



# **Ex post evaluation of the European Union Solidarity Fund 2002-2016**

Case Study – Serbia

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# **Ex post evaluation of the European Union Solidarity Fund 2002-2016**

Case Study - Serbia

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## **SERBIA FLOODING IN MULTIPLE REGIONS, MAY 2014<sup>1</sup>**

### **1. INTRODUCTION**

This section presents a case study for the Ex-Post Evaluation of the European Union Solidarity Fund, assessing the EUSF intervention relating to **flooding in multiple regions of Serbia in May 2014 (case 112)**.<sup>2</sup> The aim of the case study is to analyse the implementation and performance of the EUSF as a contribution to understanding the effectiveness, efficiency, relevance, added value and solidarity of the EU funding. The following section sets out the context for the EUSF support and a brief overview of the intervention. Following this, it examines the experience of the implementation of the EUSF. The areas covered further include the factors influencing implementation, the relevance of the EUSF, the administrative burdens and costs associated with the intervention, the achievements and added value of the EUSF support, and the lessons learned.

### **2. CONTEXT**

In May of 2014, the Republic of Serbia was struck by flooding along with much of south-eastern Europe following a large low pressure cyclone system developing in the region. Serbia and Bosnia-Herzegovina were the worst affected by the flooding, with Serbia seeing the highest levels of rainfall in 120 years of recorded measurements<sup>3</sup>. Entire cities such as Obrenovac were evacuated, due to extremely sudden flooding as river systems rose several metres above their banks. In western Serbia, various towns remained inaccessible for several days after the floods began due to road damages, and infrastructure over much of the country was completely disrupted with over 3,500 roads destroyed along with various public infrastructure buildings as the rainfall triggered heavy landslides.<sup>4</sup>

Over EUR 1.105 billion in damages were estimated by the Serbian authorities, over a wide range of public buildings, housing areas and economic sectors. 485 housing units were completely destroyed, as well as 16,200 units damaged, creating a large displaced population, coal plants which provide fuel for Serbia's largest reactor (NT-A, which supplied 63 percent of the nation's power) were disrupted, and dozens of educational and health service providing buildings were completely destroyed.<sup>5</sup>

The economic impact of the flooding was assessed as a 2.7 percent of GDP cost in direct damages and a further two percent of GDP cost in economic loss, with particularly high losses in energy, mining and agriculture sectors. The Serbian authorities estimated that the knock-on economic effects would increase the fiscal deficit of the country by one percent and potentially push the already weak economy into a recession. However, the construction industry of Serbia, which accounts for three percent of GDP, is highlighted as

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<sup>1</sup> Beogradski, Kolubarski, Sremski, Macvanski, Sumadijski, Podunavski, Moravicki, Zlatiborski, Pomoravski, Nisavski, Rasinski, Raski, Branicevski, Jablanicki and Toplicki

<sup>2</sup> The authors are Sanja Brkanovic, Regiogro, and Marko Pesic. The authors would like to thank all of the case study participants and contributors. The authors are solely responsible for any errors or omissions.

<sup>3</sup> Extreme Daily Precipitation: The Case of Serbia in 2014, Ivana Tošić, Miroslava Unkašević, Suzana Putniković, Theoretical and Applied Climatology, 5/2017, Volume 128, Issue 4, pp 785-794

<sup>9, 10, 11</sup> Application for EU Solidarity Fund – Republic of Serbia – Flooding (CCI: 2014RS16SP0001)

a potential counter to economic slowdown due to the necessary investment in the industry required to repair damage caused by the disaster.

Apart from the EUSF intervention, other donors also contributed to relief efforts. Funds were also provided through the Instrument for Pre-Accession Assistance (IPA), the tool developed through the EU for delivering aid toward the Western Balkans and Turkey, as part of the pre-accession mechanism.

The donations made via bilateral sources (pledged at the Brussels Conference) including donations drawn from EU funds, and funding from foreign governments not pledged via the Brussels Conference are listed in Table 1 and Table 2 below.<sup>6</sup>

**Table 1: Bilateral donations and EU Funds**

<b>Bilateral Donations - Brussels Donor Conference participants</b>		
<b>Country</b>	<b>Donations</b>	<b>Comments</b>
Austria	EUR 2,000,000	
Albania	EUR 100,000	
Algeria	EUR 370,000	
Andorra	EUR 7,500	
Bulgaria	EUR 50,000	
Czech Rep.	EUR 111,111	
Greece	EUR 200,000	
France	EUR 1,000,000	
India	EUR 74,000	
Indonesia	EUR 74,000	
Italy		Funding delivered but financial details not available
Japan	EUR 5,000,000	
Armenia	EUR 74,000	
Canada	EUR 708,200	Converted from CAD using Nov 2015 exchange rate
Hungary	EUR 500,000	
FYROM	EUR 100,000	
Morocco	EUR 74,000	
Mexico	EUR 37,000	
Germany	EUR 300,000	Additional funding delivered but financial details not available.
Norway	EUR 4,550,000	
Poland	EUR 80,000	
USA	EUR 2,000,000	
Slovakia	EUR 330,000	
Slovenia	EUR 150,000	
Sweden	EUR 2,000,000	
Switzerland	EUR 5,900,000	Various programmes, esp. SDC & Embassy of Switzerland
Turkey	EUR 1,350,000	
U. Kingdom	EUR 1,250,000	
<b>EU fund allocations</b>		
IPA Funds	EUR 102,000,000	
EUSF	EUR 60,200,000	

<sup>6</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund relief.



<b>Total per category</b>	
Foreign gov. donations	EUR 29,154,722
Donations from EU funds	EUR 162,200,000
<b>Overall total</b>	
Foreign government bilateral donations and EU funds	EUR 191,300,000

Source : Adapted from Republic of Serbia, Public Investment Management Office (2017)

**Table 2: Foreign government donations not pledged at Brussels Conference**

<b>Foreign government donations not pledged in Brussels Conference</b>	
United Arab Emirates	US\$ 10,000, 000 and EUR 1,000, 000
Kuwait	US\$ 1,000, 000
China	EUR 37,000
Thailand	US\$ 28,000
Iran	EUR 5,000
Cyprus	EUR 5,000
<b>Overall total</b>	
Total (US\$)	US\$ 11,000, 000
Total (EUR)	EUR 1,075,000

Source : Adapted from Republic of Serbia, Public Investment Management Office (2017)

In addition, the World Bank (WB) provided a Floods Emergency Recovery Loan for Serbia totalled approximately US\$ 300 million. This loan was applied for all the cases where funding was required for repairs, support, or flood prevention projects, but funding could not be allocated through donor sources. The EUSF was given priority for funding, as were funds from donor organisations. However, where financing gaps existed, the WB recovery loan was applied. The WB recovery loan objectives were to:

“(i) help restore power system capability to reliably meet domestic demand; (ii) protect livelihoods of farmers in flood affected areas; (iii) protect people and assets from floods; and (iv) improve the Borrowers capacity to respond effectively to disasters”<sup>7</sup>

The WB recovery loan is structured in four components: the energy sector; agricultural support; flood protection; contingent emergency response. The status of the recovery loan remains open since some of the projects are still being undertaken. The expected closure date is 19 Oct 2019.

The WB recovery loan has funded projects including the repair of the Tamnava West Field Mine in Kolubara (energy sector component), providing support to 305,500 farmers affected by the floods (agricultural component), the financing of seven flood protection subprojects<sup>8</sup> (flood protection component). Via restructuring of the initial loan agreement under the flood protection component, further support was provided to the implementation

<sup>7</sup> The World Bank. Floods Emergency Recovery Project. Available at: <http://projects.worldbank.org/P152018?lang=en>

<sup>8</sup> In the municipalities of Negotin, Aleksinac, Nis, Novi Pasar, Donji Ljubes, Jasenica and Backa Palanka/Sambor.

of flood protection in five additional locations<sup>9</sup>, the preparation of flood protection designs in six other locations<sup>10</sup>, the procurement of two Doppler Radar Systems, and other prevention services.<sup>11</sup>

### 3. OVERVIEW OF EUSF INTERVENTION

The Serbian authorities submitted an application for EUSF funding to the Commission 11 weeks after the occurrence of the disaster, one week under the revised legislation deadline of 12 weeks (see Table 3). In the application, Serbian authorities estimated the total direct damage at EUR 1.02 billion.<sup>12</sup> As the major disaster threshold calculated for the Republic of Serbia is EUR 174.649 million, the direct damage was almost six times the threshold amount, and the application was assessed as a major disaster.

**Table 3: Timeline of the EUSF intervention**

Intervention stage	Date
Disaster occurrence	14/05/2014
Application submission	30/07/2014
Application Update	18/08/2014
Date of proposal	10/10/2014
Date of EP and Council Decision	17/12/2014
Commission Implementing Decision	13/03/2015
Payment date	14/04/2015
Implementation period end	14/10/2016
Implementation report due	14/04/2017
Implementation report received	15/05/2017
Closure date	ongoing

Source: DG REGIO, 2018

In the application, the Republic of Serbia estimated eligible costs at a total of EUR 370.6 million, which takes up 36.3 percent of total direct damage. Most eligible costs initially fell into the category of restoring working order to infrastructure (90 percent of costs). The implementation report submitted by the Republic of Serbia did not contain a breakdown of EUSF actions by Article 5 operational type, and as no closure note to file is present, EUSF reported by category of damage is unknown (see Table 4). The Commission decided on 10 October 2014 to grant financial aid to the Republic of Serbia following assessment of their application and proposed that a grant of EUR 60.225 million be made available to contribute to disaster relief efforts.<sup>13</sup>

<sup>9</sup> In Provo, Cacak, Valjevo, Vrsac and Gomolava

<sup>10</sup> In Kolubara, Pozega, Cacak, New Belgrade, Progar and Klenac

<sup>11</sup> The World Bank (2018) Implementation Status and Results Report. Public Disclosure Copy. Available at: <http://documents.worldbank.org/curated/en/839641530305481946/pdf/Disclosable-Version-of-the-ISR-Floods-Emergency-Recovery-Project-P152018-Sequence-No-06.pdf>

<sup>13</sup>European Commission (2014), "Proposal for a Decision of the European Parliament and of the Council on the mobilisation of the EU Solidarity Fund", Brussels, 17.10.2014, COM(2014) 648 final

**Table 4: EUSF granted and reported (EUR millions)**

Categories of damage	EUSF awarded	EUSF reported
Infrastructure restoration	25	NA
Temporary accommodation	7	NA
Preventative infrastructure	25	NA
Clean-up of disaster	3.2	NA
Total	60.2	62.2

Source: DG REGIO, 2018.

The European Parliament and Council accepted the proposed budget on 17 December 2014 and the implementation agreement was signed on 13 March 2015. Subsequently, funding from the EUSF was made available to the Serbian authorities on 14 April 2015.<sup>14</sup> The implementation report was submitted by the Republic of Serbia on 15 May 2017 and the audit and closure process for the case is currently ongoing.

Comparison of the timetable for this case with other EUSF cases<sup>15</sup> indicates that the time period between the occurrence of the disaster and the payment of aid was (at 47.9 weeks) significantly less than the average of all EUSF flooding cases (56.5 weeks) - see Table 5. The time taken for the application process (submission plus updates), the Commission assessment, and the EP and Council assessment/approval were all shorter than the averages for flooding cases – especially the Commission assessment which was conducted in almost half the average time.

**Table 5: Comparison of administration of the case study with other EUSF cases**

Indicators	Case study : RS112 (weeks)	Average of all other Floods (weeks) (n=48)
Submission of application in relation to deadline	-1.0	
Application completion duration	13.7	14.9
Commission assessment duration	7.6	14.6
EP & EC assessment duration	9.7	12.5
Time between disaster occurrence and payment of aid to beneficiary country	47.9	56.3
Submission of IR in relation to deadline	+4.4	6.5
Duration of updates to implementation report	:	88.8
Duration of closure process	:	72.6

Source : DG REGIO, 2018.

<sup>14</sup> Figure obtained by REGIO from Republic of Serbia on 15/4/2015, correspondence available in RS112 Case Files, "Implementation Phase"

<sup>15</sup> Based on analysis of all EUSF cases undertaken for the Interim Report.

## 4. IMPLEMENTATION OF EUSF

The following sections describe the implementation of EUSF in more detail covering the institutional context, application/submission, evaluation/assessment and approval, implementation, closure, and publicity and visibility.

### 4.1 Institutional context

According to Annex II of the Agreement,<sup>16</sup> the body responsible for implementation was the Government Office for Reconstruction and Flood Relief,<sup>17</sup> while the bodies responsible for managing the financial contribution were the following entities: Public Enterprise 'Roads of Serbia'; Railways of Serbia; Public Water Management Company 'Srbijavode'; Public Water Management Company 'Vode Vojvodine'; Public Water Management Company 'Beogradvode'; and the Government Commission for Assessment of Damage Resulting from Natural Disasters.

The following outline of the institutional context describes the overall institutional framework in place during the flooding and the implementation phase of the EUSF.

According to the Law on Emergency Situations (Official Gazette of the Republic of Serbia, Nos. 111/2009, 92/2011 and 93/2012), the National Emergencies Headquarters was responsible for the initial declaration of the state of emergency, which started on 15 May 2014 and lasted for 40 days. National, provincial, regional and local emergency headquarters have been formed in cases of emergency since 2009 by the highest levels of government (for the national level, the responsibility is vested in the Government, while for the municipal level it is the Municipal Assembly). The emergency headquarters are supposed to be permanent bodies. However, because the persons in charge are elected public officials, as are most of the members of the headquarters, they are usually reformed each year at the national level and on an *ad hoc* basis at other levels of governance when emergencies arise. During the 2014 flooding, the National Emergency Headquarters consisted of a Commander (the Minister of Interior), the Operations Chief (the Assistant Minister in charge of the Department for Emergency Situations) and 28 members.

These additional members are representatives of all ministries, the armed forces, public agencies, public utility companies, national media, national telecommunications providers and the Serbian Red Cross. The composition of the national and local emergency headquarters is regulated by a Decree on Composition and Proceedings of Emergency Headquarters (Official Gazette of the RS, No. 98/2010).

With respect to the 2014 flooding, the National Emergency Headquarters was established by the Government of Serbia in January 2014 and was responsible for the coordination of all of the activities relevant for the prevention of disastrous consequences, rescue and recovery of people and property, and the coordination of civil protection mechanisms. A total of 119 Local Self Governments (LSGs) also declared a state of emergency through

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<sup>16</sup> European Commission (2015) 2110 Delegation Agreement of 23.03.2015 for the implementation of the Commission Decision of 13 March 2015 awarding a financial contribution from the EUSF to finance emergency and recovery operations following the disaster caused by severe flooding in Serbia.

<sup>17</sup> According to the Serbian legislation relevant for organisation of the Government, the proper translation would be the Office for Reconstruction and Flood Relief, and accordingly this will be used in the rest of the case study.

their regional emergency headquarters (composed of local municipal representatives, local public utility companies, and other local public agencies). In the case of LSGs that are territories within cities, a city emergency headquarters was responsible for the coordination of relevant flood-induced activities. Most LSGs had already formed emergency headquarters, whilst some (Obrenovac, for instance) formed them during the flooding.

In the wake of the floods, the Government passed a Decree on the Establishment of the Office for Reconstruction and Flood Relief (Official Gazette of the RS, Nos. 55/14, 110/14 and 136/14) to coordinate the Government's response. It was charged with expert, administrative and operational duties, especially those of coordination, monitoring and reporting concerning the receipt and distribution of humanitarian and other aid received by the Government for persons affected by the floods. Through this decree, standards, criteria and procedures for aid allocation were established. Subsequently, the Decree of the Government of the Republic of Serbia, published in the Official Gazette of the Republic of Serbia, No. 95/15, established the Public Investment Management Office (PIMO). This office took over the rights and obligations from the Office for Reconstruction and Flood Relief. The newly established office was formed with more clearly defined jurisdictions and task division, hence more efficient organisational structure.

The Minister without portfolio responsible for European Integration was likewise responsible for the coordination of the processes relevant for applying for funds from the EUSF and other EU funds, including IPA 2012, 2013 and 2014. Given that the Minister was without portfolio, hence lacking administrative support, the administration of the application process was delegated to the Serbian European Integration Office (SEIO).<sup>18</sup> The SEIO facilitated a working group composed of the PIMO, state administration bodies (ministries, special organisations and public agencies) and public utility companies. The working group was established in order to prepare the damage assessment related to the infrastructure, temporary accommodation, clean-up and other disaster-induced components. According to the assessment conducted by the UNDP and with use of administrative data, the SEIO, together with the PIMO and the Ministry of Finance, prepared the calculations of costs and applications for donor-funded assistance, including the EUSF. The PIMO was responsible for coordinating the local damage assessments.

The Government of Serbia conducted a Recovery Needs Assessment (RNA), which was initiated on 9 June and completed on 10 July. However, the methodology to complete such an assessment (i.e. 'rapid assessment' such as rapid rural appraisal, rapid needs assessments, etc.) is not widely known and implemented in Serbia. The EU, the United

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<sup>18</sup> According to the Decree on the founding of the Serbian European Integration Office from 2007 (Official Gazette of the RS, Nos. 126/2007, 117/2008, 42/2010 and 106/2012), the SEIO was formed as a public office responsible for helping the Government in coordinating ministries, special organisations and public offices in relation to the process of EU accession. The SEIO has a set of specific functions related to the EU, such as: coordinating and managing the negotiation process; coordination of the preparation of the IPA programming; assisting the state administration in harmonisation of the national legislation to the acquis; translation of the national legislation to one of the official languages of the EU and vice versa; and similar other tasks. The SEIO was directly supervised by the Prime Minister who was also responsible for appointing the director of the SEIO. Following amendments to the Law on Ministries from 2017 (Official Gazette of the RS, No. 68/2017), the Ministry of European Integration was established, hence assimilating all personnel, premises, civil servants and jurisdiction of the SEIO.

Nations and the World Bank provided financial and expert support to conduct the assessment.<sup>19</sup>

In May 2015, the PIMO established a working group (Working group for implementation of Commission Decision dated 13 March 2015) for assessing and categorising damage assessments in order to prepare the final input for distribution of funds received from the EUSF. The working group was led by the PIMO and a member of the Commission for assessing the disaster-induced damages, while other members were representatives from the Ministry of Finance, the SEIO and the Ministry of Construction, Traffic and Infrastructure. The PIMO also produced a set of procedures for implementing the EUSF.

**Table 6: Institutional arrangements for the EUSF intervention**

	Organisation name	Role
Institution sending application	Minister without portfolio responsible for European Integration (currently the Ministry of European Integration)  In cooperation with: <ul style="list-style-type: none"> <li>• The Office for Reconstruction and Flood Relief (currently the Public Investment Management Office)</li> <li>• The European Integration Office of the Government of the Republic of Serbia (currently the Ministry of European Integration)</li> <li>• The Commission for Natural Disaster Damage Assessment</li> </ul>	Overall coordination of the public administration bodies, public utility companies and LSGs in order to: <ul style="list-style-type: none"> <li>- Assess the damages and categorise them in line with application requirements</li> <li>- Coordinate other donors' contributions</li> <li>- Organise bilateral and multilateral donor meeting</li> </ul>
Key implementing authorities <ul style="list-style-type: none"> <li>• Public Investment Management Office (PIMO)</li> <li>• Commission for Natural Disaster Damage Assessment</li> <li>• Public Enterprise 'Roads of Serbia'</li> <li>• Serbian Railways</li> <li>• Public Company 'Srbijavode'</li> <li>• Public Water Management Company 'Vode Vojvodine'</li> <li>• Public Water Management Company 'Beogradvode'</li> <li>• Public Enterprise 'Electric Power Industry of Serbia (EPS)'</li> <li>• LSGs</li> </ul>	<ul style="list-style-type: none"> <li>• Public Investment Management Office (Office for Reconstruction and Flood-Relief prior to 2015)</li> <li>• Commission for Natural Disaster Damage Assessment</li> <li>• Public Enterprise 'Roads of Serbia'</li> <li>• Serbian Railways, AD</li> <li>• Public Company 'Srbijavode'</li> <li>• Public Water Management Company 'Vode Vojvodine'</li> </ul>	<ul style="list-style-type: none"> <li>• The PIMO was responsible for the coordination of the implementation of the EUSF</li> <li>• The Commission for Natural Disaster Management was responsible for implementing rescue services and clean-ups of flood-affected areas</li> <li>• Roads of Serbia was responsible for recovery and rehabilitation of road infrastructure</li> <li>• Serbian Railways was responsible for recovery</li> </ul>

<sup>19</sup> United Nations Development Programme (2015) Resilient Financing: The Economic Costs of Natural Disasters, A Case Study of the 2014 Serbia Floods. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP\\_SRB\\_finansiranje%20ENG%20low%20res.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP_SRB_finansiranje%20ENG%20low%20res.pdf)

	<ul style="list-style-type: none"> <li>Public Water Management Company 'Beogradvode'</li> <li>LSGs<sup>20</sup></li> </ul>	<p>and rehabilitation of railway infrastructure</p> <ul style="list-style-type: none"> <li>Srbijavode was responsible for recovery and rehabilitation of flood-protection infrastructure</li> <li>Vode Vojvodine was responsible for recovery and rehabilitation of flood- protection infrastructure in the Autonomous Province of Vojvodina</li> <li>Beogradvode was responsible for recovery and rehabilitation of flood- protection infrastructure in the City of Belgrade</li> <li>EPS was responsible for recovery and rehabilitation of infrastructure, facilities and equipment in the energy sector</li> <li>LSGs were responsible for recovery and rehabilitation in the healthcare and educational sectors, road infrastructure, etc.</li> </ul>
<p>Key stakeholders</p> <ul style="list-style-type: none"> <li>NGOs</li> <li>Volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Gradjanske Initiative</li> <li>Trag fondacija</li> <li>Ana i Vlade Divac Fondacija</li> <li>Serbian Red Cross</li> </ul>	<p>Support in assisting the affected population through various activities.</p>

## 4.2 Application/submission phase

The application process for EUSF support was coordinated by the SEIO and the Minister without portfolio responsible for European Integration. In order for the application to be prepared in line with the instructions provided by the European Commission, a working group was established consisting of state administration bodies (ministries, special organisations and other public agencies), public utility companies and the representatives of the Office for Reconstruction and Flood-Relief. This organisation proved to be adequate for preparing the application according to the EUSF requirements, as it was submitted within 12 weeks of the disaster occurring. It was then updated once with revised estimates

<sup>20</sup> The Report on Implementation of EU Solidarity Fund Relief and webpage of the Public Investment Management Office ([www.obnova.gov.rs](http://www.obnova.gov.rs)) has a full list of LSGs that implemented EUSF.

of the cost of emergency services.<sup>21</sup> The application was received by the Commission on 30 July 2014, while the updated information was provided on 18 August 2014.<sup>22</sup>

In line with EUSF requirements, the application included an accurate direct damage estimate that is relevant for both the national and the local entities. The process was such that all relevant institutions had to submit their inputs on damages within their jurisdiction. The damage assessments were carried out by the entities themselves with support from the SEIO. The Office for Reconstruction and Flood-Relief was responsible for coordination of the assessments conducted by the LSGs. According to interviewees, the Standing Conference of Towns and Municipalities (SKGO) played a major role in this process, as it was the intermediary between LSGs and the working group, providing direct support to individual municipalities that were lacking in capacity for damage assessment. The Government also established the Commission for Natural Disaster Damage Assessment, a political body presided over by the Minister for Construction, Traffic and Infrastructure and with five other ministers as members (Defence, European Integration, Finance, Economy and Labour). The role of the Commission was to provide a political coordination mechanism.

Representatives of the PIMO, Municipality of Kraljevo, and Sector for Emergency Situations, stated that this application process was fairly complex (see Table 7) for two main reasons. First, there was a lack of experience with the obligations and expectations of the EUSF application process. Their experiences suggest that the deadlines were such that they had little time for the preparation of all inputs, given that the effects of the disaster were still active, hence the local governance structures lacked capacity for assessing the direct damages made to infrastructure or to homes.

Second, the process of damage assessment was constrained by deficiencies in administrative capacity especially evident at local level. In the existing framework, damage assessments were conducted according to an outdated rulebook that was adopted in the 1980s<sup>23</sup> and was inadequate for the EUSF application process. According to the interviewee from the Sector for Emergency Situations, the methodology for assessing damages used for EUSF was more demanding than the one that was currently in use in Serbia, but it provided a more realistic account of damages and their monetary value.

When it comes to the complementary support of the World Bank, the timeframe for the application was shorter and the funds were disbursed in only six weeks from the time the application was submitted, hence these funds began to be delivered in September 2014. The World Bank representative stated that the application process for the World Bank loan was positive overall, as each institution was involved in the area where their expertise was greatest. As with the EUSF, this interviewee observed that capacities at the local level were lacking when it came to conducting flood-relief programmes and using the available data in an efficient manner in disaster management and in programming support. Reform of public administration in Serbia has been underway at both national and local levels since

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<sup>21</sup> Application form for financial assistance Serbia (2014), page 1, point 6. Total direct damage estimate

<sup>22</sup> European Commission (2014) 7380, Communication to the Commission on three applications for a financial contribution from the European Union Solidarity Fund, page 2.

<sup>23</sup> Rulebook on methodology for assessing damages from natural disasters (Official Gazette of Yugoslavia, No. 27/1987-653).



2004,<sup>24</sup> leading to significant changes to status, payroll systems and appraisal mechanisms. Additionally, since 2013 Serbia has been undertaking a fiscal consolidation process that includes salary cuts for civil servants and an inability to hire additional staff.<sup>25</sup>

These factors led to lack of funding for training of existing staff and at the same time a significant lack of available personnel. At local level, the effects were more evident, as LSGs raise revenue for only a small proportion of their budgets and are funded mainly by transfers from the central government. A Rapid Needs Assessment was undertaken before the EUSF application, hence relevant institutions who were responsible for preparation of the EUSF application already had some experience in assessing damages. The role of the PIMO (Office for Reconstruction and Flood-Relief at the time) was crucial to ensure that the support between various donors did not overlap.

**Table 7: Assessment of application/submission phase**

Assessment of application phase	Straight-forward	Neutral	Fairly complex	Excessively complex
Ministry of European Integration		X		
Public Investment Management Office			X	
Public Investment Management Office			X	
Ministry of Interior – Sector for Emergency Situations			X	
Municipality of Kraljevo			X	
Srbijavode, Public Utility Company			X	
World Bank		X		
The Office for Cooperation with Civil Society	X			
Gradjanske Initiative	X			
Ana i Vlade Divac Foundation	X			
Foundation for Youth Obrenovac	X			
Duga Association Sabac	X			

Note: Assessment based on 12 interview respondents.

### 4.3 Appraisal/evaluation and approval phase

The European Commission received the application on 30 July 2014, within the deadline of 12 weeks after the first damage was recorded on 14 May 2012, while the update was received on 18 August 2014.<sup>26</sup> On 10 October 2014, the European Commission published a communication on three applications (Serbia, Croatia and Bulgaria) for a financial contribution from the EUSF,<sup>27</sup> confirming that Serbia had submitted an application in a

<sup>24</sup> The Strategy for Public Administration Reform was the first strategic document in PAR reform, followed by a renewed strategy adopted in 2014 (Official Gazette of the RS, No. 9/2014) and implemented via the Action Plans for the 2015–2017 period (Official Gazette of the RS, No. 31/2015) and for 2018–2020 (pending adoption).

<sup>25</sup> The Law on Temporary Determination of Pay Grades (Official Gazette of the RS, No. 116/2014).

<sup>26</sup> European Commission (2014) 7380, Communication to the Commission on three applications for a financial contribution from the European Union Solidarity Fund, page 2.

<sup>27</sup> European Commission (2014) 7380, Communication to the Commission on three applications for a financial contribution from the European Union Solidarity Fund.

timely manner. The communication was accompanied by a description of the damages and a statement that the application meets the conditions set out in the Regulation for mobilising the Solidarity Fund.

In October 2014, the Commission issued a proposal to the Parliament and the Council for the mobilisation of the EUSF<sup>28</sup> with the total amount of proposed aid for Serbia amounting to EUR 60,224 million. In December 2014, Decision EU 2015/437 of the Parliament and the Council on the mobilisation of the EUSF was published. The Commission implementing decision was published in March 2015. Later in March 2015, the awarding decision was undertaken<sup>29</sup>, and the delegation agreement was signed by the European Commission and by the Minister without portfolio in charge of European Integration on behalf of Serbia<sup>30,31</sup>. EUR Payment was undertaken in April 2015, 11 months after the disaster took place.

The interviewees stated that even though the evaluation and approval phase were mostly straightforward, the time that elapsed between the application phase and the approval phase was felt to be long. Although it was agreed that this process took a significant amount of time, interviewees stated that no obvious issues arose that slowed the process down. Rather, this was stated to be the way in which EUSF is normally approved and processed.

In contrast to the EUSF, the evaluation/approval phase for other donor funds was shorter. For example, while a loan rather than a grant, the World Bank Floods Emergency Recovery Project (FERP) was decided after only six weeks. It was sector-specific (agriculture, energy and waterways). Later in the process, external auditing confirmed that the fund delivery was efficient even though the loan agreement process was expedited.<sup>32</sup> As part of the World Bank auditing procedures, an external audit was conducted on five separate occasions. The audits focused on financial indicators relevant for the implementing entity (Electric Power Industry of Serbia, EPS), with the last being conducted in July 2016.

NGO representatives added in their interviews that they felt that the EUSF evaluation/approval phase was not transparent, as no information on the evaluation process was made public in Serbia during this time.

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<sup>28</sup> European Commission (2014) 648, Proposal for a decision of the European Parliament and of the Council on the mobilisation of the EU Solidarity Fund

<sup>29</sup> European Commission (2015) 502 Final, Report from the Commission to the European Parliament and the Council. European Union Solidarity Fund Annual Report.

<sup>30</sup> European Commission (2015) 2110 Final, Delegation agreement of 23 03 2015 for the implementing Commission Decision of 13 March 2015 awarding a final contribution from the EUSF to finance emergency and recovery operations following the disaster caused by severe flooding in Serbia

<sup>31</sup> *Ibid.*

<sup>32</sup> Price Waterhouse Coopers (2017) Independent Auditors' Report for the period from 1<sup>st</sup> January through 31<sup>st</sup> December 2016 Available at: <http://projects.worldbank.org/P152018/?lang=en&tab=documents&subTab=projectDocuments>

**Table 8: Assessment of evaluation/assessment and approval phase**

Assessment of evaluation/approval phase	Straight-forward	Neutral	Fairly complex	Excessively complex
Ministry of European Integration		X		
Public Investment Management Office	X			
Public Investment Management Office	X			
Ministry of Interior – Sector for Emergency Situations	X			
Municipality of Kraljevo	X			
Srbijavode, Public Utility Company	X			
World Bank		X		
The Office for Cooperation with Civil Society		X		
Gradjanske Initiative		X		
Ana i Vlade Divac Foundation		X		
Foundation for Youth Obrenovac		X		
Duga Association Sabac		X		

Note: Assessment based on 12 interview respondents.

#### 4.4 Implementation phase

A total of EUR 62,190,042 was disbursed from the EUSF aid for activities related to emergency and recovery operations (EUR 60,224,605 + EUR 1,965,437 in exchange-rate gains).<sup>33</sup>

For the implementation the EUSF, responsibilities were distributed according to the mandates of the implementing bodies and the Agreement on Entrusting Implementation of Commission Decision dated 13 March 2015 adopted by the Government of Serbia.<sup>34</sup>

The PIMO had the role of coordinating the implementation of the EUSF and providing support to other implementing bodies. According to the Agreement, the entities responsible for the administration of the financial contribution, and hence the implementing institutions, were six public utility companies (Roads, Railway, Water Management, Electricity), the Commission for Natural Disaster Damage Assessment and the LSGs units<sup>35</sup> that managed given interventions.

<sup>33</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief., page 15.

<sup>34</sup> According to the RS Report on the Implementation of the EU Solidarity Fund: "Pursuant to Articles 4 and 5 of the Law on Post-Flood Rehabilitation in the Republic of Serbia (*Official Gazette of RS*, No. 75/14), and in regard to Article 81, Paragraphs 1 and 3 of the Law on the Budget System (*Official Gazette of RS*, No. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13-correction, 108/13 and 142/14), the Acting Director of the Office for Reconstruction and Flood Relief shall adopt the Procedures for the implementation of the Agreement on entrusting the implementation of the Commission Decision dated March 13, 2015".

<sup>35</sup> This includes inter alia the following LSG Units: Mladenovac, Veliko Gradište, Aleksinac, Arandjelovac, Bajina Bašta, Čačak, Čuprija, Despotovac, City of Kraljevo, City of Šabac, Knić, Koceljeva, Kosjerić, Kragujevac, Kruševac, Kučevo, Lajkovac, Lazarevac, Leskovac, Ljig, Ljubovija, Lučani, Mali Zvornik, Mionica, Obrenovac, Municipality of Svinjajnac, Petrovac na Mlavi, Požarevac, Ražanj, Trstenik, Užice, Valjevo, Velika Plana, Vladimirci, Žagubica, Ub, Paraćin, Smederevska Palanka, Grocka, Krupanj, Loznica, Smederevo.

The types of interventions managed by LSGs include: "recovery and rehabilitation of road infrastructure, structures and equipment as well as of infrastructure, facilities and equipment in the healthcare and education sectors, implementation of rehabilitation and recovery of local road infrastructure, plants and equipment as well as of the infrastructure, plants and equipment in the healthcare and education sectors"<sup>36</sup>.

An important note on the implementation phase is that the Agreement envisaged that only five public utility companies would be the implementing authorities. However, due to an observed need based on additional assessments, the PIMO and the working group for the implementation of the EUSF concluded that the EUSF would be a proper instrument for the rehabilitation of the infrastructure managed by the Electric Power Company of Serbia (EPS), which was also damaged in the flooding. Thus the working group for the implementation of the EUSF prepared a report that was adopted on 13 June 2016 by the Serbian Government (No. 05 48-5243/2016). Consequently, a total of EUR 3,559,772.53 was disbursed from the EUSF aid by the PIMO to the PE 'Electric Power Company of Serbia' for costs related to payments for the repair of conveyors, emergency reconstruction of the dam, troubleshooting of the centrifugal pump, and the purchase of cables and electric motors for coal production.<sup>37</sup>

For the purpose of implementing the EUSF support, the National Public Procurement Law was amended in 2015 in order to stipulate more efficient procedures and a more competitive environment. In practical terms, compared to standard procurement procedures, the managing authority was not required to provide a statement on the alignment with the annual procurement plan, or to publish a prior notice of procurement. In addition, the deadlines for the whole procedure were much shorter, and tenderers were not obliged to submit some of the reference documents usually required (such as those proving their specialised expertise), but only those documents relevant for eligibility.

According to the procurement rules, the implementing entities were responsible for conducting the public procurement procedure, while the PIMO was responsible for ensuring that needs assessments were conducted properly and that the procurement procedure was respected. For each procurement, the responsible entity had to form a Procurement Commission consisting of one representative of the entity and one representative of the PIMO. The entity was also responsible for the preparation of technical documentation and for conducting the assessment of the bidders, whilst the PIMO was responsible for approving the bidder and for the transfer of funds to the contractor. As a support mechanism, and according to the standard public procurement procedure, the National Commission for the Protection of Rights in Public Procurement Procedures had a duty to issue a decision on the request for the protection of rights within five days of the date of receipt of such duly submitted request (mechanism for ensuring that all bidders had equal rights).

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<sup>36</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief., page 15.

<sup>37</sup> *Ibid.*, page 71.

A total of 72 LSGs benefited from EUSF, which was used for:<sup>38</sup>

- building 73 bridges on the territory of 28 LSGs;
- 13 projects of recovery and improvement of sewage systems on the territory of 12 LSGs;
- sanitation of 29 landslides on the territory of 14 LSGs;
- 14 river bank recoveries on the territory of 10 LSGs;
- 8 projects of roads recovery;
- 59 projects related to the recovery of public buildings (education and health objects) on the territories of 23 LSGs; and
- preventive infrastructure, with 202 items within public utilities for water management rebuilt or improved.

The interviewees reported that the problems in the implementation phase varied from limited to significant. Some of the relevant aspects are discussed below.

#### *Capacity*

As noted above, the capacities at the onset for both the application and implementation of EUSF were weak, but with national efforts, and in collaboration with the Commission, administrative capacities for EUSF implementation significantly improved. This can be said to be especially true for national institutions, while LSGs perhaps continue to require capacity improvements.

One example can be taken from the experience of implementing the World Bank relief fund. The World Bank interviewee commented that although the 'building back better' principle was applied, some issues still arose. For instance, for World Bank funds, development projects were required to be submitted regarding how flooding infrastructure would be constructed. Many LSGs in the flooded areas did not have these projects in place, and additionally did not have the capacity to develop them until much later in the funding period. For this reason, funds were also used to improve flood prevention infrastructure in areas where flooding did not occur in 2014, but where flooding had been an issue in the past and therefore flood control infrastructure projects had already been developed.

#### *Property Rights*

Entities that were responsible for the administration of financial contributions have rated the extent of problems as moderate. The main problem they encountered in the implementation phase, apart from limited internal capacities, was that many of the objects scheduled for reconstruction had property rights issues. A typical difficulty was that a bridge, canal, or other object was not listed in the national cadastre as the property of the entity, hence they were not entitled to organise public procurement for its reconstruction prior to dealing with the problem. Consequently this prolonged the implementation of such projects, while entities gathered the documentation proving the ownership of the object and underwent the procedure of enlisting it in the local cadastre.

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<sup>38</sup> *Ibid.*, pages 12–36.

### *Timescale and Ineligibility of Projects*

The PIMO representative stated that problems occurred to a moderate extent and were attributed to the fact that EUSF support was unavailable for revival of the infrastructure for which the reconstruction had begun prior to the start of the implementation of the EUSF intervention. Given that the EUSF started almost a year after the disaster took place, many significant objects had already been recovered to some extent, and thus fell outside the scope of the EUSF. This led to additional needs for coordination of donor support, requiring the PIMO to bring together multiple donors. The EUSF contribution was used for a wide variety of projects, while the World Bank loan was used mainly for projects not eligible for EUSF support. In these cases, additionally, IPA funds were used, as well as FAO and UN funds.

A similar issue related to the concept of 'building back', rather than 'building back better'. With respect to this, since the initial starting point for much of the infrastructure was inadequate,<sup>39</sup> the principle of 'building back' did not leave room for necessary improvements. Other funding sources, including the WB loan, were required to fill funding gaps.

**Table 9: Assessment of the implementation phase**

Extent of problems in implementation phase	Minimal	Limited	Moderate	Significant	Excessive
Ministry of European Integration		X			
Public Investment Management Office		X			
Public Investment Management Office			X		
Ministry of Interior – Sector for Emergency Situations		X			
Municipality of Kraljevo			X		
Srbijavode, Public Utility Company			X		
World Bank			X		
The Office for Cooperation with Civil Society		X			
Gradjanske Initiative			X		
Ana i Vlade Divac Foundation			X		
Foundation for Youth Obrenovac				X	
Duga Association Sabac				X	

Note: Assessment based on 12 interview respondents.

<sup>39</sup> United Nations Development Programme (2015) Resilient Financing: The Economic Costs of Natural Disasters, A Case Study of the 2014 Serbia Floods. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP\\_SRB\\_finansiranje%20ENG%20low%20res.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP_SRB_finansiranje%20ENG%20low%20res.pdf)

## Communication

Interviews provided by the representative of the NGOs describe the extent of the problems in the implementation phase as either moderate or significant. One of the problems that occurred in the implementation phase was a lack communication with the NGO sector. It was evident that no mechanism was in place to prevent overlaps between the EUSF and NGO support. The NGO sector was mostly involved in supporting the needs of the affected population, and mostly active in funding and coordinating the recovery of objects for housing, education and health. Their efforts were not well communicated to local officials, mostly due to a general lack of communication channels with civil society, hence overlaps occurred during the EUSF implementation.

Those NGOs who stated that the extent of problems was significant in the implementation phase identified a problem where local civil society organisations were completely excluded from the recovery projects, even though they had hands-on experience with direct population needs. According to the *Foundation for Youth Obrenovac*, this led to many situations where certain members of the population who suffered significant damage were not even considered for support. This problem was typical for Roma settlements that were directly impacted by the flooding of the river Sava in Obrenovac.

## 4.5 Closure

The closure phase for the EUSF support to Serbia for the 2014 floods is ongoing. Accordingly, interview and document analysis assessed the information available to date with respect to the closure procedure. This having been said, assessments may change once the closure phase is completed.

According to the interviews with the representatives of the Ministry of European Integration and the PIMO, the complexity of information that was demanded for the needs of finalising the implementation report was excessive, while the time constraints were moderate and the bureaucratic demands were minimal.

**Table 10: Assessment of closure procedures**

	Minimal	Moderate	Excessive
Bureaucracy involved	X		
Complexity of information demanded			X
Time constraints		X	

Note: Assessment based on six interview respondents.

The complexity of information demanded in the reporting phase was mostly due to the large number of stakeholders that were involved in the implementation of the EUSF (72 LSGs, six public utility companies and the Commission for Natural Disaster Damage Assessment). This made the task of obtaining inputs from each stakeholder very demanding. Additionally, the PIMO had to invest a significant amount of time in harmonising the input received, as it varied in scope and quality. As revealed by the interviews, the LSGs needed additional guidelines on how to process administrative data and to formulate it in a way that is suitable for reporting on the implementation of the EUSF.

On 7 April 2017, the PIMO published the Report on Implementation of EU Solidarity Fund Relief, meeting the deadline set by the Agreement of 24 months after the disbursement

of the financial contribution, which occurred on 15 April 2015. This report was generally observed to be of high quality by all of the parties involved, according to interview findings from the PIMO.

#### **4.6 Publicity and visibility**

In line with the EUSF agreement, all the implementing bodies had an obligation to communicate and promote the support provided by the EU and specifically by the EUSF. During implementation, EU logos and construction boards with a description of the EUSF support were used to signal works on all forms of infrastructure being reconstructed or rebuilt.

The media coverage at the national level was positive about the EU support to Serbia during the implementation phase of the EUSF: news covering specific EU support was generated daily via media with national coverage. The news was also covered extensively in online media. The Commission representatives highlighted the sentiment of support to the Serbian people and gave reassuring statements on ongoing and pending EU support. The Serbian public officials were very direct in stating that support was expected via EUSF, while at the same time they were grateful for the support provided directly by specific Member States. This was very evident at the local level, where individual Member States, especially Austria and Italy,<sup>40</sup> directly supported the recovery of households. On the other hand, during the disaster, and prior to the implementation phase, the visibility of the EUSF as a potential recovery instrument was very low.

According to the Media Survey conducted for this evaluation, a small number of articles on EUSF support for flooding were published in the period after the May 2014 flooding. In total, 23 articles were identified. Of these articles, approximately 60 percent were positive in their reporting on the EUSF, and the remainder were neutral – stating only facts on EUSF support. The positive articles, *inter alia*, mentioned the May 2014 visit of the EU Commissioner for Regional Policy, the Brussels conference organised for Serbia and Bosnia-Herzegovina, and they provided reports on projects supported by the EUSF. The neutral articles included brief information stating that Serbia qualifies for EUSF and reported on the extent of the estimated damage.<sup>41</sup>

Interviewees stated that prior to the implementation phase, the general view was that EU support was pending and foreseen, but there was no clear outlook regarding the scope and means of such support. Additionally, among the general population, and also supported by focus group findings<sup>42</sup>, there was a feeling of great uncertainty as to whether EU support would actually be delivered within a timeframe relevant to the scope of the disaster. Interviewees from the NGO sector also stated that the presence of local European Commission representatives was limited, on both national and local media, and they concluded that local politicians sent mixed messages on which nations and organisations were acting as donors and to what scale. Hence, among the general population the feeling

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<sup>40</sup> The PIMO (2017) *Obnova u brojevima*.

<sup>41</sup> Further details are provided in the Media Survey published as a separate report.

<sup>42</sup> The focus group was organised on 2 August 2018, in Belgrade and lasted for 90 minutes. A total of six citizens participated in the focus group, and afterwards an additional two interviews were conducted by phone.



was that individual donors, such as individual Member States or other countries, were more active in supporting the flooded areas than the EUSF.

Furthermore, unlike the EUSF, the evaluation/approval phase for other donor funds was shorter. Therefore, although the donor funds (excluding the WB loan) were individually smaller than EUSF support, this funding may have appeared more visible around the time of the disaster. For example, although a loan, the World Bank Flood Emergency Recovery Project, was implemented after only six weeks from the point of application. NGO representatives added in their interviews that such a long period for approval of EUSF has also contributed to the low visibility of EU funding for flood relief in general.

During 2015 and 2016, the visibility of EU support increased, leading to more extensive media coverage of the EUSF, according to the interviewees. The PIMO, as a public authority, was very active in promoting EUSF support, as they published regular reports on projects and endeavours that were supported by the EUSF. A publication entitled 'Solidarity in Action' on EUSF support (commissioned by the EUSF) was designed by the PIMO and published in 2016.<sup>43</sup> This was also followed by a series of media appearances of the highest-ranking public officials on national and local TV stations, hence the public had been adequately informed of the scope and means of the EU support, according to the public authorities' statements provided during the research. The NGO sector also raised the visibility of the EUSF support through regular publication of news articles on their websites and accompanying material, highlighting the ongoing projects conducted in collaboration with the EUSF. The most viral media tool was a website created by a cluster of more than 100 NGOs and directly supported by the EUSF.<sup>44</sup> This website provides information on news regarding the potential donor support, calls for providing direct support to the affected population, and infographics on ongoing donations with a regular statistical breakdown of the amounts and sources of donations, including those from EU funds.

At the local level, according to interviews, the visibility of the EUSF varied on a case-by-case basis. For instance, in the Municipality of Kraljevo, local officials were very active in promoting the EUSF impact, using local TV and radio stations. Additionally, at least once per month, Commission representatives from the Belgrade office had on-site appearances, culminating with the visit from the Chief of the EC Delegation in Serbia, Michael Davenport.<sup>45</sup> On the other hand, in other municipalities such as Sabac and Svilajnac, the presence of Commission officials was very limited, and local political support was less visible. According to some interviewees, the problem with visibility of the EUSF in some local areas was attributed to a lack of promotional construction boards. The explanation was that those that were well-built lasted a long time, whilst others were either stolen or damaged, and not replaced; thus, for some infrastructure projects, little information on the source of financing was available. In cases where such projects were accompanied by visits of the Commission representatives and a media campaign was conducted, the effects of missing promotional construction boards were minimal.

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<sup>43</sup>The Public Investment Management Office (2016) *Solidarnost na delu*. Available at: [http://www.obnova.gov.rs/uploads/useruploads/Documents/Solidarnost\\_na\\_delu\\_preview.pdf](http://www.obnova.gov.rs/uploads/useruploads/Documents/Solidarnost_na_delu_preview.pdf)

<sup>44</sup>Udruzeni ('Cooperatives'). Online Website. Available at : <http://udruzeni.org/>

<sup>45</sup>RTS Galaksija (2016) Online Website. Available at : <http://www.rtvgalaksija.rs/2016/02/10/sef-delegacije-eu-u-srbiji-majkl-devenport-posetio-danas-kraljevo/>

While interviewees close to the subject stated that the visibility of EUSF was moderate, other interviewees from public authorities stated that EU visibility (as an umbrella) was significantly higher than the visibility of EUSF in particular, even directly related to funding.

The results from the focus group<sup>46</sup> show that the level of awareness of EUSF-funded operations among citizens in regions that were supported by the EUSF is not very high. Instead, their perception was that there was indeed support from the EU, but they did not acknowledge the EUSF as an implementing tool. This was also confirmed in interviews with representatives of local citizens' groups. They additionally highlighted that the benefits from such support were crucial for the improvement of the local preventive infrastructure and recovery of the damaged public objects. On the other hand, intervention directly benefiting people, such as temporary accommodation, rebuilding their houses and support related to agriculture, is something they associated more with individual donors, such as the Governments of Austria, Japan, Switzerland and Norway.

## **5. FACTORS INFLUENCING THE IMPLEMENTATION OF EUSF SUPPORT**

The most important factors influencing the implementation of EUSF support are considered to be governance, institutional factors and public procurement requirements. Table 11 provides a summary of the influences of specific factors based on responses by interviewees at different levels.

- *Governance.* Governance issues greatly influenced EUSF implementation. Two main factors were crucial. The first was the establishment of the PIMO as a central focal point for the disbursement of funds and coordination of the needs assessment and procurement procedure. In the opinion of the interviewees, the PIMO was a crucial partner in EUSF implementation and contributed significantly to the effectiveness of the Fund. Second, the local governance structure and organisational structure of the public utility companies was paramount. Both LSGs and public utility companies required significant capacity-building in order to address the requirements of the EUSF.

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<sup>46</sup> The focus group was organised on 2 August 2018, in Belgrade and lasted for 90 minutes. A total of six citizens participated in the focus group, and afterwards an additional two interviews were conducted by phone

**Table 11: Assessment of factors influencing EUSF implementation**

Factor	No influence	Slight influence	Moderate influence	Highly influential	Most influence
Governance				X	
Institutional factors				X	
Economic resources			X		
Accountability		X			
Public procurement requirements				X	
Time needed for the transfer of funding from the State to the regional accounts			X		
Lack of specific competences for managing emergency at municipal level				X	

Note: Assessment based on 12 interview respondents

Interviewees from these stakeholder groups stated that their capacities were strained, and at times non-existent (see details below), and hence found this factor to be the most influential in the EUSF implementation process. Nevertheless, Serbia still lacks crucial legal provisions for disaster risk assessment and the institutions lack the capacity for disaster prevention and management. On the other hand, both the implementation and post-implementation phases showed that the establishment of the PIMO was crucial for the domestic prevention and management system, as a single focal point for coordination of donor support was entrenched in the organisational framework.

- *Institutional factors.* National legislation was not aligned with requirements of the EUSF, hence *lex specialis* had to be adopted in order to establish the institutional hierarchy and division of roles in the disaster recovery process. The Law on Post-Flood Rehabilitation in the Republic of Serbia (Official Gazette of the RS, No. 75/2014) was adopted in order to establish the coordination functions, criteria for flood relief, the processes of adopting state aid programmes, and how the characteristics of disasters are recorded and reported to the relevant public administration body. The interviewees also highlighted the roles of the Ministry of Finance and the State Audit Institution as highly relevant. The Ministry of Finance, according to the interviews, was slow to react to changes in the public procurement system, and in providing guidelines and opinions on specific issues that arose in the implementation process.

Additionally, the State Audit Institution levied numerous official fines on the LSGs and public utility companies, upon the discovery that the procurement procedures applied were different from what is normally required according to national regulations. Although the process applied was in line with EUSF procedures, it was not compatible with the domestic Law on Public Procurement. Hence, the stakeholders were reprimanded even though they followed the procedures for EUSF implementation. This problem was dealt with through an institutional dialogue between representatives of the State Audit Institution and the LSGs that led to a

better understanding of the situation. Unfortunately, the Ministry of Finance has to date not produced a legal act that would clarify the procedure in the future. Apart from the PIMO, which was established specially for the purposes of implementing donor support, many other relevant institutions continue to require capacity-building.

- *Economic resources.* The resources that were provided through EUSF were significant and well targeted, according to the interview findings. On the other hand, interviewees highlighted that the economic resources obtained through other means were also significant, and more prompt, hence these other funds were used to address the immediate needs of the population. At the time of the 2014 flooding, the LSGs did not have local DPM funds established, hence the evident problem was that they had a limited ability to finance the reconstruction using their own funds and subsequently reimburse it from EUSF. This led to additional coordination steps between the national and local entities, thus prolonging the reconstruction process.
- *Public procurement requirements.* In 2015, an amendment was introduced to the Law on Public Procurement (Official Gazette of the RS, No. 68/2015) governing the public procurement proceedings in cases of financing disaster management. These rules stipulate the use of a fully transparent and open model of public procurement, with a focus on shorter deadlines for the submission of bids (the period for submission of bids is ten days compared to 35 that is set for regular procurement procedures). The procedure was such that the LSGs or public utility companies (depending upon who is responsible for the implementation) prepared tender documentation, which was then verified by the PIMO. Afterwards, the notice was published on the central portal for public procurement,<sup>47</sup> inviting tenders. All offers were assessed by the Procurement Commission, which consisted of representatives from the implementing institution (LSG, public utility company or Commission for Natural Disaster Damage Assessment) and from the PIMO. The Procurement Commission was also responsible for selecting the bids. This system, catalysed through the EUSF, influenced local procurement procedures to be more transparent and efficient. The interviewees highlighted that the presence of the PIMO in the Procurement Commission was crucial, as the PIMO provided hands-on help in using the proper assessment methodology and in preparing the required documentation. In conclusion, the public procurement system was amended on time, prior to EUSF implementation, and it was highly influential in ensuring efficient and effective use of EUSF support.
- *Time needed for the transfer of funding from the State to the regional accounts.* In Serbia, the process was such that the local governments conducted the procurement procedure with support from the PIMO. As stated, the PIMO was also responsible for verifying the bidder and giving the final approval. Furthermore, payments were transferred directly to the contractor by the PIMO. Prior to the transfer of a given payment, the PIMO filed an official demand for transfer of funds to the National Bank of Serbia followed by the Government's Conclusion by which the realisation of funds is approved. The National Bank was then responsible for

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<sup>47</sup> Public Procurement Portal. Online Website. Available at : <http://portal.ujn.gov.rs/>

applying the daily exchange rate and transferring the funds to the PIMO. These payments were either interim or after the project was completed.

The process was in line with the Law on deadlines for payments in commercial transactions (Official Gazette of the RS, Nos. 119/2012, 68/2015 and 113/2017) that governs the obligation of the public institution to transfer the funds no later than 45 days. In some cases, the deadlines were breached by the PIMO by no more than 15 days due to lengthy procedures. This did not significantly delay the realisation of projects, but had a moderate influence. Overall, the time needed for the transfer of funding from the State to the regional accounts had a moderate influence on EUSF implementation due to a lengthy procedure that was necessary to establish coherence and to allow better preparation of reimbursement claims.

- *Lack of specific competences for managing emergency at municipal level.* The lack of human capacity within municipalities was highly influential for the implementation of the EUSF. Interviewees stated that local civil servants were not accustomed to the methodologies for damage assessment required by the EUSF. In the implementation phase, the municipalities lacked personnel and had little understanding of the procurement procedures and technical expertise necessary for providing technical specifications and other technical documents. During the implementation of the EUSF, the PIMO offered training on procurement and technical assistance, hence even though municipal capacities were highly influential in the implementation of EUSF, they did not compromise the overall results and outcomes. Through implementing the EUSF, LSGs learned how to administer EU-supported funds and have built some capacity for future implementation of such endeavours. On the other hand, the LSGs are yet to introduce regulatory, strategic and organisational frameworks for systematic disaster prevention and management systems that are able to respond effectively to ongoing emergencies.

## **6. ADMINISTRATIVE BURDEN AND COST**

Overall, interviews with public authorities and main stakeholders highlighted administrative burdens linked to specific aspects of the EUSF support process (application, evaluation, implementation) that are discussed throughout the report (see Tables 12 and Table 13). However, a general consensus is that much of the administrative burden experienced was overcome as a result of national efforts and collaboration/communication with the European Commission. This was considered to have resulted in improvements in the regulatory framework for disaster management, established a system for the implementation of EUSF support if required in the future, and created the foundation for improvements in capacities for DPM at the local and national levels.

Given that the EUSF was implemented in parallel with the establishment of the Office for Reconstruction and Flood Relief (later to become the PIMO), there were significant administrative burdens related to the establishment of an efficient organisational structure within the PIMO, e.g. the procurement and furnishing of working premises and developing HR management activities for the introduction and training of new staff. Additionally, due to EUSF procedural requirements, the PIMO had to prepare numerous legal acts for the Government and numerous working documents (contract templates, procurement documentation, etc.) for LSGs, as the latter lacked capacity and needed to standardise the EUSF implementation procedures.

**Table 12: Assessment of administrative burdens**

Administrative burdens	Minimal	Limited	Moderate	Significant	Excessive
Ministry of European Integration		X			
Public Investment Management Office				X	
Public Investment Management Office				X	
Ministry of Interior – Sector for Emergency Situations			X		
Municipality of Kraljevo				X	
Srbijavode, Public Utility Company				X	
World Bank	X				
The Office for Cooperation with Civil Society	X				
Gradjanske Initiative			X		
Ana i Vlade Divac Foundation	X				
Foundation for Youth Obrenovac		X			
Duga Association Sabac		X			

Note: Assessment based on 12 interview respondents.

The interviewee from Srbijavode, the public utility company in charge of water management of national rivers, stated that the EUSF implementation process strained their capacities to the maximum. They also faced the significant administrative burden of outsourcing the needed human capacity (experts for preparation of technical documentation for reconstruction of water management infrastructure). At the time of EUSF implementation, Srbijavode had only 30 engineers with the necessary skill-set. These employees worked substantial overtime hours to meet the demands of implementation, adding to administrative costs. However, the Srbijavode representative stated that the benefits of the EUSF were much greater than the administrative costs, and thus would consider them to have limited influence.

Municipalities, according to the stakeholder interviews, did not bear many of the costs associated with the implementation of EUSF. On the other hand, they bore significant administrative burdens related to adjusting the internal procedures and organising training for employees due to EUSF procedures. Representatives from the Municipality of Kraljevo stated that the requirements for conducting public procurement, preparation of technical documentation, and auditing were on a different level compared to the standard proceedings for infrastructure investments. NGOs stated that the costs were either limited or minimal, but confirmed that municipalities had issues with capacities that resulted in occasional delays of projects that were realised locally.

**Table 13: Assessment of administrative costs**

Administrative costs	Minimal	Limited	Moderate	Significant	Excessive
Ministry of European Integration	X				
Public Investment Management Office		X			
Public Investment Management Office		X			
Ministry of Interior – Sector for Emergency Situations		X			
Municipality of Kraljevo			X		
Srbijavode, Public Utility Company		X			
World Bank	X				
The Office for Cooperation with Civil Society	X				
Gradjanske Initiative	X				
Ana i Vlade Divac Foundation	X				
Foundation for Youth Obrenovac	X				
Duga Association Sabac	X				

Note: Assessment based on 12 interview respondents.

A World Bank representative stated that, for the World Bank *Floods Emergency Recovery Project* Loan, from the standpoint of the government institutions, the costs were minimal and were assessed at 0.5 percent of the total World Bank support (of USD 300 million). These costs were attributed to overheads and external audits. Additionally, funds were delivered/organised through public institutions, which made the delivery much more efficient from the standpoint of the WB and their administrative burdens. Having in mind that the implementation of the World Bank support used similar coordination mechanisms (the PIMO was responsible for collection and disbursement of funds to the LSGs), it can be inferred that the implementation costs of the EUSF were similar and could be considered minimal. A precise quantitative assessment of the administrative costs linked specifically to EUSF support could not be identified.

## 7. RELEVANCE OF EUSF SUPPORT

According to the interviews with public authorities and stakeholders, EUSF support was highly relevant for projects restoring infrastructure to working order that required substantial investments. Additionally, EUSF support was crucial for financing preventive infrastructure, hence improving the domestic prevention and management capacity in case of future disasters. The consensus among interviewees is that the EUSF was used appropriately to meet the needs resulting from the disaster, especially for recovery of traffic infrastructure, water management infrastructure, public facilities and energy infrastructure. Public authorities highlighted the importance of a standardised procedure for application, implementation and monitoring of works financed via the EUSF, making those processes more transparent and less prone to mistakes compared to other infrastructural investments that were in place at the time.

Interviewees noted that the EUSF principle of building back to the original state imposes problems when damaged objects needed to be built with improved characteristics. In such cases, IPA funds and a World Bank loan were used more often than EUSF support. Additionally, other sources of funding were more flexible when it came to building prevention infrastructure in municipalities that did not suffer damage from the 2014 flooding, hence the EUSF was not significant in raising domestic prevention and management capacities of those LSGs.

NGO representatives stressed that the EUSF was less relevant for urgent needs as EUSF support has such a lengthy application phase, with funds only available a whole year after the flooding occurred. Having that in mind, the EUSF support was less relevant for temporary accommodation and rescue of the population; instead, donations for these purposes were gathered from individual donors or were financed via public funds. Apart from the time it takes, NGOs were critical of the complex application procedure. Projects that are smaller in scale seldom apply for EU funds, preferring to apply for funds available via other international donor institutions, such as local embassies or local funds and foundations. One reason for the observed reduced relevance of EUSF for rapid return needs can be attributed to the Republic of Serbia not having a national emergency fund to draw upon and subsequently refund through the EUSF.

Private donors focused their support on restoring housing and financing the reconstruction of public facilities. The EUSF was primarily used for reconstruction of water management, energy, railways, LSG prevention infrastructure, roads and public facilities, making it relevant for most recovery areas.

The World Bank loan of approximately US\$ 300 million was approved and began to be implemented in October 2014. Although requiring repayment, World Bank loan is not a traditional investment loan, it has a 15-year grace period and a 30-year return period. Thus, the aim was not to burden public finance to a great extent.

## **8. ASSESSMENT OF ACHIEVEMENTS**

### **8.1 Operational achievements**

Overall, the EUSF contributed to the following broad achievements:

- restoration of infrastructure and plants in the energy, water, sanitation, telecommunications, transport, healthcare, and education sectors;
- reconstruction and rehabilitation of plants and equipment for public facilities managed by LSG units;
- provision of funds for temporary accommodation and funding of rescue services for the affected population;
- provision of funds to cover the expenses of rescue services absorbed by LSGs;
- funding for flood prevention infrastructure, and the protection of cultural heritage;
- restoration and rehabilitation of infrastructure important for the management of embankments, watercourses, riverbeds, dams and levees;



- clean-up of the effects of the flooding. This includes natural areas, preventing soil erosion, and the application of an ecosystem based approach; and
- clean-up costs incurred by LSG units with respect to affected sites, debris removal, and pest control.<sup>48</sup>

The total funds allocated according to recipient are shown in the table below.

**Table 14 EUSF allocation according to recipient**

<b>EUSF Allocation by Recipient (EUR)</b>	
Srbijavode and Beogradvode suppliers	3.281 million
Beogradvode	2.70 million
Srbijavode	15.716 million
Electric Power Industry of Serbia	3.560 million
PE Roads of Serbia	4.202 million
Ministry of Interior	0.348 million
Municipalities	8.296 million
Republic Directorate for Water	4.745 million
Serbian Railways	1.086 million
Bridge construction	6.690 million
Public facilities	11.562 million

Restoration of infrastructure to working order and securing the preventative infrastructure and cultural heritage were regarded by interviewees as important achievements associated with EUSF support. Furthermore, a significant proportion of support was allocated to covering direct expenses, including the clean-up of disaster areas and temporary accommodation of the population. This was also seen as an important achievement of EUSF, integral to recovery after flooding. The smallest proportion of funds were allocated for immediate clean-up of disaster areas. According to the interviews with public authorities, the clean-up of most important sites had already been conducted prior to EUSF support. On the other hand, in 2015 and 2016, when EUSF was active, the clean-up was conducted as part of broader reconstruction projects.

With respect to reconstruction of public facilities, EUSF support was used to finance the reconstruction of 59 public facilities including 34 schools, 12 health care centres, 11 outpatient clinics, and two day-care centres. For example, in the Municipality of Groska a highly damaged outpatient clinic was allocated EUR 89,000 for restoration efforts that led to the re-opening of the clinic. Similarly, in the municipality of Kučevo, a secondary school that has suffered leaking and external damage received EUR 110,000 that funded the replacement and reconstruction of the façade, and repair work on the interior walls.<sup>49</sup>

<sup>48</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief

<sup>49</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief

**Table 15: Assessment of operational achievements**

Activity	Not significant	Limited significance	Moderate significance	High significance	Most significance
Restoration of infrastructure to working order					X
Temporary accommodation & rescue for population		X			
Securing of preventative infrastructure & cult. heritage					X
Immediate clean-up of disaster areas		X			

Note: Assessment based on 12 interview respondents.

The rehabilitation of infrastructure included projects such as the 'Stolice' mine, roads, local infrastructure facilities, and damaged flood prevention infrastructure. More specifically, projects included, the construction and repair of 202 structures managed by public water management companies, sewage and water supply reconstruction projects in 12 LSGs, landslide rehabilitation totalling 29 projects in 14 LSGs, watercourse regulation in ten LSGs, local road reconstruction totalling eight projects, and the reconstruction of 74 new bridges covering 28 LSGs.<sup>50</sup> For example, in Subotica (Svilajnac municipality) a structurally damaged bridge was reconstructed crossing the Resava river, including pedestrian footpaths on both sides.<sup>51</sup>

The interviewees confirmed that the selected projects were highly relevant and that the needs assessment on the local level was conducted effectively, hence all reconstructions were well targeted. Additionally, they stated that the EUSF showed a level of flexibility when it came to financing projects that had already commenced prior to its introduction. This situation occurred in cases where the infrastructure was crucial for disaster prevention, hence the public authorities needed to commence the reconstruction prior to receiving EUSF support, which consequently supported the intermediate and final stages of reconstruction.

## 8.2 Added value

The added value of the EUSF support is considered to be primarily in the area of economic effects, learning and operational benefits (see Table 16).

- *Economic added value.* Public procurement procedures stipulating the use of a fully transparent and open model of public procurement led to a significant increase in the number of bidders per procurement (up to 11 bidders). Consequently, the contract prices were decreased by up to 40 percent, according to the interviewees.

<sup>50</sup> Arilje, Bajina Bašta, Belgrade – Lazarevac, Valjevo, Vladimirci, Gornji Milanovac, Knić, Kosjerić, Koceljeva, Kragujevac, Kraljevo, Krupanj , Kučevo, Lajkovac, Loznica, Ljig, Ljubovija , Mali Zvornik, Malo Crniće, Mionica, Osečina, Ražanj, Svilajnac, Smederevo, Topola, Sabac, Koceljeva

<sup>51</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief

Respondents also claimed that the EUSF's impact on municipal finances was crucial. It supported LSGs in major infrastructure rebuilding projects, which the LSGs would not have been able to plan and finance themselves. It is difficult to ascertain what would have happened with regard to the WB loan, had EUSF not been in place. However, an increased reliance on a loan, in the wake of a disaster, rather than a reimbursement fund such as the EUSF, would not have been positive for public finances. According to interviewees, including those at the World Bank, the WB loan was also deemed to have been efficiently implemented; however, preference was given to the EUSF in all cases. Only in cases where the EUSF was not able to support a given project or infrastructural investment was the WB loan mobilised.

- *Political added value.* There was limited added value in terms of political effects. Serbia is an accession country and has been in constant debate on the potential benefits of EU membership. This is supported by regular public opinion polls, conducted twice a month by the Ministry of European Integration.<sup>52</sup> In the period between June 2014 and December 2017, support for EU membership rose from 46 percent to 52 percent of the population, but the effects of EUSF support could not be considered significant, as 81 percent of the population stated that they were not aware of the level of financial support gained from EU funds. The interviews showed that media coverage of the EUSF support could have been more intense and that the general population did not receive enough information on the EUSF support, especially at the local level.
- *Policy added value.* The EUSF had a moderate influence on LSGs when it comes to policy-making, as LSGs have seldom developed internal procedures for disaster prevention or management. According to the interviews, the LSGs are in a process of preparing local disaster risk assessments in line with the Guideline on Methodology for Disaster Risk Assessment adopted in 2017 (Official Gazette of the RS, No.18/2017), but they vary in quality and scope. One of the issues that was raised during the interviews with local representatives is that local disaster risk assessments can only contain partial assessments, as illegal deforestation and illegal sand and gravel-mining from the river banks are not calculated and quantified as risks, but are evident risk hazards. The National Disaster Risk Assessment is pending for adoption, according to the interviewee from the Ministry of Interior. Seven months after the May floods, in December 2014, the Government adopted the National Disaster Risk Management Programme of the Republic of Serbia (Conclusion 05 Number 217-16233/2014-1, dated 19 December 2014). The accompanying Action Plan for the 2017-2020 period was also adopted in 2017. According to the representative from the PIMO, the Action Plan is fully in line with the Sendai Framework for Disaster Risk Reduction<sup>53</sup> 2015-2030, but the implementation is limited due to internal factors.
- *Operational added value.* The implementation of the EUSF has set up good quality standards for disaster prevention and management, according to all interviewees. The coordinating system and public procurement measures for implementing State

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<sup>52</sup> Ministry for European Integration. Online Website. Available at : <http://www.mei.gov.rs/srl/dokumenta/nacionalna-dokumenta/istrazivanja-javnog-mnjenja>

<sup>53</sup> Sendai Framework for Disaster Risk Prevention. Online Website. Available at : <https://www.unisdr.org/we/coordinate/sendai-framework>

aid for disaster management have been improved compared to the period before 2014. The public authorities emphasised that the coordination between national and local entities has improved greatly with the establishment of the PIMO and regional coordination mechanisms, hence in times of need it is much easier to coordinate the process of application for EU or other donor funds. Additionally, national and local officials have recognised NGOs as important partners in local disaster prevention and management systems. The Office for Cooperation with the Civil Society<sup>54</sup> prepared a tender for disbursement of funds to the NGOs who were willing to assist the affected population in the 2014 flooding. The funds were jointly secured by the IPA 2012, the Norwegian Embassy, Assistance for Human Values UK and the Barnard van Leer Foundation; hence, the call was published in September 2014. The funds were allocated to 13 NGOs. Later in the implementation phase of the EUSF, these 13 NGOs established a network<sup>55</sup> of more than 100 local NGOs and citizen groups, with support from the Office for Cooperation with Civil Society. This network was responsible for gathering field data on local needs for recovery, hence as a group were able to communicate this information to the local governments. The interviewees highlighted that this had a moderate influence on the selection of projects (in some LSGs more than in others) to be prioritised in the process of recovery. To conclude, in the flooding of 2014 the local NGOs were first on the scene and were able to provide first-hand assistance to the endangered population. The NGOs used the disaster to network between themselves and established connections that could be useful in the future. Local NGOs with smaller capacities are yet to be integrated into the greater NGO network, hence there is a pending need for further networking options and for regulating the role of major NGOs apart from the Serbian Red Cross.

- *Learning added value.* All interviewees stated that the EUSF implementation was significant for future actions, as it has paved the way for the development of the domestic prevention and management system. The LSGs have significantly raised capacity for managing EU-funded projects and are in the process of raising further capacity for supporting civil protection mechanisms. The PIMO and Ministry of European Integration have learned how to establish effective coordination mechanisms, which are traditionally lacking in Serbian public administration. Although much was learned during the process of EUSF implementation, both by public authorities and stakeholders, in order to maintain the learning curve, greater efforts are needed to establish a comprehensive regulatory framework for domestic disaster prevention and management. Specific needs include continuous capacity-building for the implementation of prevention measures and undertaking administrative procedures for processes of recovery and disaster-relief.

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<sup>54</sup> Government public office established in 2010 by the Decree on the Establishment of the Office for Coordination with Civil Society (Official Gazette of the RS, No. 26/2010), responsible for commencing specialised work in line with the needs of the Government related to initiating public dialogue with civil society organisations and establishing the strategic and legal framework for their effective participation in policy-making on all levels of governance.

<sup>55</sup> Udruzeni ('Cooperatives'). Online Website. Available at : [www.udruzeni.org](http://www.udruzeni.org)

**Table 16: Assessment of added value**

	Not significant	Limited significance	Moderate significance	High significance	Most significance
Economic					X
Political		X			
Policy			X		
Operational				X	
Learning				X	

Note: Assessment based on 12 interview respondents

## 9. SYNERGIES AND COMPLEMENTARITY WITH ESIF

The RS is receiving funding through the Instrument for Pre-Accession Assistance (IPA), the EU tool for delivering aid toward the Western Balkans and Turkey, as part of a pre-accession mechanism.

The synergies and complementarity between IPA funding and EUSF were found to be moderate to high. The organisational structure for the implementation of flood relief support, which placed the PIMO as the central coordination body, contributed to the complementary and synergy with IPA. PIMO serving as the coordinating body allowed for a relatively high degree of organisation of funds, and allocation of funding where funding gaps were the highest.

IPA funding was allocated for reconstruction projects of public institutions and for water management, energy and traffic sectors. Support and coordination was also provided to projects aimed at strengthening flood protection systems implemented by the World Bank and the Austrian Development Agency (ADA).<sup>56</sup>

Overall, EUR 102 million was drawn from IPA funding to support the spring flood relief efforts. These funds were withdrawn and implemented over a number of years. IPA 2012 funding was allocated for the reconstruction of facilities. Of the IPA 2012 funding, EUR 30 million was delivered by the end of 2015 for the reconstruction of facilities damaged by the floods. Funds were drawn from IPA 2014 national and regional sources. National IPA 2014 funding totalled EUR 62 million, while regional IPA 2014 totalled EUR 10 million. Projects funded through these sources are scheduled between 2016 and 2020, and are focused on energy, traffic, and water management infrastructure reconstruction.<sup>57</sup>

## 10. LESSONS LEARNED

The overall assessment of the experience of the EUSF intervention was broadly considered to be positive by the interviewees consulted for the research at different levels (see Table 17). Examining the lessons learned in more detail, the following points can be made to elaborate on the rankings in the table.

<sup>56</sup> Republic of Serbia, Public Investment Management Office (2017) Report on the Implementation of EU Solidarity Fund Relief

<sup>57</sup> *Ibid.*

First, the application process was demanding when it comes to gathering all necessary data in a short period of time. On the other hand, it was an opportunity for all relevant public authorities to establish a clear division of roles and tasks. The coordination mechanism of the Serbian European Integration Office proved to be efficient, as all public authorities had clear instructions on needed inputs.

**Table 17: Overall assessment of administrative lessons learned**

Activity	Very negative	Negative	Neutral	Positive	Very positive
Application process				X	
Information on how to apply					X
Support by the Commission					X
Extent of administrative demand			X		
Reporting requirements			X		
Overall experience of dealing with EUSF				X	

Note: Assessment based on six interview respondents.

Second, even though this was the first time Serbia had applied for EUSF support, links between the Serbian European Integration Office and representatives of the European Commission in Belgrade were already set, thus data-sharing between the EU and Serbia had already been operational. Having that in mind, the interviews with public authorities showed that the overall opinion is that the support by the EC was efficient and highly useful. Additionally, all information on how to apply was communicated in a clear and consistent way. The interviewees stated that the role of the PIMO and the Serbian European Integration Office was crucial in delegating the information demands to all implementing bodies (public utility companies and LSGs), hence both the application process and the implementation phase were highly dependent on the coordination mechanisms set by these institutions.

Third, with respect to administrative demands, the EUSF was regarded as having clear criteria and deadlines, as they were communicated by the European Commission directly to the implementation institutions. Additionally, the EC organised a grant for supporting the LSGs in the preparation of the necessary documentation. This support was delivered by UNOPS and consisted of on-site technical assistance and ongoing correspondence during the implementation phase of the EUSF. For most interviewees, this was a decisive factor for successful implementation of the EUSF, as both national and local institutions lacked experience and know-how in implementation of EU-funded donations.

Fourth, according to the interviewees from the PIMO, who were directly in charge of preparing the final report on implementation of the EUSF, the reporting requirements were significant, but at the same time manageable, as the implementation procedure<sup>58</sup> for the EUSF required that all documentation relevant to payments be kept in both electronic and paper forms by the PIMO, which regularly summarised the evidence and produced analytical reports on EUSF support.

<sup>58</sup> Three separate procedures governed the process: the procedure for implementation of the EUSF (119-01-10/2015-01); the procedure for local self-governments (119-01-10/1/2015-01); and the procedure for public utility companies (119-01-10/2/2015-01).

Finally, all interviewees reported that their experience with respect to dealing with the EUSF was positive. The local representatives, both public and from NGOs, stated that the EUSF enabled all local interest groups to come together on issues that were relevant for the local population, but at the same time they emphasised the lack of consistency in promotion and visibility-raising activities conducted by the Commission. The public authorities stated that the EUSF was very important, as it identified the need to assess the domestic prevention and management capacity. The latter had not been monitored regularly in the previous period, and an outcome of the EUSF intervention was the gathering of baseline information needed for strategic planning.

Since the adoption of the Action Plan for Implementation of the National Programme for Disaster Risk Management in 2017, the PIMO coordinates the EU, World Bank, UNDP and funds from individual donors in a more coherent manner: strategic objectives are clearly set, together with measures and activities for the implementation of funds. On the other hand, the interviewees stated that the Action Plan is programmed with little coordination with public authorities and other stakeholders, hence it may prove to be overly ambitious, especially in the realisation of regulatory and institutional measures. For instance, the amendments of the Law on Emergency Situations and Law on Disaster Risk Management, intended to improve the provisions relevant for civil protection mechanisms, are still pending, even though their adoption was planned for the first quarter of 2017. This problem occurred due to a lack of capacities of public authorities, both on the national and local levels, to prepare the legal acts and to adapt procedural standards that should precede the adoption of new standards for disaster prevention and management. Having all this in mind, the EUSF implementation laid a good baseline for the introduction of good practices in prevention and disaster management, although not enough has been done subsequently to institutionalise those practices by adopting regulations, building capacities, and improving the institutional context in Serbia.

According to the interviewees, the EUSF was a good opportunity for LSGs to assess the state of their preventive infrastructure and capacity for preventive measures. On the other hand, the preventive measures that were developed later on cannot be directly related to the EUSF

For example, the BEWARE (BEyong landslide aWAREness) project can be highlighted as one example of good practice in capacity-building and ongoing support in disaster prevention and management. In order to enhance the capacity of relevant stakeholders for the prevention of hazardous effects of landslides, the PIMO is supporting the realisation of the BEWARE project whose goal is to categorise and describe landslides in order to produce hazard maps of all LSGs. This project is financed by the Government of Japan and realised by the UNDP. The project commenced in 2015 as a response to the hazardous effects of landslides that occurred during the 2014 flooding. Apart from the obvious benefits of implementing this project, an additional goal is to raise the capacity of the LSGs through continuous training on prevention mechanisms and managing the landslide database. Additionally, the LSGs are required to build networks and raise their capacity for applying for prevention funds to be used for landslide prevention.

## **11. REFERENCES**

### **EU-level documents**

Communication to the Commission C (2014) 7380, on three applications for a financial contribution from the European Union Solidarity Fund.

Commission implementing decision C (2015) 1788 of 13.3.2015 awarding a financial contribution from the European Union Solidarity Fund to finance emergency and recovery operations following the disaster caused by severe flooding in Serbia.

Council Regulation (EU) No. 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund.

Decision No. 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism Text with EEA relevance.

Decision of the Parliament and of the Council COM (2014) 648, on mobilisation of the EU Solidarity Fund.

Delegation Agreement C (2015) 2110 of 23.03.2015 for the implementation of the Commission Decision of 13 March 2015 awarding a financial contribution from the EUSF to finance emergency and recovery operations following the disaster caused by severe flooding in Serbia.

Decision of the Parliament and of the Council (EU) No. 2015/437, on the mobilisation of the EU Solidarity Fund.

European Commission (2014) 650 Draft amending budget No. 7 to the general budget 2014, General statement of revenue, Statement of expenditure by section, section III – commission.

Regulation (EU) No. 661/2011 of the European Parliament and of the Council of 14 May 2014 amending Council Regulation (EU) No. 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund.

### **National documents**

Ministry of Agriculture and Environmental Protection (2015) Floods Emergency and Recovery Project (FERP) Environmental and Social Management Framework for Component 2: Agricultural Sector Support Component 3: Flood Protection. Available at: <http://documents.worldbank.org/curated/en/914851468333617869/pdf/SFG1220-EA-P152018-PUBLIC-Disclosed-7-8-2015-Box391493B.pdf>

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Public Investment Management Office (2016) Solidarnost na delu, 2016.

Republic of Serbia (2017) Report on the Implementation of EU Solidarity Fund Relief. Focal Point: Public Investment Management Office.

### **Other documents**

Tošić I, Unkašević M and Putniković S (2017) Extreme Daily Precipitation: The Case of Serbia in 2014, *Theoretical and Applied Climatology*, 5/2017, Volume 128, Issue 4, pp 785-794

United Nations Development Programme (2015) Resilient Financing: The Economic Costs of Natural Disasters, A Case Study of the 2014 Serbia Floods. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP\\_SRB\\_finansiranje%20ENG%20low%20res.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/UNDP_SRB_finansiranje%20ENG%20low%20res.pdf)

World Bank (2014) Project Information Document (Pid) Appraisal Stage Floods Emergency Recovery Project (P152018). Available at: <http://documents.worldbank.org/curated/en/390211468294331189/pdf/PID-Appraisal-Print-P152018-09-04-2014-1409835763732.pdf>

World Bank (2018) Implementation Status and Results Report. Public Disclosure Copy. Available at: <http://documents.worldbank.org/curated/en/839641530305481946/pdf/Disclosable-Version-of-the-ISR-Floods-Emergency-Recovery-Project-P152018-Sequence-No-06.pdf>

### **Main web-sites**

Ministry of European Integration, [www.mei.gov.rs](http://www.mei.gov.rs)

Public Investment Management Office, [www.obnova.gov.rs](http://www.obnova.gov.rs)

NGO portal for flood relief, [www.udruzeni.org](http://www.udruzeni.org)

Gradjanske Initiative, [www.gradjanske.org](http://www.gradjanske.org)

Ana i Vlade Divac foundation, [www.divac.com](http://www.divac.com)

World Bank, <http://www.worldbank.org/en/country/serbia>

## **12. ANNEX: METHODOLOGY OF THE CASE STUDY RESEARCH**

### **Methodology**

This case study was conducted using various methods: (i) desk analysis of EU regulations and national legislation, to determine the level of coherence of domestic disaster prevention and management systems compared to EU standards; (ii) interviews with

relevant stakeholders at national and municipality levels, including representatives of NGOs and the World Bank office in Belgrade; and (iii) interviews with a panel of citizens.

Interviews were conducted either in person or via telephone with Serbian being the working language. Where applicable, email correspondence followed, in order to gain additional information during the course of the research.

Interviews were scheduled via email that contained basic information on the scope of research and expected outputs. Subsequently, telephone calls were made to potential participants to schedule the interviews. This process proved to be lengthy when it came to the representatives of public authorities, yet quite flexible when scheduling interviews with other relevant stakeholders, such as NGOs.

Interview results were systematised, and findings were grouped where possible.

The focus group was organised on 2 August 2018, in Belgrade and lasted for 90 minutes. Three weeks prior to the focus group, a call for participation was sent via email to citizens and representatives of citizen groups that were selected by analysing the online base of associations and NGOs in Serbia.<sup>59</sup> The final list of invitees was additionally checked with the representative of the Office for Cooperation with Civil Society in order to gain insights on those citizen groups that might provide the most useful information about the implementation phase of the EUSF. Additional potential participants were invited via phone call, to ensure adequate participation in the focus group. A total of 6 citizens participated in the focus group, and afterwards an additional two interviews were conducted by phone. Even though focus groups are generally organised with 8-12 people, only six participants were able to participate given the summer scheduling.

## Interviews

Institution	Type of institution	Name of interviewee	Date
Ministry of European Integration	Public		20.08.2018
Public Investment Management Office	Public		15.07.2018
Public Investment Management Office	Public		30.07.2018
Ministry of Interior – Sector for Emergency Situations	Public		14.08.2018
Municipality of Kraljevo	Public		16.08.2018
Srbijavode, Public Utility Company	Public		17.08.2018
The Office for Cooperation with Civil Society	Public		10.08.2018
World Bank	International		23.07.2018
Gradjanske Inicijative	NGO		08.08.2018
Ana i Vlade Divac Foundation	NGO		10.08.2018
Foundation for Youth Obrenovac	NGO		15.08.2018
Duga Association Sabac	NGO		14.08.2018

<sup>59</sup> Available at: <http://ocdoskop.rs/>

### List of contacted public authorities

The following table shows the full list of public authorities by region, province, organisation and role in the institution contacted by email and/or by telephone with the aim of arranging interviews.

Region	Organisation name	Type of organisation	Date
Belgrade	Municipality of Obrenovac	LSG	13/08/2018
Pomoravlje	Municipality of Svilajnac	LSG	13/08/2018
Kolubara	Municipality of Valjevo	LSG	10/08/2018/
Zlatibor	Municipality of Bajina Basta	LSG	10/08/2018

### List of other stakeholders contacted

The following table shows the full list of other stakeholders by region, province, organisation and role in the institution contacted by email and/or by telephone with the aim of arranging interviews.

Region	Organisation name	Type of organisation	Date
National	Group 484	NGO	18/07/2018
National	Standing Conference of Roma Associations	NGO	18/07/2018
National	Standing Conference of Towns and Municipalities	NGO	18/07/2018
National	Trag Foundation	NGO	18/07/2018
National	SOS Children Villages Serbia	NGO	18/07/2018
Local	Development Business Centre Kragujevac	NGO	18/07/2018
Local	Bazzart	NGO	18/07/2018
National	Bum Civil Organisation	NGO	18/07/2018
International	Catalyst	NGO	18/07/2018
Local	Covekoljublje	NGO	10/08/2018
Regional	Union of Ecologist -Podrinje	NGO	10/08/2018
Local	FORCA Pozega	NGO	10/08/2018



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