REGULATION

ABOUT CAPITAL PROJECTS

("Sl. glasnik RS", br. 79/2023)

I INTRODUCTORY PROVISIONS

Subject of editing

Article 1

This regulation regulates in more detail the content, method of preparation, evaluation, readiness assessment and selection of capital projects, monitoring of implementation, reporting on performance and evaluation of all positive and negative effects of capital projects, with the aim of effective and efficient management of public funds.

Effective and efficient management of public funds referred to in paragraph 1 of this Article shall be ensured through:

1) proper definition of the goal or objectives of the capital project;

2) adequate preparation, proper planning of resources, funds and deadlines for the implementation of the capital project;

3) objective assessment, readiness assessment and selection for inclusion of a capital project in the budget;

4) proper implementation, adequate monitoring and reporting on the implementation of the capital project in order to timely identify deviations (irregularities) from planned and budgeted funds, as well as quantifying deviations from planned capital project costs (fiscal risks);

5) adequate reporting on the performance of the capital project in order to assess whether effective and efficient management of public funds has been achieved during the implementation and exploitation of the capital project.

Application of the Regulation

Article 2

The provisions of this regulation apply to:

1) capital projects financed or co-financed from public revenues and receipts within the meaning of the law regulating the budget system;

2) capital projects for the implementation of which the issuance of guarantees by the Republic of Serbia is required in accordance with the law governing public debt, borrowing from the budget or any other assumption of obligations at the expense of the budget;

3) capital projects financed or co-financed from European Union funds or from the funds of another state or international institution;

4) capital projects for which a subsidy is requested, i.e. a subsidy from the Republic of Serbia is awarded in accordance with the law governing the budget.

For capital projects implemented through public-private partnerships, i.e. concessions defined by the law regulating public-private partnerships and concessions for the implementation of which it is necessary to obtain the opinion of the ministry responsible for finance (hereinafter: the Ministry of Finance), the authorized project proponent referred to in Article 10, paragraph 2, of this Regulation is obliged to fill out the form referred to in Article 11, paragraph 2, item 2) of this Regulation, with the aim of registering the project in the centralized database of capital projects referred to in Article 5 of this Regulation.

Notwithstanding paragraph 1 of this Article, the provisions of this Regulation shall not apply to capital projects implemented within the security sector.

For capital projects, for which the application of this regulation is not mandatory, the provisions of this regulation may be used as a general methodology for proper planning, feasibility assessment, selection, implementation monitoring and analysis of the effects of a capital project.

The concept of a capital project

Article 3

Capital projects are projects for the construction and capital maintenance of buildings and infrastructure facilities of interest to the Republic of Serbia, an autonomous province, or local government units, including project planning services that are an integral part of the project, securing land for construction, as well as projects that involve investments in equipment, machinery and other non-financial assets, whose useful life, or use, is longer than one year, and are in the public interest.

Classification of capital projects

Article 4

Capital projects to which the provisions of this regulation apply are classified according to the level of government from whose budget the financing is provided and according to the estimated costs of the capital project.

The estimated costs of a capital project represent a projection of the total financial resources necessary for the implementation of the phases of the project cycle referred to in Article 12 of this Regulation.

The estimated costs of a capital project include all costs related to the preparation of a capital project idea proposal, the development of a capital project idea proposal, costs related to the preparation and/or preparation of planning documents, urban planning and technical documents and technical documentation in accordance with the law governing planning and construction, costs of acquiring land and other administrative costs of regulating property and legal relations, as well as costs of preparing and equipping construction land, construction costs, i.e. procurement of works, goods and services for the implementation of the capital project.

Pursuant to paragraph 1 of this Article, capital projects may be:

1) republican capital projects;

2) provincial capital projects;

3) local capital projects.

A republican capital project is a capital project whose estimated costs exceed 20,000,000 euros in dinar equivalent at the beginning of the project cycle referred to in Article 8 of this Regulation, and which meets one of the following conditions:

1) the capital project is financed or co-financed from republican public/general revenues and republican budget revenues/earmarked revenues, i.e. revenues within the meaning of the law regulating the budget system;

2) the capital project is in the public interest and is financed or co-financed from European Union funds or from the funds of another state or international institution;

3) for the implementation of a capital project, the issuance of a guarantee by the Republic of Serbia is required in accordance with the law governing public debt or other assumption of the burden of the budget;

4) for the implementation of a capital project, a subsidy is requested, i.e. a subsidy from the Republic of Serbia is awarded in accordance with the law governing the budget.

A provincial capital project is a capital project that is financed or co-financed from the funds of an autonomous province and whose estimated costs exceed 2,000,000 euros in dinar equivalent.

A local capital project is a capital project that is financed or co-financed from the budget of a local government unit and whose estimated costs exceed 2,000,000 euros in dinar equivalent.

If a capital project meets the requirements for classification in two or three categories from paragraph 4 of this Article, it shall be considered a capital project of a higher level of government.

Capital projects referred to in paragraph 4, items 2) and 3) of this Article are specifically regulated in Articles 27 to 30 of this Regulation.

The capital project referred to in paragraph 4 of this Article may not be manipulatively divided into multiple projects with the aim of avoiding the obligations prescribed by this regulation.

A capital project of special importance for the Republic of Serbia is a project that has been proposed exclusively by the relevant ministry, recognized as a project of special importance for the Republic of Serbia by a Government decision (based on the law, adopted bilateral and multilateral agreements and other contracts and the Government decision) and which, based on the Government decision to recognize the project as a project of special importance for the Republic of Serbia, is directly entered into the appropriate list.

Capital projects referred to in paragraph 11 of this Article are exempt from the assessment and ranking procedure in accordance with the provisions of this Regulation and are directly included in the appropriate list of the Capital Projects Commission referred to in Article 6 of this Regulation.

If a capital project cannot be classified into any of the categories referred to in paragraph 4 of this Article, it is not considered a capital project within the meaning of this regulation.

Centralized database of capital projects

Article 5

The centralized database of capital projects (Public Investment Management Information System - hereinafter referred to as PIMIS) is an information system for entering project documentation in all phases of the project cycle, for the purpose of identifying and recording, assessing, selecting and monitoring capital projects in the manner prescribed by this regulation.

The Ministry of Finance establishes and manages PIMIS, provides access to and use of PIMIS to participants in the project cycle referred to in Article 8 of this Regulation, in accordance with the powers and responsibilities prescribed by this Regulation.

The competent authorities of territorial autonomy or local self-government that access PIMIS are obliged to appoint a chief administrator from among their employees who will be in charge of the administration of PIMIS, as well as to submit data on the chief administrator to the Ministry of Finance.

Authorized proposers referred to in Article 10, paragraph 2 of this Regulation are obliged to appoint a local administrator from among their employees to enter data into PIMIS and create user accounts, as well as to submit data on the local administrator to the Ministry of Finance.

The authorized proposer referred to in paragraph 4 of this Article is obliged to ensure technical conditions for access to PIMIS via the internet.

The identity of the administrator and user is determined through the Electronic Identification Portal using a high-level of confidence electronic identification scheme.

The ministry responsible for construction is obliged to enter data on capital projects of particular importance for the Republic of Serbia from Article 4, paragraph 11 of this regulation, through PIMIS, in the manner prescribed by this regulation.

The Ministry responsible for European integration affairs (hereinafter: the Ministry for European Integration) is obliged to provide a preliminary assessment through PIMIS for project ideas for which the authorized proposer plans to finance or co-finance from European Union funds, while further assessment of the project proposal, i.e. the project referred to in this paragraph, will be carried out in the existing database for the coordination of development assistance (Intersectoral Development Assistance Coordination Network - hereinafter: ISDAKON), in accordance with special regulations.

For projects for which financing or co-financing from European Union funds is planned, authorized proposers referred to in Article 10, paragraph 2 of this Regulation are obliged to enter the assessment outcome from ISDAKON when entering the relevant project documentation into PIMIS.

All activities related to the implementation of this regulation are carried out, as a rule, through PIMIS, and it is exceptionally possible for them to be carried out in writing, i.e. electronically.

The Minister responsible for finance (hereinafter: the Minister of Finance) shall issue an act that prescribes in more detail the content of PIMIS, as well as the conditions, method of obtaining authorizations and restrictions for access to and use of PIMIS by participants in the project cycle referred to in Article 8 of this Regulation.

Capital Investment Commission

Article 6

The Capital Investment Commission is a working body of the Government, which reviews republican capital projects in the context of their importance for economic development and decides on the inclusion of the costs of implementing republican capital projects in the budget.

The Capital Investment Commission (hereinafter: the Commission) is established by the Government.

The members of the Commission, by function, are:

1) President of the Commission - Prime Minister;

2) Deputy Chairmen of the Commission:

(1) Minister of Finance;

(2) the minister responsible for construction, transport and infrastructure;

(3) Minister responsible for European integration affairs;

3) Members of the Commission:

(1) the minister responsible for public investment affairs;

(2) the minister responsible for information and telecommunications;

(3) Minister responsible for mining and energy affairs;

(4) Minister responsible for agriculture, forestry and water management;

(5) Minister responsible for environmental protection;

(6) Minister responsible for economic affairs;

(7) Minister responsible for state administration and local self-government affairs;

(8) Minister responsible for health affairs;

(9) Minister responsible for education;

(10) Minister responsible for science, innovation and technological development.

The Commission performs the following tasks:

1) confirms the compliance of the capital project with planning documents in accordance with the law governing the planning system;

2) adopts the Single Project Pipeline, the list of projects in preparation and the list of prepared projects;

3) ranks capital projects based on:

(1) compliance of the capital project with planning documents in terms of the law governing the planning system;

(2) level of preparedness;

4) ensures coordination between different sources of financing in the phases of project preparation and implementation;

5) adopts a conclusion on the correction of the project based on the amended implementation plan, i.e. adopts a conclusion on the implementation of the rationalization of the capital project.

The Commission, in addition to what is stated in paragraph 4 of this Article, includes capital projects of special importance on the appropriate list.

The administrative and professional-technical tasks of the Commission are performed by the Ministry of Finance.

The President of the Commission may, if necessary, invite representatives of other state administration bodies, representatives of local self-government units, representatives of provincial bodies and representatives of development partners to participate in the work of the session, depending on the type of projects that are the topic of the Commission session.

Exceptionally, members of the Commission may authorize other persons to vote at the session, in which case the authorization shall be submitted prior to the start of the session.

The Commission shall adopt rules of procedure that shall regulate in more detail the manner of its work and decision-making, as well as the manner of work and decision-making of the Sub-Commission referred to in Article 7 of this Regulation.

Subcommittee

Article 7

The Subcommittee is an auxiliary body of the Commission, which preliminarily selects project ideas, i.e. projects proposed for financing or co-financing from the European Union funds or from the funds of another state or international institution, presents them to development partners for financing, monitors their implementation and performs other tasks specified in this Regulation.

The subcommittee is established by the Government.

The members of the Subcommittee, by function, are:

1) Co-Chairs of the Subcommittee:

(1) the Minister responsible for European integration affairs in his capacity as the National IPA Coordinator (NIPAK);

(2) Minister of Finance.

2) members of the Subcommittee:

(1) Minister responsible for mining and energy affairs;

(2) the minister responsible for agriculture, forestry and water management;

(3) Minister responsible for construction, transport and infrastructure;

(4) Minister responsible for environmental protection;

(5) Minister responsible for information and telecommunications;

(6) Minister responsible for science, innovation and technological development;

(7) Minister responsible for labor, employment, veterans' and social affairs;

(8) Minister responsible for state administration and local self-government affairs;

(9) Minister responsible for health affairs;

(10) Minister responsible for education;

(11) Minister responsible for public investment affairs.

The administrative and professional-technical tasks of the Sub-Commission are performed by the Ministry for European Integration in cooperation with the Ministry of Finance.

The Co-Chairs of the Subcommittee may, if necessary, invite representatives of other state administration bodies, representatives of local self-government units, representatives of provincial bodies and representatives of development partners to participate in the work of the session, depending on the type of projects that are the topic of the Subcommittee session.

Exceptionally, members of the Subcommittee may authorize other persons to vote at the session, in which case the authorization shall be submitted prior to the start of the session.

II PROJECT CYCLE

The concept of the project cycle

Article 8

The project cycle represents a set of all activities that need to be undertaken, in the preparatory phase and the implementation phase referred to in Article 12 of this Regulation, in order to achieve the planned goal, i.e. the effect of the capital project and ensure effective and efficient management of public funds, within the meaning of this Regulation.

The project cycle includes all actions and activities from recognizing the need for a capital project, pre-selection and development of the project idea, planning and development of all aspects of the implementation of the capital project, defining the implementation procedure, through the physical and financial implementation of the plan and achieving project objectives, risk management, reporting on implementation, completion of implementation, to the operational process and reporting on the effects of the capital project.

The relationship between the project cycle and the budget calendar and the programming process of European Union funds

Article 9

The authorized proposer referred to in Article 10, paragraph 2, of this Regulation, as a direct budget beneficiary, is obliged to, in order to propose medium-term public investment priorities, timely conduct the procedure for preparing a capital project and ensure its assessment in accordance with this Regulation, and before submitting proposals for priority areas of financing in accordance with the law governing the budget system.

If financing is planned from European Union funds, the authorized proposer referred to in paragraph 1 of this Article is obliged, in order to secure European Union support, to timely carry out the procedure for preparing a capital project and to ensure its co-financing in accordance with this Regulation and the Regulation regulating the management of European Union pre-accession assistance programmes under the Instrument for Pre-Accession Assistance (IPA) for a certain period.

Capital projects to which the provisions of this regulation apply may be subject to priority areas of financing, i.e. the financial plan, as well as the subject of preparation of the autonomous province budget and the local government budget only if they have been assessed in accordance with this regulation and if they are on the appropriate list of the competent commission.

Capital projects proposed for financing or co-financing from the European Union or from the funds of another state or international institution must be included in the Single List of Project Ideas and other relevant lists of the Commission before sending the said projects to the European Commission in accordance with special regulations.

Participants in the project cycle

Article 10

The proposer of a project idea is a user of public funds within the meaning of the law regulating the budget system, who intends to implement a capital project in order to achieve a certain public interest and who proposes and implements the project idea through the authorized proposer referred to in paragraph 2 of this Article in accordance with this Regulation (hereinafter: the proposer of the idea).

The authorized proposer of a capital project is the line ministry, territorial autonomy body, local self-government body, or other direct beneficiary of budget funds within the meaning of the law regulating the budget system, through which the proposer of the idea implements the capital project (hereinafter: authorized proposer).

For capital projects referred to in Article 4, paragraph 4, item 1) of this Regulation, the authorized proposer is the relevant ministry or bodies and organizations of the Republic of Serbia as direct beneficiaries of budget funds within the meaning of the law regulating the budget system.

The authorized proposer is responsible for the proper planning, preparation and implementation of the capital project, as well as for the work of the project management unit referred to in paragraph 5 of this Article.

The capital project management unit is a body established by the authorized proposer to perform all tasks related to a capital project.

The Ministry of Finance performs tasks related to the implementation of the process of assessment and monitoring of capital projects, as well as tasks related to administrative and professional and technical support for the work of the Commission.

Other state administration bodies, territorial autonomy and local self-government bodies are obliged to act at the request of the bodies referred to in paragraph 6 of this Article and to express their views on specific aspects within the scope of their work, in accordance with the regulation, in the process of assessing project ideas, project proposals and assessing the readiness of capital projects.

The Ministry responsible for construction affairs is obliged, in accordance with the law governing planning and construction, to inform the Ministry of Finance about capital projects of special importance for the Republic of Serbia referred to in Article 4, paragraph 11 of this Regulation, by entering into PIMIS, within ten days from the date of the Government's decision to recognize the project as a project of special importance for the Republic of Serbia, a form for recording projects of special importance for the Republic of Serbia, together with the Government's decision to recognize the project as a project of special importance for the Republic of Serbia, for the purpose of including it on the appropriate list of the Commission and planning budget funds for the preparation and implementation of the projects in question.

At the request of the Ministry of Finance, the ministry responsible for construction affairs shall periodically update the form referred to in paragraph 8 of this Article.

The Ministry of European Integration shall perform tasks related to the implementation of the capital project assessment process in accordance with Article 5, paragraph 8 of this Regulation, as well as tasks in accordance with Article 7, paragraph 4 of this Regulation.

Project documentation

Article 11

Project documentation is a set of digital forms, which authorized proposers enter into PIMIS and make available to the Ministry of Finance, as well as to the Ministry of European Integration if financing or co-financing is planned from European Union funds, for the purpose of planning, assessment and determination of fulfillment of the conditions for selecting and including a capital project on the appropriate list of the Commission, monitoring the implementation of the capital project and reviewing its effects.

For the purposes of the project cycle in accordance with this regulation, the following project documentation is prepared:

1) form for preliminary assessment of project ideas (hereinafter referred to as Form 1);

2) Project proposal evaluation form (hereinafter referred to as: Form 2);

3) report on the readiness of the capital project (hereinafter referred to as: Form 3);

4) form for recording projects of special importance (hereinafter referred to as: Form 4);

5) capital project implementation plan (hereinafter referred to as: Form 5);

6) report on the progress of the implementation of the capital project (hereinafter referred to as: Form 6);

7) final report on the implemented capital project (hereinafter referred to as: Form 7);

8) report on the effects of the capital project;

9) report on the closure of a capital project.

The authorized proposer is required to attach the following documentation to Form 3:

1) a preliminary feasibility study, or a feasibility study with a report from the review committee if there is an obligation to prepare a study in accordance with the law governing planning and construction;

2) an environmental impact assessment study with the consent of the competent authority if there is an obligation to prepare the study in question in accordance with the law governing environmental impact assessment;

3) a preliminary feasibility study, or a feasibility study for capital projects for which there is an obligation to prepare such a study in accordance with Article 26 of this Regulation.

In addition to the documentation referred to in paragraph 3 of this Article, the Ministry of Finance, as well as the Ministry for European Integration if financing or co-financing is planned from European Union funds, may request other relevant documentation regarding the readiness of the capital project.

The Minister of Finance shall issue an act that prescribes in more detail the content and forms of project documentation, the manner of conduct of participants in the project cycle, with instructions for filling out the forms and specifying the conditions for submitting project documentation.

Project cycle phases

Article 12

The capital project project cycle is implemented through the preparatory phase and the capital project implementation phase.

The preparatory phase consists of:

1) pre-selection of the project idea;

2) analysis of the project proposal;

3) project preparation;

4) assessment of project readiness;

5) selection.

The implementation phase consists of:

1) project implementation;

2) change of the implementation plan and rationalization of the project;

3) completion of the project;

4) assessment of the effects of the implemented capital project (ex-post evaluation).

Relevance of the project idea

Article 13

The relevance of the project idea is determined and verified taking into account the following aspects:

1) plans and obligations arising from development planning documents or public policy documents within the meaning of the law regulating the planning system;

2) international obligations, including obligations arising from the European integration process undertaken during negotiations on accession to the European Union;

3) the effects of the project from the aspects of climate change and their interdependence, i.e. the effects of the project in relation to the obligations of the Republic of Serbia undertaken through supranational initiatives and international agreements concerning the mitigation of the effects of climate change or their adaptation;

4) financial implications of the project on the budget of the Republic of Serbia, the budget of an autonomous province or the budget of a local self-government unit;

5) the usefulness of the project in relation to the estimated costs and risks;

6) the possible impact of the intended capital project on social, economic, regional and environmentally sustainable development, the impact of the future project on environmental factors (flora and fauna, soil, water, air, climate and landscape, material and cultural assets, etc.) and their interaction;

7) institutional capacities of the idea proposer, or the authorized proposer for managing the project cycle.

Pre-selection of project ideas

Article 14

Pre-selection of a project idea is part of the preparatory phase of the project cycle.

Pre-selection of a project idea is a procedure during which the idea proposer formulates a project idea, and the authorized proposer checks the project idea, taking into account the aspects prescribed in Article 13 of this Regulation.

The project idea proposer who has formulated the project idea in accordance with Article 13 of this Regulation shall submit the project idea on Form 1 to the authorized proposer for review.

The authorized proposer, based on the submitted Form 1, checks the project idea, taking into account the aspects prescribed in Article 13 of this Regulation.

After the verification, the authorized proposer referred to in paragraph 4 of this Article enters Form 1 into PIMIS for project ideas that he has determined meet the relevance criteria in relation to the aspects prescribed in Article 13 of this Regulation.

The Ministry of Finance consolidates project ideas entered into PIMIS in accordance with paragraph 5 of this Article, no later than ten days before the Commission session, and based on the order of entry of Forms 1 into PIMIS, generates a proposal for a Unified List of Project Ideas and submits it to the Commission for adoption.

The Ministry of Finance shall provide a preliminary opinion regarding the project idea referred to in paragraph 6 of this Article.

By way of exception to paragraph 6 of this Article, if the financing or co-financing of the project is planned from European Union funds, the Ministry for European Integration, before generating the Single List of Project Ideas, shall provide a preliminary assessment of whether the project idea can be subject to financing or co-financing from European Union funds.

The Subcommittee shall preliminarily analyze the project ideas referred to in Article 7, paragraph 1 of this Regulation contained in the proposal for the Unified List of Project Ideas, shall perform preliminary determination of priorities in the further preparation and implementation of project ideas in relation to their strategic relevance, shall make recommendations on sources of financing and shall submit the final proposal for the Unified List of Project Ideas to the Commission for adoption.

The Commission adopts the Unified List of Project Ideas, and information about this is forwarded through PIMIS to all authorized proposers whose project ideas are on the Unified List of Project Ideas.

Project proposal analysis

Article 15

The authorized proposer shall develop project ideas for capital projects included in the Unified List of Project Ideas referred to in Article 14, paragraph 10 of this Regulation, prepare a project proposal and submit it to PIMIS on Form 2 in order to secure project financing or prepare a project from the budget.

For republican capital projects for which the authorized proposer plans to finance or co-finance from European Union funds that are on the Unified List of Project Ideas, the authorized proposer submits the project proposal to PIMIS only after receiving an assessment in ISDAKON, along with the outcome of the assessment from ISDAKON.

Project proposals submitted through PIMIS to the Ministry of Finance on Form 2 no later than January 10th will be considered for funding in the first following budget period.
cycle.

Project proposals submitted in accordance with paragraph 2 of this Article will be considered for funding in the process of programming European Union projects in accordance with the regulation governing the management of European Union pre-accession assistance programmes under the Instrument for Pre-Accession Assistance (IPA) for a specific period.

Project proposals submitted in accordance with paragraphs 3 and 4 of this Article will be considered depending on the available fiscal space, or the needs of the European Union project programming process.

The Ministry of Finance provides an opinion on the financial and implementation aspects and summarizes the information from Form 2 to prepare a proposal for a list of projects under preparation.

When preparing a proposal for a list of projects in preparation, the Ministry of Finance obtains ex officio an opinion from the ministry responsible for environmental protection, i.e. a notification on the need for an environmental impact assessment, in accordance with the law regulating environmental impact assessment.

List of projects in preparation

Article 16

The Ministry of Finance, based on the order in which Forms 2 were entered into PIMIS, prepares for the Commission a proposal for a list of projects in preparation for capital projects referred to in Article 4, paragraph 4, item 1) of this Regulation.

The proposed list of projects under preparation referred to in paragraph 1 of this Article, in addition to the opinion of the Ministry of Finance referred to in Article 15, paragraph 6 of this Regulation, also contains information from Form 2, and in particular: the estimated value of project preparation costs, the estimated value of investment, the estimated value of operating costs and the planned implementation schedule.

The proposed list referred to in paragraph 1 of this Article shall generate and summarize the information from Form 2 entered into PIMIS in accordance with Article 15, paragraphs 3 and 4 of this Regulation, by March 1.

Depending on the available fiscal space, the proposed list of projects under preparation referred to in paragraph 1 of this Article, which generates and summarizes information from Form 2 entered into PIMIS no later than 45 days before the date of the Commission session, may be updated by September 1 of the current year.

The Commission is obliged to adopt the List of Projects under Preparation within ten days from the date of submission of the proposed list referred to in paragraphs 3 and 4 of this Article.

When the Commission adopts the List of Projects in Preparation, information about this is forwarded through PIMIS to all authorized proposers whose project proposals are on the List of Projects in Preparation.

Project preparation

Article 17

For project proposals included in the List of Projects in Preparation referred to in Article 16, paragraph 6 of this Regulation, the authorized proposer prepares the project, prepares the necessary studies, collects the necessary permits, etc., and submits it to PIMIS on Form 3.

Along with Form 3 from paragraph 1 of this Article, the authorized proposer shall submit all supporting documentation (studies, permits, etc.) to PIMIS.

For projects financed or co-financed from European Union funds that are on the List of Projects in Preparation referred to in Article 16, paragraph 6 of this Regulation, the authorized proposer submits Form 3 in PIMIS after receiving the readiness assessment in ISDAKON, attaching the outcome of the readiness assessment from ISDAKON.

If the project referred to in paragraph 1 of this Article is subject to review by a review committee in accordance with the law governing planning and construction, the authorized proposer shall also submit the report of the review committee to PIMIS, and in the event that the review committee has not submitted its report, the authorized proposer shall submit the request for review submitted to the review committee.

Projects submitted to the Ministry of Finance through PIMIS on Form 3 no later than January 10th will be considered for funding in the first subsequent budget cycle.

Projects submitted in accordance with paragraph 3 of this Article will be considered for funding in the programming process of European Union projects in accordance with the regulation governing the management of European Union pre-accession assistance programmes under the Instrument for Pre-Accession Assistance (IPA) for a specific period.

Project proposals submitted in accordance with paragraphs 5 and 6 of this Article will be considered depending on the available fiscal space, or the needs of the European Union project programming process.

Project readiness assessment

Article 18

The Ministry of Finance analyzes the information from Form 3, as well as the submitted documents, in order to prepare a proposal for a list of prepared projects.

The Ministry of Finance may request additional clarifications, information and opinions from the authorized proposer or the body referred to in Article 10, paragraph 7 of this Regulation, all with the aim of better understanding the submitted project.

In the case of a request from paragraph 2 of this Article, the Ministry of Finance shall clearly indicate which part of Form 3 requires a statement.

The authorized proposer or the body referred to in Article 10, paragraph 7 of this Regulation is obliged to provide a statement regarding the request within 20 days of receiving the request referred to in paragraph 2 of this Article.

Based on the information and documents collected in relation to Form 3, the Ministry of Finance conducts a preliminary review of the submitted documentation, provides an opinion on the financial and implementation aspects of the project, and prepares a proposed list of prepared projects.

A project is considered prepared if the Ministry of Finance determines that it is a project that has complete documentation, which implies the readiness of project, technical and planning documentation in terms of regulations governing planning and construction, or that it is ready for the implementation of the public procurement procedure.

Selection

Article 19

The Ministry of Finance, based on the order in which Forms 3 were entered into PIMIS, shall prepare for the Commission a proposal for a list of prepared projects for capital projects referred to in Article 4, paragraph 4, item 1) of this Regulation.

The proposed list of prepared projects referred to in paragraph 1 of this Article, in addition to the opinion of the Ministry of Finance referred to in Article 18, paragraph 5 of this Regulation, also contains information from Form 3.

The proposed list referred to in paragraph 1 of this Article shall generate and summarize the information from Form 3 entered into PIMIS in accordance with Article 17, paragraphs 5 and 6 of this Regulation, by March 1.

Depending on the available fiscal space, the proposed list of prepared projects referred to in paragraph 1 of this Article, which generates and summarizes information from Form 2 entered into PIMIS no later than 45 days before the date of the Commission session, may be updated by September 1 of the current year.

The Commission is obliged to adopt the List of Prepared Projects within ten days from the date of submission of the proposed list referred to in paragraphs 3 and 4 of this Article, ranking the projects according to their importance, taking into account all circumstances, and in particular the assessment of the impact on environmental factors (flora and fauna, soil, water, air, climate and landscape, material and cultural assets, etc.) and their mutual interaction.

By ranking the projects on the List of Prepared Projects referred to in paragraph 5 of this Article, the Commission decides which projects from the list will have priority in funding, specifying the sources of funding and the timeframe.

When the Commission adopts the List of Prepared Projects, information about this is forwarded through PIMIS to all authorized proposers whose projects are on the List of Prepared Projects.

Project implementation

Article 20

For projects included in the List of Prepared Projects referred to in Article 19, paragraph 7 of this Regulation, the authorized proposer shall prepare a capital project implementation plan and submit the prepared implementation plan to PIMIS on Form 5 by the end of the calendar year in which the project was included in the List of Prepared Projects.

The implementation of a capital project includes contracting and executing the procurement of goods, performing works and providing services necessary for the construction of a facility or its rehabilitation.

During the implementation of a capital project, the authorized proposer prepares a quarterly report on the progress of the implementation of the capital project, submits that report to PIMIS on Form 6 and thus submits it to the Ministry of Finance.

In addition to the obligations referred to in paragraphs 1 and 3 of this Article, for capital projects financed or co-financed from European Union funds, the authorized proposer is obliged to act in accordance with the monitoring and reporting dynamics in the appropriate format pursuant to the regulation regulating the management of European Union pre-accession assistance programs within the Instrument for Pre-Accession Assistance (IPA) for a certain period, by completing the appropriate form during the implementation of the capital project and submitting it to the Ministry for European Integration through ISDAKON.

The Ministry of Finance shall monitor the implementation of the capital project based on the submitted documentation referred to in paragraphs 1 and 3 of this Article and shall determine the regime for monitoring the values of performance indicators.

By analyzing key performance indicators, the Ministry of Finance determines whether the project is being implemented in accordance with the implementation plan referred to in paragraph 1 of this Article.

The authorized proposer is obliged, regardless of the obligations under paragraphs 3 and 4 of this Article, to immediately notify the Ministry of Finance of any possible exceptional and justified circumstances that may lead or have led to a significant deviation from the implementation plan upon learning of such circumstances.

The authorized proponent of a capital project that has been declared a project of special importance for the Republic of Serbia shall report on the implementation of the capital project in accordance with the provisions of this regulation.

The Minister of Finance shall issue an act that prescribes in more detail the method and regime of monitoring, as well as the type and reference values of performance indicators for capital projects.

Amendment of the implementation plan and rationalization of the project

Article 21

If, through the analysis referred to in Article 20, paragraph 6 of this Regulation, the Ministry of Finance determines that the capital project significantly deviates from the established limit values, or determines, based on the data from Form 6, a significant deviation from the capital project implementation plan, the authorized proposer shall be requested to submit the following within 15 days from the date of receipt:

1) explanation of the reasons for the deviation (why the project is not being implemented in accordance with the implementation plan);

2) evidence for their statements in the explanation referred to in point 1) of this paragraph;

3) proposal for a revised implementation plan on Form 5.

The Ministry of Finance shall submit the documentation referred to in paragraph 1 of this Article to the Commission, which shall issue a conclusion on the correction of the project, which shall be submitted to the authorized proposer and the Ministry of Finance.

The project correction is carried out through the submission of a new implementation plan referred to in Article 20, paragraph 1 of this Regulation, if it is determined that exceptional and justified circumstances have occurred that require a change in the plan, or that a change in the plan is necessary due to the specific nature of the contract.

Further monitoring of the project implementation is carried out in relation to the new implementation plan.

Exceptionally, when it is determined that it is not possible to implement a capital project based on the capital project implementation plan referred to in paragraph 3 of this Article, the Commission shall initiate the rationalization phase.

During the rationalization phase, and taking into account the importance of the project, the deadlines for project implementation and the funds required for project implementation, the Commission may, in relation to that project, decide the following:

1) postponement of the project;

2) project closure.

Postponement of the project referred to in paragraph 6, item 1) of this Article implies a temporary suspension of the project implementation for a certain period due to adverse circumstances, or the continuation of the project implementation at a future date, and this phase implies that the postponed project is still on the List of Prepared Projects referred to in Article 19, paragraph 7, of this Regulation.

Termination of the project referred to in paragraph 6, item 2) of this Article shall be carried out in exceptional cases and shall entail a permanent interruption of the project implementation, as well as deletion from the List of Prepared Projects referred to in Article 19, paragraph 7, of this Regulation.

If the project closure referred to in paragraph 6, item 2) of this Article has been implemented, the authorized proposer is obliged to submit a report on the closure of the project to PIMIS.

The Commission shall adopt a conclusion on the implementation of the rationalization of the capital project in accordance with paragraphs 7 and 8 of this Article.

For capital projects of particular importance for the Republic of Serbia, the Commission submits a proposal to the Government to initiate a rationalization mechanism, which is decided by the Government.

The conclusion referred to in paragraph 10 of this Article, or the Government act referred to in paragraph 11 of this Article, shall be submitted to the authorized proposer and the Ministry of Finance for implementation.

The provisions of paragraphs 5-11 of this Article shall not apply to capital projects financed or co-financed from European Union funds.

The Minister of Finance shall issue an act that regulates the rationalization of capital projects in more detail.

Project completion

Article 22

After completing the implementation of the project referred to in Article 20 of this Regulation, the authorized proposer is obliged to prepare a final report on the implemented capital project within 60 days, submit that report to PIMIS on Form 7, and thus submit it to the Ministry of Finance.

The Ministry of Finance shall inform the Commission about completed capital projects referred to in paragraph 1 of this Article.

Assessment of the effects of a completed capital project (ex-post evaluation)

Article 23

For capital projects referred to in Article 4, paragraph 4, item 1) of this Regulation, the authorized proposer shall, three years after the completion of the capital project, prepare a report on the effects of the capital project, enter it into PIMIS, and thus submit it to the Ministry of Finance.

The authorized proposer reviews the effects achieved by the implementation of the capital project and compares them with the originally planned and estimated effects on the achievement of social, economic, regional and sustainable development, including the effects of the capital project on environmental factors (flora and fauna, soil, water, air, climate and landscape, material and cultural assets, etc.) and their mutual interaction.

The authorized proponent shall specifically consider the effects of the project on aspects of climate change and their interdependence, i.e. the effects of the project in relation to the obligations of the Republic of Serbia undertaken through supranational initiatives and international agreements concerning the mitigation of the effects of climate change or their adaptation.

After processing the report referred to in paragraph 1 of this Article, the Ministry of Finance shall inform the Commission about the effects of the implemented capital project.

The Minister of Finance shall issue an act that regulates in more detail the method of assessing the effects referred to in paragraphs 2 and 3 of this Article.

III PRE-FEASIBILITY STUDY AND FEASIBILITY STUDY

Pre-feasibility study

Article 24

A preliminary feasibility study is a study that examines and analyzes various options that are considered to achieve the goals set out in the capital project idea proposal in a technically, technologically, socio-economically, financially and time-acceptable manner, taking into account spatial, ecological, market, socio-economic, financial, legal and other constraints, including an assessment of the impact on environmental factors (flora and fauna, soil, water, air, climate and landscape, material and cultural assets, etc.) and their mutual interaction, which determines the basis for making a decision on further development of the capital project.

Feasibility study

Article 25

A feasibility study is a study that is prepared for the selected option from a previous feasibility study, or for multiple options if the previous feasibility study did not allow for an appropriate conclusion on which option is the most favorable or if a previous feasibility study was not prepared.

The feasibility study contains a detailed analysis and consideration of the technical, technological, market, socio-economic, financial and other elements of a capital project, along with verification of compliance with spatial, environmental, legal and other constraints and risks of the proposed solution, including an assessment of the impact on environmental factors (flora and fauna, soil, water, air, climate and landscape, material and cultural assets, etc.) and their mutual interaction, as well as a cost-benefit analysis.

The feasibility study is the basis for making a decision on the suitability for the implementation of a capital project.

Application of the previous feasibility study and feasibility study

Article 26

A preliminary feasibility study and feasibility study are prepared for capital projects referred to in Article 4, paragraph 4, item 1) of this Regulation for which a preliminary feasibility study and feasibility study have not been prepared in accordance with the law governing planning and construction.

A preliminary feasibility study is prepared for capital projects referred to in paragraph 1 of this Article whose estimated costs exceed 25,000,000 euros in dinar equivalent on the date of submission of Form 1, while a feasibility study is prepared for all capital projects referred to in paragraph 1 of this Article.

The preliminary feasibility study, or feasibility study, is submitted to the Ministry of Finance for the purpose of reviewing the financial and economic aspects of the implementation of the capital project, as well as to the ministry responsible for environmental protection, for information purposes.

The Minister of Finance shall issue an act regulating in more detail the content of the pre-feasibility study and feasibility study, and shall prescribe the manner and methodology for developing the parameters of the financial and economic analysis within the pre-feasibility study and feasibility study.

IV PROVINCIAL AND LOCAL CAPITAL PROJECTS

Similar application

Article 27

The provisions of this regulation relating to republican capital projects referred to in Article 4, paragraph 4, item 1) of this regulation shall apply mutatis mutandis to provincial capital projects referred to in Article 4, paragraph 4, item 2) of this regulation and local capital projects referred to in Article 4, paragraph 4, item 3) of this regulation, unless otherwise prescribed by the provisions of Articles 27 to 30 of this regulation.

Competent authority for financial affairs

Article 28

The provisions of this regulation regulating the position and role of the Ministry of Finance shall apply accordingly to the provincial authority competent for financial affairs, for provincial capital projects referred to in Article 4, paragraph 4, item 2) of this regulation.

The provisions of this regulation regulating the position and role of the Ministry of Finance shall apply accordingly to the body responsible for local government finance affairs, for local capital projects referred to in Article 4, paragraph 4, item 3) of this regulation.

Competent Commission for Capital Investments

Article 29

The Provincial Commission for Capital Investments (hereinafter referred to as: the Provincial Commission) shall be established by the Provincial Government for provincial capital projects referred to in Article 4, paragraph 4, item 2) of this Regulation and shall determine its composition.

The Provincial Commission shall perform the tasks and responsibilities of the Commission established by this Regulation, except for those tasks and responsibilities that are expressly prescribed by the provisions of this Regulation to be performed exclusively by the Commission.

The administrative and professional-technical tasks of the Provincial Commission are performed by the Provincial Secretariat responsible for financial affairs.

The Provincial Commission adopts rules of procedure that regulate its work and decision-making in more detail.

The Local Commission for Capital Investments (hereinafter referred to as: the Local Commission) is established by the local self-government unit for local capital projects referred to in Article 4, paragraph 4, item 3) of this Regulation, and is composed of the president of the municipal assembly, the mayor and the head of the municipal administration, or the head of the municipal administration responsible for financial affairs, in the case where the municipal administration is organized into several administrations.

For a city as a unit of local self-government, the Local Commission referred to in paragraph 5 of this Article shall consist of the president of the city assembly, the mayor and the head of the city administration, or the head of the city administration responsible for financial affairs, in the case where the city administration is organized into several administrations.

The local commission shall perform the tasks and responsibilities of the Commission established by this regulation, except for those tasks and responsibilities that are expressly prescribed by the provisions of this regulation to be performed exclusively by the Commission.

The administrative and professional-technical tasks of the Local Commission are performed by the body responsible for local government finance.

The local commission adopts rules of procedure that regulate its work and decision-making in more detail.

The Provincial Commission and the Local Commission are obliged to submit to the Ministry of Finance every six months a work report containing basic data on capital projects within their jurisdiction, in particular:

1) the adopted list of projects in preparation;

2) the adopted list of prepared projects;

3) conclusions on project corrections based on amended implementation plans, i.e. conclusions on the implementation of capital project rationalization.

The provisions on the adoption of the Single Project Pipeline from Article 6, paragraph 4, item 2) of this Regulation do not apply to the Provincial Commission and the Local Commission.

Form submission and project cycle

Article 30

For provincial capital projects and local capital projects referred to in Article 4, paragraph 4, items 2) and 3) of this Regulation, Form 1 referred to in Article 11, paragraph 2, item 1) of this Regulation shall not be submitted.

The provisions of Article 14 of this Regulation, which prescribe the pre-selection of project ideas, shall not apply to provincial capital projects and local capital projects referred to in Article 4, paragraph 4, items 2) and 3) of this Regulation.

For provincial capital projects and local capital projects referred to in Article 4, paragraph 4, items 2) and 3) of this Regulation, the idea proposer formulates the project idea, and the authorized proposer checks the project idea, taking into account all aspects prescribed in Article 13 of this Regulation, and after checking, submits the project proposal to PIMIS on Form 2.

Project proposals submitted through PIMIS, on Form 2, to the provincial or local government body responsible for finance by July 10th will be considered for funding in the first upcoming budget cycle.

Project proposals submitted through PIMIS, on Form 3, to the provincial or local government body responsible for finance by July 10th will be considered for funding in the first subsequent budget cycle.

The draft list referred to in Article 16, paragraph 2 of this Regulation, prepared in accordance with paragraph 4 of this Article, generates and summarizes the information from Forms 2 entered into PIMIS by September 1.

The draft list referred to in Article 19, paragraph 2, of this Regulation, prepared in accordance with paragraph 5 of this Article, generates and summarizes the information from Forms 3 entered into PIMIS by September 1.

V PENAL PROVISIONS

Violations

Article 31

A fine of 50,000 to 150,000 dinars will be imposed on the responsible person of the project idea proposer, or the responsible person of the authorized proposer, who:

1) acts contrary to the provisions of Article 5, paragraphs 4 and 5 of this Regulation;

2) acts contrary to the provisions of Article 18, paragraph 4 of this Regulation;

3) acts contrary to the provisions of Article 22, paragraph 1 of this Regulation;

4) acts contrary to the provisions of Article 23, paragraph 1 of this Regulation.

A fine of 50,000 to 150,000 dinars shall be imposed on the responsible person of the local self-government unit who:

1) acts contrary to the provisions of Article 29, paragraph 10 of this Regulation;

2) acts contrary to the provisions of Article 34 of this Regulation.

VI TRANSITIONAL AND FINAL PROVISIONS

Ongoing capital projects

Article 32

For capital projects that have not been completed by the time this regulation enters into force, and were subject to the application of the Regulation on Capital Project Management ("Official Gazette of the Republic of Serbia", No. 51/19 and 139/22), authorized proposers are required to enter into PIMIS, within 120 days from the date of entry into force of this regulation, the form, or documents corresponding to the stage in which the existing project is in accordance with the provisions of this regulation, and for the further procedure to continue in accordance with the provisions of this regulation.

Project documentation until the establishment of PIMIS

Article 33

Until the full development of PIMIS in accordance with Article 5 of this Regulation, all participants in the project cycle are required to submit project documentation in paper or electronic form, or in another suitable manner.

Deadline for the formation of the Local Commission

Article 34

The local self-government unit is obliged to establish the Local Commission referred to in Article 29, paragraph 5 of this Regulation within 30 days from the date of entry into force of this Regulation, and to notify the Ministry of Finance thereof.

Regulations

Article 35

The regulations referred to in Articles 11, 20, 21 and 26 of this Regulation shall be adopted by the Minister of Finance within 30 days from the date of entry into force of this Regulation, while the regulations referred to in Articles 5 and 23 of this Regulation shall be adopted by the Minister of Finance within 90 days from the date of entry into force of this Regulation.

Regulations adopted pursuant to the Regulation on Capital Project Management ("Official Gazette of the Republic of Serbia", No. 51/19 and 139/22) shall remain in force until the adoption of regulations from this Regulation, unless they are in conflict with this Regulation.

Expiration

Article 36

On the date of commencement of application of this regulation, the Regulation on Capital Project Management ("Official Gazette of the Republic of Serbia", No. 51/19 and 139/22) shall cease to be valid.

Delayed implementation

Article 37

The provisions of Article 23 of this Regulation shall apply after the expiry of 120 days from the date of entry into force of this Regulation.

The provisions of Articles 27 to 30 of this Regulation shall apply after the expiry of 90 days from the date of entry into force of this Regulation.

Entry into force and deferred application

Article 38

This regulation shall enter into force on the eighth day from the date of its publication in the "Official Gazette of the Republic of Serbia", and shall be applied upon expiry of 60 days from the date of entry into force of this regulation.