capacities for monitoring and harmonization of national legislation with new Acquis developments in this field should be developed</p>
<i>Implementation arrangements</i>	<p>SLI and also responsible for implementation: the Ministry in charge of home affairs</p> <p>Beneficiaries: Commissariat for refugees</p> <p>Implementation modality:</p> <p>Activity 3.1- Twinning (IPA 2015)</p>
<i>Performance indicators</i>	<ul style="list-style-type: none"> % of implemented relevant activities envisaged by AP for Ch. 24

Action 4

<i>Action title</i>	Support to the needs of IDPs
<i>Specific objective</i>	Improved migration management system in the Republic of Serbia
<i>Action results</i>	<ul style="list-style-type: none"> Technical legal assistance and advocacy services to IDPs provided by the Office for Kosovo and Metohija Living conditions of IDPs and returnees from the readmission process in Serbia improved
<i>Activities</i>	<p>Activity 4.1. – Support a number of legal assistance teams to provide representation and advocacy services for target population. Also provision of legal assistance is based on individual requests it is expected that significant number of cases shall be tackled within the scope of this measure.</p> <p>Activity 4.2.–Provision of housing solutions for IDPs and returnees from readmission process in Serbia. Distribution of economic packages for self-sustainable living conditions. Support to the implementation of Local Action Plans for solving the issues of migrants</p> <p>Grant scheme will be developed in order to support IDPs through housing and income generating activities, as well as returnees through readmission agreements. Further support to minority communities in Kosovo should be provided. Grant scheme will be developed in order</p>

	to support IDPs through housing and income generating activities, as well as returnees through readmission agreements. Further support to minority communities in Kosovo should be provided.
<i>Implementation arrangements</i>	SLI and also responsible for implementation: the Ministry in charge of home affairs Beneficiaries: Office for Kosovo and Metohija, Commissariat for Refugees and Migrations Implementation modality: Activity 4.1. - Service contract (IPA 2015) (3,000,000) Activity 4.2.1.- Grants (2017) (3,000,000+3,000,000 =6,000,000)
<i>Performance indicators</i>	<ul style="list-style-type: none"> Number of supported IDP and returnee families

5.3. Assumptions, preconditions and risks

Following preconditions should be considered:

- Political and economic stability;
- Serbia's EU integration orientation;
- Political willingness to combat organised and economic crime;
- Effective cooperation and coordination between all relevant institutions;
- Readiness of technical and project documentation and permits for construction works;
- Commitments of all relevant stakeholder;
- Beneficiary institutions properly staffed and housed;
- Active interest of the participants on the training sessions.
- The commitment of local self-governments to participate in resolving the issues of refugees, internally displaced persons and returnees on the basis of the readmission agreements.

External condition	Probability of occurrence (Low/Medium/High)	Impact (Low/Medium/High)	Counter measures and mitigation
Lack of coordination and/or cooperation within, and between, institutions	Medium	Medium	enhanced supervision
Institutional reform	Medium	Medium	Rely on existing institutions
Absorption capacity	Medium	Medium	Focused technical assistance

6. COMPLEMENTARITY WITH OTHER FINANCIAL ASSISTANCE

According to the ISDACON database, in the period between 2007 and 2011, it is estimated that a total amount of €62.6 million was actually disbursed in assistance from the international donor community to the Home Affairs sub-sector within the Rule of Law sector in Serbia. In the five annual IPA 2007 – 2011 programmes, IPA has financed projects in the Home Affairs section of the rule of law sector worth around €46 million (including social and economic rights within the political criteria of MIPD). The projects financed through IPA funds concerning home affairs were oriented towards the introduction of case management system in the courts and prosecution, criminal asset confiscation, reform of the penitentiary system and strengthening of alternative sanctions, the fight against corruption, prevention and suppression of illegal migrations, improving border control standards, development of the information system for border crossing control, and strengthening of The Ministry in charge of home affairs internal control.

Within IPA 2007 national programme for Serbia, Ministry of Interior implemented project “*Improving Border Control Standards*” and “*Further Support to Refugees and IDPs in Serbia*”. The purpose of these projects were introducing EU standards of Border Security and Management at Serbian borders and enhance the flow of commerce, trade and persons and reduce criminal activities as well as provision of durable solutions for the most vulnerable refugee and IDP families and also to provide legal aid and assistance for returnees. The project activities have been continued through the IPA 2008 project “Support to Refugees and IDPs in Serbia”, launched in 2010 with aim to support beneficiary the Commissariat for Refugees and the Office for Kosovo and Metohija in their efforts to provide decent housing solutions, economic self-reliance and legal-aid for refugees and IDPs, and to improve their position in the society.

IPA 2007 "Police Reform: Internal Affairs" project supported the Sector for Internal Affairs of the Ministry in charge of home affairs, with equipment and training related to the strengthening of operational independence, professionalism and abilities of Internal Affairs Sector in promoting police reform in Serbia, as well as assisting the Ministry of Interior (Internal Affairs Sector) to reach EU standards in the professional performance of official duties.

IPA 2009 supported the "Criminal Asset Recovery Project (CAR)" launched in April 2010 and completed on March 2013, aimed at drafting the new Law on Seizing of Criminal Assets.

IPA 2010 provided support for several projects: the "Capacity building of institutions involved in migration management and reintegration of returnees in the Republic of Serbia" project provided support for the establishing of system for regular monitoring of migration flows and mechanism for evaluation of migration policies, by putting in place coordinating mechanism and information exchange system between relevant institutions; the "Establishment of efficient system for prevention and suppression of illegal migrations on the territory of the Republic of Serbia" provided database for illegal migrants and exchange of data between relevant institutions; and "Implementation of Strategy for fight against drugs-supply reduction component" IPA 2010, provided the Ministry of Health with equipment similar to the equipment being requested under this project. The equipment received by the Ministry of Health is for medical purposes whereas the equipment required under the IPA 2013 is for the purpose of forensics and other analysis regarding criminal prosecutions.

The Project "Support to the implementation of strategies for IDPs, refugees and returnees", funded through IPA 2011, aims to contribute to sound implementation of strategies for refugees, IDPs and returnees according to Readmission Agreements. The Project is primarily focused on enhancing living conditions of refugees, IDPs and returnees and one of envisaged activities is facilitating carrying out of the rights of refugees, IDPs and returnees under the readmission agreements through legal assistance. The Project "Support for improvement of the living conditions of forced migrants and closure of Collective Centres", funded through IPA 2012, also envisages creating adequate living conditions and integration of forced migrants who choose to stay in Serbia while supporting the sustainable return of those wishing to return to Kosovo.

Particular attention shall be deployed to ensure complementarities of interventions envisaged under national IPA projects with actions to be implemented within the scope of the "Joint Program for Priority Durable Solutions for Refugees and Internally Displaced Persons – Regional Cooperation". This Regional Programme is agreed between four countries in the region with the aim to comprehensively contribute to a substantive completion of the protracted displacement situation in Bosnia and Herzegovina, Montenegro, the Republic of Croatia and the Republic of Serbia due to conflicts in 1991-1995, by providing durable housing solutions for the displaced population and significantly ameliorated access to their rights. However, in the case of Serbia this program is conceived so that IDPs nor returnees upon Readmission Agreements do not represent the beneficiary group, but only the most vulnerable categories of refugees. Even in such a constellation, the legal assistance envisaged in the scope of the SF for IPA 2013 would provide for a meaningful contribution in the aspect of obtaining documentation which is commonly a prerequisite for refugees to apply for durable housing solutions.

IPA 2012, "Police reform and migration management" has the aim of putting in place a system for monitoring legal migration by establishing a Central database on foreigners to be used for the purposes of the Ministry in charge of home affairs and Ministry of Foreign Affairs as well as for the external users. In connection with this, this (IPA 2013) proposed project is expected to connect the Border Police Directorate, Asylum Office with Regional Police Directorates, Regional Border Police Centres, Asylum Centres and Reception Centre for Foreigners. Through the project the EC financed works to fully adapt space for the physical-chemical laboratories and toxicology laboratory of the Ministry in charge of home affairs in line with ISO/IEC 17025 standards.

A link would be made with the already existing AFIS Data Base containing data on asylum seekers and illegal migrants which was upgraded through IPA 2010.

During 2013, as part of a project implemented by the NGO Atina "Local communities in the fight against human trafficking" Local coordination teams to fight against THB were formed in seven cities (Nis, Novi Sad, Sremska Mitrovica, Kraljevo, Kragujevac, Subotica and Vranje). During 2014 in the framework of the project "Strengthening the system of partnership in the implementation of the National Strategy for Combating Trafficking in Human Beings", implemented by IOM in partnership with the Ministry of Interior of Republic of Serbia in another 10 cities which (Pancevo, Kikinda, Sombor, Novi Sad, Sabac, Smederevo, Pozarevac, Leskovac, Pirot and Prokuplje) local coordination teams for combating trafficking in human beings were formed. These teams include representatives of relevant local institutions: the police, health, educational institutions, media, municipal authorities, social work and others.

Under IPA 2013 "Strengthen law enforcement bodies in the fight against organised crime, asylum management and legal aid to IDP's, refugees and people from readmission" laboratory equipment was requested for the physical-chemical and toxicological laboratories, that shall be adapted under IPA 2012. Several project address relevant issues within Home Affairs sub-sector. *Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO)*, MB IPA 2008 programme (budget 4,210,526€, project duration 2009-2012) and *Witness Protection in the Fight against Organized Crime and Corruption (WINPRO II)* MB IPA 2012 programme (budget 7,000,000€, project duration 2012-2016) with a purpose to promote a coordinated and harmonized use of witness protection procedural and non-procedural measures, at regional and

European level, to combat organised crime and corruption through reinforcing institutional capacity of Witness Protection Units and other relevant agencies. *Fight against organized crime and corruption: Strengthening the Prosecutors' Network*, MB IPA 2010 programme (budget 5,000,000€, project duration 2010-2013) aims to strengthen the operational capacity and capabilities of the Public/State Prosecutors' Offices in the Beneficiaries in order to prosecute and investigate cross-border organized crime and linked cases of economic and financial crime and corruption. There are also several projects relevant for improving the safety of the population, i.e.: *Civil Protection Cooperation for the candidate countries and potential candidates*, MB IPA 2009 programme (budget 4,000,000€, project duration 2009-2012) and *Civil Protection Cooperation with the candidate countries and potential candidates – phase II*, MB IPA 2012 (budget 2,000,000€, project duration 2012-2016) with a purpose to bring the Beneficiaries closer to the Community Civil Protection Mechanism and contribute to the development of their civil protection capacities and collaborate regionally.

Establishing Regional Coordination Mechanisms for Return project, planned to be the part of MB IPA 2013 programme, aims at improving the exchange of information and coordination between the relevant agencies of countries in the region and countries of origin, for the efficient sharing of data and dissemination of relevant information to facilitate the efficient and humane return of irregular migrants to their country of origin, in line with EU standards. The implementation of project activities has several ambitious results: synergies developed and channels of communication enhanced between the relevant agencies of neighboring countries for the efficient sharing of data and dissemination of relevant information; standardized operational procedures adopted for a coordinated, safe, humane, and cost-effective return of irregular migrants and cost-sharing strategies identified and adopted; capacities of relevant agencies in the region strengthened to enhance cross-border cooperation; increased regional cooperation through existing regional mechanisms. The final draft is still being adjusted among the MB IPA beneficiary countries and the DG ELARG, but it is important to underline that the Republic of Serbia has underlined its readiness to limit its participation in some of the results for which it is estimated that national interventions need to be undertaken. As far as this MB IPA project is concerned, Serbia's priority area of interest is on organizing and financing voluntary return and reintegration as well as forced return of irregular migrants to long distance countries (i.e. countries outside the WB region).

Besides that, Ministry in charge of home affairs has two on-going projects, one of which is **IPA CBC Bulgaria-Serbia Strengthening the forensic capacities of the 30organized cross border crime prevention** in the field of narcotics trafficking. The project began in 2011. The main goals and tasks of the project are defined by the necessity for strengthening Serbian police capacity for implementing its activities in the field of conducting police investigation, development of the capacity of forensic expert and enhancement of their capacity for collecting evidences in accordance with European best practices. Also the other one on Strengthening of Laboratory Examinations and Crime Scene Investigations in the Serbian Ministry of Interior's Criminal Technical Centre in Uzice which is financed by Norwegian Government.

Many efficient projects have been implemented in Serbia with regards to human trafficking issues. The UN.GIFT Joint Programme, ending in October 2012, aimed to operationalize the National Action Plan through its different components. One component aimed to enhance institutional cooperation and strengthen its sustainability. In January 2011, a project financed by OSCE Mission to Serbia, aimed at training professionals working in the field of human trafficking and enabling continuance of development in accordance with the highest standards of skills, knowledge and attitudes. The Police officers were provided ToT programme in the field of trafficking in human beings. This SF project will not duplicate any training that will be achieved.

Since 2010 the OSCE Mission in Serbia, with the support of the Government of Sweden, is assisting the Ministry of Interior in Promoting integrated emergency management mechanisms. The Norwegian Government is also supporting improvement of the delivery of justice and juvenile justice system, as well as institutionalization of victim witness support service network. The OSCE Mission in Serbia, with the support of the Government of Finland, is assisting the Ministry of Interior in enhancing core capacities for strategic planning and management.

Building and **equipping the DNA laboratory** –The CARDS funded project of equipping the DNA laboratory of the Ministry. The project included the supply of equipment and staff training in several European relevant laboratories. The DNA laboratory was created according to the high-level model of "clear rooms". The important task of this lab is creating the data base of the DNA profile of the individuals who committed a criminal act. The proposed project presents a logical continuation of this support and will result in rounding up of modern forensics system in Serbian criminal justice system.

Improving the forensic and crime scene operations in the Police Unit in Novi Sad – The project was supported by the Norwegian Government and consisted of actions aimed to supply the necessary equipment for forensic expertise and crime scene investigation as well as the education training conducted by the experts from Norwegian forensic centre in Oslo-KRIPOS.

Establishment of the Centre for forensic training and improvement of forensic crime scene processing(inspection) funded by the Government of the Kingdom of Sweden – The content and objective of this project is focused on crime scene processing as opposed to physical, chemical and toxicological analyses that would come subsequently after collection of crime scene evidence. So, this project complements the investigative capacities of law enforcement in Serbia.

In complement to the **IPA 2013 asylum project** aiming at comprehensive improvement of the asylum system in Serbia, through improvement of legal framework, asylum procedures, accommodation capacities and capacity building of the relevant institutions dealing with asylum seekers, the SCR applied to the Government of Swiss Confederation (SDC), for the project **“Support to the Asylum System in Serbia 2013-2015”** which should provide psychosocial support to the asylum seekers through various occupational activities and promotion of tolerance in local communities. Also a surveillance system shall be supplied in order to improve security of accommodated asylum seekers. Whereas the IPA funded project are strategically programmed for improving the overall functioning of the asylum system in Serbia the SDC project will address the urgent needs of asylum seekers. The project is approved and implementation of the same has commenced.

With regards to the Customs Administration, activities in the HA sector are linked to the IPA 2013 Customs project “Support to the further modernization of the Customs Administration in the Republic of Serbia” because activities and results foreseen are in line with implementation of the IBM strategy, and also, contribute to achieving the overall objective set to “contribute to trade facilitation of import and export activities in the Republic of Serbia as well as to achieving good security standards in border and migrations management.”, by contributing to achieving security standards at the borders as well as migration management.

In addition to the EU IPA projects listed above, the public prosecution service has benefited from the assistance rendered in issue-based projects by the OSCE, USDOJ and World Bank, as well as the projects of the foreign Embassies to Belgrade, such as the UK, French and German Embassy. These projects address current issue-based needs, such as USDOJ-OSCE2011-2012 training on the new Criminal Procedure Code and on financial crime investigations, 2012-2013 USDOJ OPDAT and ICITAP and U.S. State Department EXBS border anti-corruption initiative – JACI, etc. “Implementation of Strategy for fight against drugs-supply reduction component” IPA 2010, provided the Ministry of Health with equipment similar to the equipment being requested under this project. The equipment received by the Ministry of Health is for medical purposes whereas the equipment required under the IPA 2013 is for the purpose of forensics and other analysis regarding criminal prosecutions.

Activity 1.4.Improvement and development of a platform for establishing Analytical and Statistical Reporting Process based on data and information containing in the Unified Information System of the Ministry of Interior in order to effectively support decision making at the strategic and tactical level (predictive analytics) in the Ministry in charge of home affairs	1,000,000 1,500,000	Twinning (IPA 2015) Supply (IPA 2015)
Activity 1.5. Support to internal control in fight against corruption within the police	800,000 500,000	Twinning (IPA 2015) Supply (IPA2015)
Total for Action 1	16,640,000	
Action 2 Enhancing border control		NOTE: support needs to be provided within IPA 2015 and 2017
Activity 2.1.Modernisation of facilities and infrastructure at border crossings. Implementation of Integrated border management (IBM) and support to implementation of the Schengen Action Plan	6.558.000 1,500,000 Gostun works: 5 160 000 Vatin works: 1 610 000 500 000	Supply (IPA 2015) – pending FWC Twinning (IPA 2015) 1 Works contract (IPA 2015) with two lots: LOT 1: construction of the BCP Gostun LOT 2: reconstruction of the BCP Vatin Service contract for the supervision of works (IPA 2015)
Activity 2.2. Support to the development of capacity of border police and institutions involved in border management through the police training centre in Sremska Kamenica	1,500,000	Twinning (IPA 2017)
Activity 2.3. ICT capacity improvement in order to provide continuous work of the system, as well as IT services which are in use, in order to suppression and fight against cross border organized crime - Disaster Recovery system	1,500,000 3,500,000 250,000	Works (IPA 2017) Supply (IPA 2017) Twinning light contract (IPA 2017)
Total for Action 2	22,078,000	
Action 3 - Enhancing migration management		NOTE: support needs to be provided within IPA 2015
Activity 3.1. Building capacities of the Commissariat for Refugees and Migrations and other relevant institutions for further aligning of the migration and asylum policy and procedures with the Acquis. (IPA 2015).	1,000,000	Twinning (IPA 2015)
Total for Action 3	1,000,000	
Action 4 - Support to the needs of IDPs		
Activities 4.1., Support a number of legal assistance teams to provide representation and advocacy services for target population. Also provision of legal assistance is based on individual requests it is expected that significant number of cases shall be tackled within the scope of this measure	3,000,000	Service contract (IPA 2015)

Activity 4.2.Provision of housing solutions for IDPs and returnees from readmission process in Serbia. Distribution of economic packages for self-sustainable living conditions. Support to the implementation of Local Action Plans for solving the issues of migrants	3,000,000 + 3,000,000 = 6,000,000	Grant Scheme (IPA 2017)
Total for Action 4	9,000,000	
TOTAL FOR SECTOR	Approx 48,718,000	

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8. PROGRAMMING AND IMPLEMENTATION PLAN

Home Affairs	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Action 1												
Activity 1.1. Support institutional capacity building in fight against crime, applying modern methods to investigate financial organised crime and international cooperation. (Twinning and Supply)	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 1.2. Support the fight against money laundering and prevention of the use of the financial system for money laundering and terrorist financing purposes (Service contract/twinning)	P	P	P	P	C	I	I	I	I	I	I	I
Activity 1.3. Support to development of forensic service (Ministry in charge of home affairs) through providing necessary conditions for upgrading and optimal use of forensic identification data-base, strengthening capacities for DNA expertise and other forensic resources (Supply 1)	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 1.3. Support to development of forensic service (Ministry in charge of home affairs) through providing necessary conditions for upgrading and optimal use of forensic identification data-base, strengthening capacities for DNA expertise and other forensic resources (Twinning and Supply2 and Twinning)									P	P	P	P
Activity 1.4. Improvement and development of a platform for establishing Analytical and Statistical Reporting Process based on data and information containing in the Unified Information System of the Ministry in charge of home affairs in order to effectively support decision making at the strategic and tactical level (predictive analytics) in the Ministry in charge of home affairs. (Twinning and Supply)	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 1.5. Support to internal control in the fight against corruption within the police (Twinning and Supply)	P	P	P	P	C	C	C	C/I	I	I	I	I
Action 2												
Activity 2.1. Modernisation of facilities and infrastructure at border crossings. Implementation of Integrated border management (IBM) and support to implementation of the Schengen Action Plan (Twinning and Supply)	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 2.1. Modernisation of facilities and infrastructure at border crossings. Implementation of Integrated border management (IBM) and support to implementation of the Schengen Action Plan (Works and Service for supervision)	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 2.2. Support to the development of capacity of border police and institutions involved in border management through the Police training centre in Sremska Kamenica									P	P	P	P
Activity 2.3. ICT capacity improvement in order to provide continuous work of the system, as well as IT services which are in use, in order to suppression and fight against cross border organized crime - Disaster Recovery system (Works, Supply and Service)									P	P	P	P
Action 3												
Activity 3.1. Building capacities of the Commissariat for Refugees and Migration and other relevant institutions for further aligning of the migration and asylum policy and procedures with the Acquis(Twinning)	P	P	P	P	C	C	C	C/I	I	I	I	I
Action 4												
Activities 4.1. Support a number of legal assistance teams to provide representation and advocacy services for target population (Service).	P	P	P	P	C	C	C	C/I	I	I	I	I
Activity 4.2. Provision of housing solutions for IDPs and returnees from readmission process in Serbia. Distribution of economic packages for self-sustainable living conditions. Support to the implementation of Local Action Plans for solving the issues of									P	P	P	P

migrants (Grant Scheme)														
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P = Programming (i.e. period when the IPA Action Programme is expected to be adopted); C = Procurement and grant award procedures (i.e. up to Contracting); I = Implementation period

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