

REPUBLIC OF SERBIA

***SERBIA COMPETITIVE AGRICULTURE PROJECT
(SCAP)***

**Stakeholder Engagement Plan
(SEP)**

October 2019

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Glossary

Consultation: The process of sharing information and getting feedback and/or advice from stakeholders and taking these views into account when making project decisions and/or setting targets and defining strategies.

Extension Services: In 2010, the Law on Advisory and Expert Activities in the field of Agriculture was adopted. The Agricultural Advisory and Expert Service of Serbia is organized into 34 centers, and the control and coordination of their work is carried out by the Institute for the Application of Science in Agriculture for 22 centers and the Provincial Secretariat for Agriculture for 12 centers.

Technical Assistance (TA) Providers: Individuals and/or firms or Non-Governmental Organizations that may be engaged to provide Technical Assistance in the form of capacity building and training to the potential Project beneficiaries.

Environmental and Social Standards (ESSs): The 10 Environmental and Social Standards (ESSs) set out the requirements that apply to all new World Bank investment project financing enabling the World Bank and the Borrower to manage environmental and social risks of projects.

Grantees: Potential beneficiaries of the Project's matching grants program, i.e. small and medium agricultural producers, agribusiness and agro-processors.

Project: Refers to the Serbia Competitive Agriculture Project.

Stakeholders: Refers to individuals or groups who: (a) are affected or likely to be affected by the project (*project-affected parties*); and (b) may have an interest in the project (*other interested parties*).

Stakeholder engagement: A continuous process in which the Project builds and maintains constructive and sustainable relationships with stakeholders impacted over the life of a project. It includes a range of activities and interactions over the life of the project such as stakeholder identification and analysis, information disclosure, stakeholder consultation, negotiations and partnerships, grievance management, and reporting to stakeholders and management functions.

Stakeholder Engagement Plan (SEP): A plan which assists the Borrower to effectively engage with stakeholders throughout the life of the project and specifying activities that will be implemented to manage or enhance engagement.

List of Abbreviations & Acronyms

CMU	Country Management Unit of the WB
CPF	Country Partnership Framework
DAP	Directorate of Agrarian Payments
EHS	Environmental, Health and Safety
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FY	Fiscal Year
GM	Grievance Mechanism
GoS	Government of Serbia
GRS	Grievance Redress System
IACS	Integrated Administration and Control System
ICT	Information and communication technologies
IFC	International Finance Corporation
IDA	International Development Association/ World Bank
IPA	Instrument for Pre-Accession
IPF	Investment Project Financing
IPARD	Instrument for Pre-Accession in Rural Development
IFIs	International Financial Institutions
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MAFWM	Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia
MoF	Ministry of Finance of the Republic of Serbia
MIDAS	Montenegro Institutional Development and Agriculture Strengthening Project
NGO	Non-Governmental Organization
PDO	Project Development Objective
PMT	Project Management Team

1. Introduction

The World Bank aims to provide financing to the Government of Serbia (GoS) for the implementation of the Serbia Competitive Agriculture Project (Hereinafter referred to as: The Project). The Project aims to increase the support to agriculture and rural development by: (i) sustainably increasing on-farm productivity; (ii) strengthening producer competitiveness; and (iii) improving government support systems for agri-food chain cooperation in a manner consistent with EU pre-accession requirements.

The Project is aligned with Serbia CPF 2016-2020 as it focuses to support to Serbia in creating better conditions for private sector growth and job creation and increased opportunities to women's access to economic opportunities, with poverty and shared prosperity angles. The Project will target its financial and technical support to small and medium agricultural producers, agribusiness and agro-processors for increased productivity and access to markets across Serbia and beyond.

The project is designed as an Investment Project Financing (IPF) and as such needs to comply with the World Bank's Environmental and Social Standards (ESS). In response to the commitment of the GOS to comply with the ESF, the Ministry of Agriculture, Forestry and Water Management (MAFWM) has developed this Stakeholder Engagement Plan (SEP) to guide the project's stakeholder engagement in line with ESS 10 - Stakeholder Engagement and Information Disclosure, from the early stages and throughout the Project cycle focusing on gender gaps and tailored approaches.

1.1 Purpose of the SEP

The purpose of the present Stakeholder Engagement Plan (SEP) is to outline the target groups and methods of stakeholder engagement and the responsibilities in the implementation of stakeholder engagement activities. The intention of the SEP is to activate the engagement of stakeholders in a timely manner during project preparation and implementation. Specifically, SEP serves the following purposes: i) stakeholder identification and analysis; (ii) planning engagement modalities and effective communication tools for consultations and disclosure; (iii) defining role and responsibilities of different actors in implementing the Plan; (iv) defining the Project's Grievance Mechanism (GM) and (v) providing feedback to stakeholders. Additionally, the SEP will provide insight into the Project's communication and consultation plan, to help differentiate the Project from other national and international support programs available in the agricultural sector.

1.2 The Project and its Components

The Project area geographically includes the whole of Serbia but given that the intended target groups are small and medium size agri-food producers, most of the direct beneficiaries are expected to be located in the South and Southeastern parts of the country where small and medium scale agricultural production, processing, agribusinesses and agro-processors are predominant and where volumes per producer are relatively small and private investment is limited by a number of factors.

The Project design is envisaged through three components:

- (i) **Component 1** will provide technical and financial assistance to producers, producer groups and agri-business. Technical assistance (sub-component 1.1) will include support for preparation and implementation of business plans, which may include: business / financial management skills and organizational training for small-scale producers, market assessments, technical documentation; (public and private) advisory services that would contribute to the implementation of the proposed activities. The business plans will also include public good/ compliance elements (good agricultural practices, environmental and social aspects, food safety compliance, etc.). Financial assistance (sub-component 1.2) will include matching grants for capital investments (e.g. on-farm inputs and equipment, machinery, processing units, packaging, storage, etc), working capital investments, technical assistance and training costs, as well as costs related to marketing. The minimum and maximum total values of the investments included in the individual business plans would be EUR 25,000 (i.e. minimum grant size of EUR 12,500) and EUR 500,000 (i.e. maximum grant size of EUR 250,000) respectively. . This sub-component will also provide technical support to producers for using private loans for financing part of the business plans and to commercial banks for the use of existing public guarantee funds to de-risk investments in small and medium agricultural producers.
- (ii) **Component 2** will support the MAFWM to effectively manage the grant-related activities through the upgrade and coordination of the Ministry's information systems (sub-component 2.1) and establishment of an open data platform (sub-component 2.2) for production and market information. This component will finance improvements in hardware, software and human capacity. The component will also support the digitalization of on-farm investments and their links to the open data platform.
- (iii) **Component 3** will support the establishment of a project management team (PMT), to be housed in the Directorate of Agrarian Payments (DAP), and capacity needs related to project implementation, as well as project monitoring, including a comprehensive baseline, mid-term review and a final impact assessment of project investments.

1.3 Scope and Structure of the SEP

The SEP shall be applicable to all activities planned under the Project. The engagement will be an integral part of the project's environmental and social performance and project design and implementation.

The document comprises 12 chapters. The first chapter serves as an Introduction. Chapter 2 lists the regulatory framework for citizen engagement in Serbia, which provides the framework for SEP in addition to the World Bank ESS10 presented in Chapter 3. A summary of stakeholder engagement held so far is presented in Chapter 4. Stakeholder Identification, Mapping and Analysis is described in Chapter 5. Institutional analysis is provided in Chapter 6. The Stakeholder Engagement Plan is presented in Chapter 7. Implementation Arrangements for implementing the SEP are presented in Chapter 8. Description of the Project's Grievance Mechanism (GM) follows in Chapter 9. Monitoring, documentation and reporting are presented in Chapter 10, disclosure and consultation requirements in Chapter 11, while the budget needed for implementation of the SEP is discussed in Chapter 12.

2. Policy and Regulatory Framework for Citizen Engagement in Serbia

The Republic of Serbia citizen engagement commitments do not reside under a single self-standing law or regulation. However, the recognition of importance of citizen engagement is embedded in the legal system and clearly recognized by the mandatory procedures provided by individual laws. From the Constitution as the highest legal act down to an ample normative framework comprising the Serbian legislative ground, there is a strong commitment to stakeholder engagement. The Constitution of the Republic of Serbia (2006) proclaims the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, and commitment to European principles and values. The Article 74 proclaims the right to healthy environment and grants the right to timely and comprehensive information on the state of the environment.

On May 12, 2009, the Republic of Serbia ratified the Aarhus Convention on Access to information, public participation in decision-making and access to justice in environmental matters („Official Gazette – International Contracts “, No. 38/09) and it links environmental and human rights and is based on the belief that it is a basic right of present and future generations to live in an environment adequate to health and wellbeing. The convention is focused on achieving this through the implementation of three pillars: rights of access to information, access to decision-making, and access to justice.

Other stakeholder engagement, disclosure and transparency requirements within certain topics and sectors are embedded in the applicable laws regulating each of the treated subject. They are broadly compliant to the requirements of ESS10 but have certain shortcomings when it comes to active outreach and continuous engagement strategies. Key citizen engagement legal provisions¹ include:

Law on free access to information of public interest (2004) states that governmental agencies, social associations and officials are required to provide each person with the possibility of receiving and becoming acquainted with documents of public interest, except in cases anticipated by law.

Law on Public Information and Media (2014) stipulates that public information is free and is not subject to censorship, that the public has the right and the interest to be informed on issues of public interest, that monopoly in the media is not allowed, that information on the media is public.

3. World Bank Environmental and Social Standard on Stakeholder Engagement

The World Bank’s Environmental and Social Framework (ESF)² came into effect on October 1, 2018. The Environmental and Social Standard (ESS) 10 is on “Stakeholder Engagement and Information Disclosure”. The provisions of the Standards are to be read in conjunction with other applicable ESSs. The specific requirements set out by ESS10 are highlighted below:

- Borrowers will commence with stakeholder engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design and shall maintain such engagement throughout the Project cycle.

¹ The presented Laws do not represent a comprehensive list of the sector regulations. A number of other laws, rulebooks and regulations in addition to the presented constitute the legal framework of the agricultural sector.

² www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards²

The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.

- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
- The process of stakeholder engagement will involve the following: (i) stakeholder identification and analysis; (ii) planning on ways to engage; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose a stakeholder engagement log as documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.”

As early as possible in the Project, before appraisal, the Borrower will develop and disclose a Stakeholder Engagement Plan proportionate to the nature and scale of the project and its potential risks. The SEP is a living document, potential changes are driven by any changes in the Project during its implementation. Should the project incur significant changes, such updates will be reflected in the SEP and the document will be redisclosed. According to ESS10, the Borrower should also propose and implement a grievance mechanism to receive and facilitate the resolution of concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner.

4. Summary of previous stakeholder engagement activities

The Project’s financial and technical services are targeted towards small and medium agri-food producers, including agri-businesses, supporting their market access (including finance and business planning capacity, improving government systems to strengthen the enabling environment for all agricultural producers). The specific nature of the Project required a broad engagement with various project stakeholders and is ongoing since September 2018. The specific stakeholder engagement activities that have taken place during Project preparation include:

- Numerous dialogues with government agencies at the national, regional and local level;
- Consultations with potential beneficiary groups, including agri-businesses, and their representatives;
- Consultations with the national agricultural extension and advisory services;
- Meetings with commercial banks and other financial institutions that may offer services to potential Project beneficiaries;
- Consultations with agricultural producers and producer organizations from an area outside of Novi Sad in the North, Dimitrovgrad in the Southeast and Surdulica in the South;
- Consultation with the Cooperative Union of Serbia;
- Consultations with civil society organizations as well as academia i.e. Universities in Belgrade and Novi Sad (Faculty for Agriculture - Department for Soil and Water, Institute for Crop and Vegetable Science); and,
- Communication and meetings with other national and international donors working in the agricultural sector (UN FAO, UNDP, IFC, EBRD, USAID projects in Serbia etc), as well as with the European Commission Representation in Belgrade.

4.1 Key meetings/consultations with stakeholders during Project preparation

In the course of developing the architecture of the Project, several meetings and consultations were held with government agencies, private sector stakeholders, NGOs and international donor organizations. The meetings served to better understand the nature of existing agricultural support programs, identify sector needs and gaps, including the identification of underserved segments of the agricultural sector. An overview of consultations/meetings is presented in Table 1 below.

Table 1. Stakeholder engagement activities conducted during Project preparation

Place	Date	Participants	Areas of discussion
Belgrade, Serbia	September 2018, December 5, 2018	MAFWM	Project scope and implementation arrangements, design, priority sectors and sub-sectors.; Project funding modalities; Project design, sub-grant allocation modalities; and ESF requirements.
Belgrade, Serbia	December 6, 2018 January 29-31, 2019	Officials MAFWM	Project scope and design, priority sectors and subsectors; Role of the MAFWM in project implementation; Agribusiness component design; Costing of interventions; and Beneficiaries and type of support needed.
Dimitrovgrad and Pirot, Serbia (southeast)	February 12	Meetings with agri-food producers/potential beneficiaries (women and men).	Existing challenges and opportunities for the project: access to finance, marketing, access to markets, food safety standards and requirements, grant procedures
Belgrade, Serbia	July 2019	Officers from International donors	Project scope and institutional arrangements; Lessons learned; and Donor mapping.
Belgrade, Serbia	July 2019	MAFWM	Project scope and design, priority sectors and subsectors; Existing economic opportunities and existing market failures
Belgrade, Serbia	July 11, 2019	UN Commission	Discussion on ongoing and future programs, understanding the gap between multiple support programs
Belgrade, Serbia	July 12, 2019	Statistical Office of the Republic of Serbia	Data collection on agriculture and environment, frequency, samples, etc.
Belgrade, Serbia	May 27, 2019 and July 11, 2019	MAFWM, Sector for rural Development / Extension Services	Role of the Advisory Service system in Project implementation.
Belgrade, Serbia	July 9, 2019	UN FAO	Presentation on “Support to Smallholders and Family Farms in Serbia” financed by the Food and Agriculture Organization of the United Nations (FAO).

Belgrade, Serbia	July 9, 2019	Faculty for Agriculture, Department for Soil and Water, Institute for Crop and Vegetable Science	Academic view of the role of Extension Services, Needs assessment based on research and surveys conducted by the Faculty. Climate resilience measures and country trends.
Surdulica Serbia (south)	September 12, 2019	Meetings with agri-food producers, association of beekeepers/potential beneficiaries (youth and older farmers).	Existing challenges and opportunities for the project: access to finance, marketing and entrepreneurial skills, access to markets, access to information/knowledge, certification (organic and geographical recognition), grant procedures
Surdulica Serbia (south)	September 12, 2019	Local Governments representatives	Municipality support programs for small agri-food producers, matching-grant scheme mechanism design and targeting

Table 2. Stakeholder Engagement with Financial Sector Institutions

Place	Date	Participants	Areas of Discussion
Belgrade, Serbia	July 10, 2019	AIK Bank	Addressing access to finance gaps for small & medium size agribusiness individuals/units, women, youth
Belgrade, Serbia	July 10, 2019	NLB Bank	Addressing access to finance gaps for small & medium size agribusiness individuals/units, women, youth
Belgrade, Serbia	July 10, 2019	MK Group	Addressing access to finance gaps for the Project beneficiaries – Value chain financing
Belgrade, Serbia	July 11, 2019	Intesa Bank	Addressing access to finance gaps for small & medium size agribusiness individuals/units, women, youth
Belgrade, Serbia	July 11, 2019	UniCredit Bank	Addressing access to finance gaps for small & medium size agribusiness individuals/units, women, youth
Belgrade, Serbia	July 11, 2019	OTP Vojvodjanska Bank	Addressing access to finance gaps for small & medium size agribusiness individuals/units, women, youth
Belgrade, Serbia	July 11, 2019	USAID / DCA project	De-risking agricultural finance for the Project beneficiaries i.e DCA Guarantee scheme
Belgrade, Serbia	September 10, 2019	Intesa Bank	POM/GOM- the transfer of funds to escrow account, i.e. transfer of funds to grant
Belgrade, Serbia	September 10, 2019	NLB Bank	POM/GOM- the transfer of funds to escrow account, i.e. transfer of funds to grant

Note: The Ministry cooperates with a large number of banks operating in Serbia and upon approval of the loan, meetings will be organized with all the banks with which the Ministry cooperates, not limited to those in this table.

4.2 Lessons Learned on Stakeholder Engagement from Previous Agricultural Projects

Lessons from previous investment operations in Serbia: The project's matching grants are designed to address the gaps in targeting under the current IPARD and to pilot an approach to improve the effectiveness of the National Agriculture and Rural Development Programs. Additionally, the project invests in infrastructure and capacity building for meeting the EU Acquis approximation requirements. Project's design includes matching grants program where grant funds are to be matched by the beneficiary farmers with their own funds and funds from commercial bank loans. Project visibility matters for uptake and adaptive design. For effective implementation, project activities need to be discussed with stakeholders at preparation and launch, lessons learned during implementation need to be shared and successes needs to be celebrated.

Important lessons learned from recent World Bank experience could be leveraged to help advance the structural transformation process of the agricultural sector and its alignment with the EU acquis. The implementation of the first MIDAS project supported by the World Bank in Montenegro, which sought to improve the delivery of government assistance for sustainable agriculture and rural development in a manner consistent with EU pre-accession requirements, demonstrated that the "learning by doing" generated by piloting and gradually scaling up new delivery mechanisms for rural development grants can be an effective tool to build capacity at the level of both government institutions and agricultural producers in line with EU CAP requirements. Moreover, adequate local stakeholder engagement and transparency mechanism should be integrated in rural development grants program in order to ensure broad-based participation. Importantly, local stakeholder engagement should go beyond agricultural sector stakeholders and include Local Government as (non-existent or outdated) spatial plans and/or permitting procedures could prove a significant obstacle to implementing rural development investments. In addition, both technical and financial services must be tailored further to the needs of smaller agricultural producers and agribusiness MSMEs to help them better plan and manage productive investments and meet changing market needs and requirement - thus maximizing the efficiency, equity, and effectiveness of rural development investments. In particular, improving access to finance by crowding-in more commercial lending to the agri-food sector would be fundamental to expand and scale up the number of rural development measures with pre- and co-financing requirements under the current and future IPARD programs.

Lessons from use of the productive alliances model in agriculture: The Productive Alliance (PA) approach was introduced during the early 2000s in Latin America and the Caribbean (LAC). Since then, the World Bank has provided more than US\$1 billion in financing to support over 20 projects across the LAC region. Projects promoting PA have also been introduced in countries in Sub-Saharan Africa and East Asia. Productive Alliance projects have performed well in including women and other disadvantaged groups. Key lessons emerging from the Productive Alliance experience in Latin America include the following: 1) Setting up a competitive subproject selection process based on clearly defined technical evaluation criteria is crucial for establishing credibility among stakeholders, avoiding political interference, and safeguarding the technical quality of selected subprojects; 2) Identifying and analyzing promising value chains based on technical criteria, aligned with project objectives and market potential, are important to ensure effectiveness and sustainability; 3) Establishing assessment criteria for the selection of potential buyers and regular monitoring of the producer-buyer relationship can reduce the risk of choosing an uncompetitive buyer or promoting elite capture in imperfect markets; 4) Requiring cash contributions or

bank loans as co-financing from producers can ensure a stronger buy-in; 5) Building capacity of beneficiary producers over an extended period while they grow and mature is crucial for ensuring long-term success.

5. Stakeholder Identification Mapping and Analyses

ESS 10 recognizes two broad categories of stakeholders: 1) Project Affected Parties and 2) Other Interested parties. **Project-affected parties** includes those likely to be affected by the project because of actual impacts (positive and negative) or potential risks to their physical environment, health, security, cultural practices, well-being, or livelihoods. These stakeholders may include individuals or groups, including direct project beneficiaries and local communities. They are the individuals or households most likely to observe/feel changes from environmental and social impacts of the project. The term “**Other interested parties**” (OIPs) refers to: individuals, groups, or organizations with an interest in the project, which may be because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women’s organizations, other civil society organizations, and cultural groups.

5.1 Stakeholder Identification and Mapping

Stakeholder mapping is done vertically (across the administrative space) and horizontally (within an individual space). The first step involves universal mapping. Each stakeholder group is rated for their relative importance and influence - starting from rating from 1 to 5, the weighting derived from cross-referencing interest and power of the stakeholders. The stakeholders of high (5*) and substantial significance (4*) are stakeholders to be included into all engagement activities and require continuous and uninterrupted engagement. This helps in assigning importance for further analysis. The universal mapping, interest and the relative importance are presented below.

Among targeted project beneficiaries, women, youth and agri-food producers that live in disadvantaged areas³ have been identified as requiring targeted support and assistance to access project benefits and services. Women agri-food producers are considered vulnerable because of their underrepresentation in agricultural production (20%) and age-characteristics (on average, women producers tend to be older (64) than their male counterparts (59) due to inheritance structure. The engagement of women producers is further limited by: i) lack of access to land (84% of women do not own agricultural land); (ii) limited management of agricultural holdings (16% by women); (iii) lack of access to finance; (iv) limited agricultural education (73% of women managers rely on practical experiences only compare to 58% of men); and (v) limited access to information about available support programs. Youth are considered vulnerable because of economic weaknesses (lacking assets and capital), land tenure issues, lack experience and expertise on good agricultural practices and modern technologies. Producers living in disadvantaged areas are considered vulnerable because they live in areas with harsher climate (high altitude), limited access to services (internet, veterinary, Extension Services, etc.).

The project includes a number of support activities aimed at facilitating vulnerable groups engagement. Women, youth and agri-producers living in disadvantaged areas of the country are given preferential treatment in the selection of applicants (more points in the scoring criteria). The project incorporates a

³ Rulebook on designation of areas with difficult working conditions in agriculture, Official Gazette of the Republic of Serbia No. 102/18, 21 December 2018 - <http://uap.gov.rs/vesti/vesti-2019/objavljen-novi-pravilnik-o-odredjivanju-podrucja-sa-otezanim-uslovima-rada-u-poljoprivredi/>

gender-sensitive approach by proactively strengthening the capacity of women for the use of digital tools to ensure the balanced uptake of technology on and off-farm. Targeted training for female producers and processors focused on technical issues, such as farming techniques, processing and marketing, will also be considered. To be targeted by the project, these vulnerable groups must be commercially oriented and capable of managing a business. Separate consultations are not foreseen for these groups. Instead, satisfaction surveys will be disaggregated by age, gender and location to distinguish feedback received from these groups. The formulation of a comprehensive baseline survey will also disaggregate this information to enable the evaluation of impact at project closing. To facilitate participation in regional workshops by vulnerable groups, seasonal and daily obligations will be taken into consideration, and transportation will be provided as per demand.

The project targets agricultural units that have commercial potential, which means that the majority of family-operated mixed-income farms that do not have this focus would not be eligible or have direct access to the agricultural matching-grant scheme. This creates a potential risk of perceived exclusion from project benefits which the Project will address through transparent communication about the project scope, clear eligibility and selection criteria and application procedures that would provide higher weight to clusters that comprise small producers.

By the regulation “On establishing a single list of development of regions and local self-government units” (Official Gazette of the Republic of Serbia 104/2014) municipalities and cities in the Republic of Serbia are classified into four (4) categories of development. This regulation establishes a unique list of development regions, classified according to the level of development into developed and underdeveloped regions and local self-government units, which are classified in the first, second, third and fourth groups and devastated areas on the basis of data of the competent authority for statistics and finance. The region is classified based on the value of gross domestic product per capita in the region in relation to the national average, for the reference period. According to the level of development of local self-government units, the third group consists of 47 underdeveloped local self-government units whose level of development is in the range of 60% to 80% of the national average. According to the level of development of local self-government units, the fourth group consists of 44 extremely underdeveloped local self-government units whose development rate is below 60% of the national average.

Municipal Extension Services: The Agricultural Advisory and Expert Service of Serbia is organized into 34 centers, and the control and coordination of their work is carried out by the Institute for the Application of Science in Agriculture for 23 centers and the Provincial Secretariat for Agriculture for 12 centers. In Serbia a total of 230 Advisors are engaged in the Public Extension Services Sector, whereas 180 in Central Serbia and the remaining 50 in Vojvodina. The Sector has a well-established network to be used as a Project Platform upon which Project targeted activities will be added. The Extension Services will cooperate and work alongside the TA providers to provide training and hands-on capacity building to potential beneficiaries/grantees of the Project. This process will offer advice and information to help them understand the Project, how to access the benefits, make use of TA services, assess the needs of the agribusiness. The Extension Services will work through the main elements identified within the process of extension: (i) conducting outreach by sharing project information and guidelines(ii) providing technical advice and information (iii) linking to TA providers, (iv) helping in orientation and motivation.

Table 3. Stakeholder Segmentation by their Areas of Influence

National / Country Level*****		
Stakeholders	Area of Influence	Significance *****
Ministry of Finance	Loan Agreement oversight	*****
World Bank	Loan Approval, Loan implementation support and monitoring of compliance to covenants	****
Ministry of Agriculture Forestry and Water Management	Main counterpart of the WB for Project implementation, Member of the Steering Committee, technical assistance in agricultural production and processing quality improvement	*****
PMT housed by the Directorate for Agrarian Payments in the Ministry of Agriculture Forestry and Water Management	Project management and implementation, oversight, reporting, implementation of matching grant program, environmental and social risk management, grievance management, SEP implementation and coordination	*****
CFU housed by the Ministry of Finance	Procurement and financial management activities	*****
Extension Services coordinated and financed by the MAFWM	Advisories, knowledge and skill transfer role, implementation of outreach and engagement activities as per this SEP	*****
Inspections (Phyto sanitary and veterinarian)	Performs tasks related to inspectorial supervision in the area of plant health, seeds and planting material and inspectorial supervision in the area in the areas of animal health and welfare, veterinary public health and food safety.	****
Technical Assistance providers (private sector and NGOs)	In addition to the advisory services provided by Extension Services, Individuals, Consulting Companies and/or organizations that may be engaged to provide Technical Assistance to the potential Project beneficiaries.	*****
Farmers associations, processors associations, women business associations, and NGOs supporting empowerment of women and youth	Provide sector-relevant information and support to their members	*****
Financial Sector Institutions/ Commercial Banks	Provide loans as contributions to the matching grants ensuring the availability of financing for business plan implementation.	*****
National media (Radio, TV, Newspaper)	Enables wide and regular dissemination of information related to the Project, ensures its visibility and facilitates stakeholder engagement	****
Social media (Twitter, Facebook etc)	Enables wide and regular dissemination of information related to the Project, ensures its visibility and facilitates stakeholder engagement	****
Local and Community Level		

Agri-food producers, owners of agricultural holdings, cooperatives, agribusiness SMEs, agri-entrepreneurs, processors	Potential technical assistance and matching-grant beneficiaries, peer-to-peer motivators, targeted by project outreach and business plan development capacity building	*****
Agri-producers that belong to vulnerable groups in the agricultural sector (women, youth, producers living in disadvantaged areas)	Potential matching-grant beneficiaries, peer-to-peer motivators, beneficiaries of needs specific orientation, training, advisory services/TA	*****
Handicrafts producers	Potential matching grant beneficiaries, peer-to-peer motivators, beneficiaries of needs specific orientation, training, advisory services/TA	*****
Local Governments (including line departments: land management, economic development, environment)	Serve as first point of contact, conduct field outreach, disseminate grant related materials, arrange public meetings and consultations, liaison between targeted groups and MAFWM /PMT, liaison between targeted groups and Extension Services, facilitate two-way communication	*****
Municipal branches of extension services	Facilitate awareness raising and outreach, provide demand-driven training & advisory services to farmers, including those from vulnerable groups (based on needs assessment)	*****
Farmers associations, processors associations, agri-food MSMEs	Potential technical assistance and matching-grant beneficiaries, peer-to-peer motivators, targeted by project outreach and business plan development capacity building	*****
Local media (radio, TV, Newspaper)	Enable wide and regular dissemination of information related to the Project to ensure its visibility, facilitate stakeholder engagement on the local level, regional and national level	*****
Smallholder farmers	May benefit from improved linkages with agri-food value chains	***
Education and research institutions, community organizations	Provide knowledge and research on the latest developments in the agricultural sector	***
Low-skilled, semi-skilled and high-skilled workers	Positive externalities beneficiaries through potential employment	***
Non-agriculture specific NGOs	May provide valuable information to targeted groups (especially women and young farmers) and benefit from positive externalities of the Project	***

5.3 Stakeholder Analysis

The stakeholders of high and substantial significance (ranked 5* and 4* during universal mapping) are analyzed in the Table below. The analysis includes the current status of the stakeholder, concerns and issues raised during consultations, their expectations from the project, significance of the risk of unmet expectations and enabling conditions required to mitigate those risks.

Table 4: Stakeholder Analysis by the Level of Engagement

National Level					
1. Subgroup	2. Current Status	3. Concerns and issues	4. Expectations	5. Risks	6. Enabling Qualifiers
Ministry of Finance (MoF)	State budget financial management, inclusion of state guarantees, authorized persons for disbursement	Potential disbursement cap	Maintain the state guarantees, and execute the Loan Agreement as per condition of the finance contract	Moderate	Disclosure of draft budgetary documents and analysis of final docs on financial performance
World Bank	Loan Approval, Loan implementation support and monitoring of compliance to covenants and achievement of Project Development Objectives	Implementation readiness, disbursement delays	Meeting the timelines for Project Approval and implementation in line with goals as set forth in the Project documents.	Low	Approval of Loan, client ensures implementation readiness through engagement of key PMT staff, timely preparation of Project Operations Manual and grant Operational Manual
MAFWM/PMT	Has experience in WB projects, but has limited resources and experience in managing diverse range of matching-grant programs in agribusiness and no experience in implementing the WB ESF	Insufficient number of competent staff to manage large-scale projects and subprojects with ESF.	Improve institutional capacity in implementing World Bank funded project in the agricultural sector, hiring competent staff to manage the project at all levels	Moderate	Project will establish a PMT with relevant expertise in staff in project management, procurement, financial management, safeguards, M&E, capacity building for MAFWM/PMT throughout Project implementation
CFU in the Ministry of Finance	Procurement and financial management activities housed in CFU, experience in implementing WB financed Projects	Potentially insufficient number of staff to manage multiple WB Projects with geographical spread	Establish and maintain excellent communication and coordination with MAFWM/PMT and other relevant stakeholders	Moderate	Project will strengthen CFU capacity by hiring additional fiduciary staff

Extension Services coordinated and financed by the MAFWM-	Advisories, knowledge and skill transfer role, implementation of outreach and engagement activities as per national programs	Potentially insufficient technical capacity and resources (i.e. vehicles, technology, etc.)	Strengthen capacity by enhancing their mobility and in-field response (focus on remote beneficiaries)	Moderate	The Project will strengthen the capacity of Serbia's public Extension Services to deliver demand-driven technical assistance through capacity building.
Technical Assistance providers (private and NGOs)	Provide specialized services to producers	Project concern is about the inclusiveness of the private/NGO TA services. Selection of private/non-profit Technical Assistance providers done by beneficiaries based on business plans needs.	Opportunity to complement public advisory services, support beneficiaries to in developing matching grants program business plans.	Moderate	To improve accessibility, grant money can be used retroactively to pay for TA support. Adequate qualification criteria during selection of TA providers
Inspections (Phyto sanitarian and veterinarian)	Housed under MAFWM performs inspections and supervision to ensure animal health and welfare, veterinary and public health and food safety,	Insufficient capacity to cover the geographical scope of the Project	To be timely informed of the activities under the Project and the location of beneficiaries.	Moderate	Strengthen links between the Inspections and the PMT, including Extension Services
National media (Radio, TV, Newspaper), social media Twitter and Facebook)	Broad coverage of Agri related news	Adequacy of information placement and their priority in the news room	The expectations for these Stakeholders come from the Project side. Continuous liaison with the media to maintain their interest in the news, adequate feeding of information not only to upcoming actions and events but outcome and achievements as well.	Low	Build and maintain Project specific relationship with the media. Ensure quality of information flow and contemporary and intriguing news to keep the media interested throughout the Project
Municipal branches of Extension Services	Advisories, knowledge and skill transfer role, implementation of outreach and engagement activities as per national programs	Potentially insufficient technical capacity (i.e. vehicles, technology etc.)	Strengthen capacity by enhancing their mobility and in-field response	Substantial	The Project is considering strengthen the capacity of Serbia's public Extension Services to deliver demand-driven technical assistance.
Farmers associations, business associations	Limited number and capacity of v associations.	Volume, access to markets, quality of support services for agribusiness/agriculture producers	Expect project support to resolve exiting sector challenges	Substantial	Project communication strategy will clarify purpose, target and scope of the Project.

Community level					
1. Subgroup ⁴	2. Current Status	3. Concerns and issues	4. Expectations	5. Risks	6. Enabling Qualifiers
Agri-food producers, owners of agricultural holdings, cooperatives, agribusiness SMEs, agri-entrepreneurs, processors	Limited opportunities to sell products beyond the local market; limited access to small scale processing and storages; limited access to large scale buyers and processors, and limited access to private sector financing	Lack of funds and knowhow to access technology to process, to innovate and to reach markets Weaknesses in value chain that would allow local farmers to aggregate products and to improve quality to sell to large-scale processors	These groups expect supported to develop business proposals to apply for matching-grants and TA to grow and develop their business further	High due to competition and potential exclusion	Transparent communication about the matching grants program (eligibility, selection criteria and application procedures) and capacity building opportunities for business plan development
Women(-led) agri-food producers, owners of agricultural holdings, cooperatives, agribusiness SMEs, agri-entrepreneurs, processors	Poor integration in benefit sharing due underrepresentation in the sector, inability to access commercial loans due to lack of assets/collateral, unable to take risks and innovate, overrepresented in low value agriculture and less growth potential	Lack access to finance, access to knowledge and technology related to modern agri-food processes, land tenure issues, lack access to financial services and lack access to markets, lack of entrepreneurial capacity and financial literacy	Access to matching grants and capacity building activities, active help in preparation of business plans, training on relevant processes and technologies, follow-up support	Substantial, due to competition and potential exclusion	Needs-based support from Extension Services/TA providers. Targeted training for female producers and processors focused on technical issues, such as farming techniques, processing and marketing, and digital tools. Gender-sensitive awareness raising about Project eligibility (e.g. emphasize ability to access grants with leased land), application procedures and benefits
Youth(-led) agri-food producers, owners of agricultural holdings, cooperatives, agribusiness SMEs, agri-entrepreneurs, processors	Poor integration in benefit sharing due underrepresentation in the sector (lack land and do not see profitability of agriculture), inability to access commercial loans due to lack of assets/collateral, creative and IT-savvy, but unable to take risks and innovate, lack experience	Lack access to finance, limited, experience and knowledge about farm practices, limited access to technology related to modern agri-food processes, land tenure issues, lack access to financial services and lack access to markets, lack of entrepreneurial capacity and financial literacy	Access to matching grants and capacity building activities, active help in preparation of business plans, training on relevant processes and technologies, follow-up support	Substantial, due to competition and potential exclusion	Needs-based support from Extension Services/TA providers. Targeted training for young producers and processors on niche market areas, modern farming techniques, innovation, processing and marketing, and digital tools. Youth-sensitive awareness raising about Project eligibility (e.g. emphasize ability to access

⁴ Sub-groups at community level are not exclusive and may have multiple overlaps (e.g. young women agri-food producers who lives in a disadvantaged area would receive extra points in the selection criteria for all three characteristics (gender, age and location).

	and decision-making authority in the farm household, potential to thrive in niche markets unfamiliar to older farmers (barley, hops, organic produce, etc)				grants with leased land), application procedures and benefits.
Agri-food producers, owners of agricultural holdings, cooperatives, agribusiness SMEs, agri-entrepreneurs, processors in disadvantaged areas in disadvantaged areas	Limited access to information (lower internet penetration), higher transaction costs in accessing services (veterinary, etc) and markets, difficulties in product placement due to remoteness, poor infrastructure (transport, preservation from perishing etc) and nearby buyers with purchasing power (poor surroundings)	Less “idle” time to spare in investing in future business growth, high transaction costs for accessing training, education and advisory services, lack of access to finance (poor land markets affect collateral), inadequate access to information about government support programs, risks of not being able to unlock the full potential of Project benefits due to the above constraints	Access to matching grants and capacity building activities, active help in preparation of business plans, training on relevant processes and technologies, lowered transaction costs and reduced barriers to participation	Substantial, due to competition and potential exclusion	Community-level outreach. Needs-based support from Extension Services/TA providers to producers in areas with difficult conditions, including field-based training and advisory services, provision of transportation to regional workshops/trainings and season-sensitive capacity building.
Handicraft producers	Unsustainable business models (high dependency on government support), high technical abilities and specialization, limited transfer of skills to younger generations, opportunities for diversification of farm income and formal employment (for women especially)	Insufficient support for maintenance of traditional handicrafts/cultural heritage, lack of systematic transfer of knowledge/skills in traditional handicraft practices, lack of interest among young people	Financial support from government to maintain traditional crafts, support in knowledge transfer and training provision	Moderate due to separate calls for proposal for handicrafts	Needs-based support from Extension Services/TA providers to enhance profitability and sustainability of handicraft businesses. Targeted training on market assessment, niche market linkages, modern marketing tools, and business sustainability.
Non-targeted smallholder farmers	Mixed-income farmers for whom agricultural sales represents an important safety net, but little commercial opportunity due to limitation in scale and/or quality.	Insufficient access to information/knowledge about good farming practices, expensive machinery and quality products (seeds), lack of access to information about adequate use of pesticides, etc.	Financial support from government to enhance quality of produce, on-demand impartial advisory support and product recommendation	Substantial, due to perceived risk of exclusion	Communication strategy defines targeted (commercial) beneficiaries, eligibility criteria and selection procedures. Outreach reinforces the message

5.4 Stakeholder expansion

This Project will have prevalent number of groups of people and economically differentiated groups who are interested in the project on different levels. The Project may need to revisit the list of stakeholders and verify if there is a need to expand the list and engage with other stakeholders in course of the Project. This will be facilitated by filling out the stakeholder expansion questionnaire below at critical points during Project implementation (e.g. after first call for proposal, mid-term, substantial project design changes, etc). A potential update will be part of the Monitoring & Evaluation (M&E) segment of the Project.

Table 4: *Expansion and update questionnaire*

STAKEHOLDER EXPANSION AND UPDATE NEED QUESTIONNAIRE	
<input type="checkbox"/> YES <input type="checkbox"/> NO <i>If No the Project needs to expand the Stakeholder list</i>	<p>Is our current list focused on relevant stakeholders who are important to our current and future efforts?</p> <p><i>(Answers should be based on knowledge of the Project, feedback received and grievances registered tackling inadequate outreach, and feedback from Extension Services and TA during their Engagement)</i></p>
<input type="checkbox"/> Yes <input type="checkbox"/> No <i>If No the Needs assessment should be revisited or a supplementary conducted and Stakeholder list revisited</i>	<p>Do we have a good understanding of where stakeholders are coming from, what they may want, whether they would be interested in engaging with the Project, and why?</p> <p><i>(The answers should be based on the frequency of stakeholders approaching through communication channels other than the Projects, with suggestion for inclusion of groups or eligible activities etc.)</i></p>
<input type="checkbox"/> Yes <input type="checkbox"/> No <i>If No the Stakeholder list should be revisited as well as admission and evaluation criteria should be revisited</i>	<p>Does the current engagement strategy focus adequately on potential beneficiaries of the Project from vulnerable groups?</p> <p><i>(Answers should be based on the Stakeholder engagement log relative to the gender aspects and grievances received by women focusing on insufficient inclusion and/or Grant access and election and evaluation criteria from the first call for proposal or other adequate screening tools)</i></p>

6. Institutional Analysis

The engaged existing institutions have been analyzed in the below Table 5. The institutions to be recruited or to be established are not covered by the below analysis.

Table 1. Institutional Analysis

Group/ Agency	Current Role	Change/Adjustments suggested	Rationale
National			
MoF	Serve as the financial guarantor for all IFI-funded projects, hosts a CFU responsible for fiduciary arrangements WB-funded projects	Keep the existing CFU at the Ministry of Finance (MoF CFU) as responsible for procurement and financial management under the Project. It will be responsible for all project procurement, financial management. Potential need to expand the capacity of the CFU.	CFU is well staffed with experienced procurement and financial specialists successfully implementing other WB funded projects. Expansion is needed should the work load balance be disrupted thus compromising efficiency and set deadlines
MAFWM	Responsible for overall Project implementation apart from fiduciary	A separate PMT is to be established and will be responsible for overall project management, GM, M&E, E&S risk management, grant management.	Efficient management of the Project
Local			
Local governments and line departments	Oversee development activities, liaison between national government and communities	Conduct outreach activities, update spatial plans and issue permits (as required), respond to E&S risk management requests	To serve as an efficient instrument for outreach and effective stakeholder engagement

7. Stakeholder engagement activities

Various stakeholder engagement activities are proposed to ensure awareness and meaningful consultations about Project activities. Based on the organization of work related to agriculture, the awareness campaign, outreach and stakeholder engagement will be season and gender appropriate, taking into consideration the after-hour chores of women. Targeted messaging will encourage the participation of women, young producers and those living in disadvantaged areas and highlight Project characteristics that are designed to respond to their needs and increase their access to Project benefits.

The Project will develop a communication strategy for inclusive awareness raising about project scope, eligibility and selection criteria and critical milestones. The PMT, in close collaboration with the Extension Services and Municipalities, will agree on an action list to identify appropriate communication channels and tools across the different regions of the country.

The table below presents roles and responsibilities of key actors in the proposed stakeholder engagement activities to be conducted under the project.

Table 2. Overview of planned communication and stakeholder engagement activities

Target stakeholders	Topic(s) of engagement	Method(s) used	Location/frequency	Responsibilities
Project wide				
Potential project beneficiaries as well as non-targeted groups, wide range of regional and local stakeholders in the agricultural sector	Project progress, grant disbursement figures and beneficiary/applicant survey results	Regional workshops, in-person feedback	Annual	MAFWM/PMT facilitated by Local Governments/ Extension Services
Sub-component 1.1: Strengthening agricultural advisory and business development services				
Agricultural producers and agri-businesses SMEs with special emphasis on the needs identified by vulnerable groups (youth, women, potential beneficiaries in disadvantaged areas), Extension Services	Identification of information, technical, and managerial capacity needs among small and medium scale producers. Identification of support (equipment, knowledge, human resources) that Extension Services need to deliver project support.	Needs assessment to define key areas of advisory support needed by different target groups and the capacity building & information that will be required to ensure that Extension Services/TA providers and banks can support Project beneficiaries	At Project start, annual as part of Extension Services training plan	MAFWM/PMT Independent consultant
Agricultural producers and agri-businesses, SMEs	Support outreach and implementation of matching grants program by streamlining, as appropriate, local spatial planning and permitting processes.	Meetings, field visits and information sessions	Ahead of matching grant calls, during business plan implementation	Local Governments
Sub-component 1.2.: Facilitating access to finance for productive investments				
Matching grants program applicants and successful grantees, Extension Services TA Providers	Collect feedback on business development support/advisory services and grant implementation support (provided by Extension Services and TA providers) to	Sample-based beneficiary survey (gender, age and municipality disaggregated)	6 months after grant disbursement	MAFWM/PMT

	ensure adaptive design			
Commercial banks	Bank's needs to approve approve financial support for farmers & expectations for the types of investments that beneficiaries will need to cover matching grants program requirements	Needs assessment, meetings	During project preparation, before first round of matching grants	MAFWM/PMT
Sub-component 2.2: Open data platform				
Potential project beneficiaries as well as non-targeted groups, institutional and commercial stakeholders in the agricultural sector	Important production and market information, including weather and climate variables, prices of key products, disease prevention techniques, etc.	Open data platform for two-way communication on plant and animal health, and other risks that can constrain agricultural competitiveness. Data platform integrates feedback space to ensure continuous information and service adaptability	Continuous maintenance of relevant content after the open data platform becomes public	MAFWM/ PMT

8. Implementation Arrangements for Stakeholder Engagement

8.1 Project enabling efforts from lessons learned

The Project recognizes that the stakeholder profile is quite diverse and heterogeneous and that their expectations and orientation as well as capacity to interface with the project might be different. The project design and institutional arrangements have been drawn such as to enable mitigation of social exclusion risks and come up with types of activities and approaches to address the likely impediments arising therefrom.

TA to beneficiaries. Technical assistance for preparation of sound business plans will be available. Extension Services/TA provider will support the creation a pipeline of applicants, including women and youth excluded from support grants due to lack of land tenure, collateral, low capacity in responding to grant requirements, and producers in disadvantaged areas that have reduced access to services and information. As per business plan design (financial, technical and managerial), there will be continuous provision of TA to support successful grantees through grant implementation, as this is the design modality which seems to be most often correlated to positive outcomes. The market needs assessment conducted at project start will facilitate the identification of new target groups for TA while the applicant/beneficiary surveys after grant calls will be used solicit feedback on the TA available to potential beneficiaries.

8.2 Roles and Responsibilities

Stakeholder engagement will be coordinated and led by the MAFWM/ PMT. The PMT will closely coordinate with other key stakeholders –Local Governments (line departments included), Extension Services, and local NGOs. The roles and responsibilities of these actors/stakeholders are summarized in the Table below.

Figure 3. Responsibilities of key actors/stakeholders in SEP Implementation

Actor/Stakeholder	Responsibilities
MAFWM/PMT	<ul style="list-style-type: none"> • Plan, implement and monitor SEP activities; • Lead and coordinate stakeholder engagement activities; • Collect stakeholder feedback through regional workshops, satisfaction surveys and bilateral meetings, • Manage the grievance mechanism at Project level, communicate grievances regularly through monitoring reports, • Build capacity of implementing partners – Local Governments Extension Services and TA providers and GM on ESF stakeholder engagement standard and its implications; • Manage national GM database and submit quarterly reports on the substance and quantity of grievances; and • Supervise/monitor grant programs and engage with grant receipts.
Local Governments	<ul style="list-style-type: none"> • Lead stakeholder engagement activities at the municipal and community level; • Coordinate with Ministry, province, Municipal Extension Services and NGOs to implement outreach activities; • Local focal point for questions on grant eligibility and application procedure requirements • Discloses all documents, distributes outreach material as needed • Facilitate the organization of regional stakeholder workshops to present project progress and collect feedback about project services • Facilitate information requests and grievances by transfer to the PMT
Line departments in Municipalities	<ul style="list-style-type: none"> • Update spatial plans and issue permits (as required) • Respond to E&S risk management requests • Facilitate information requests and grievances by transfer to the PMT • Discloses all documents, distributes outreach material as needed

8.3. Stakeholder Engagement Methods

8.3.1 Matching grant program outreach methods

Prior to the launch of matching grant calls, PMT staff with support by Local Governments will conduct outreach and orientation meetings to ensure potential grant applicants can engage meaningfully in the project. Local Governments will assist with community outreach to disseminate the grant program guidelines. The Project will include targeted outreach to women, youth and producers in disadvantaged areas. Women and youth require more motivation and, in some cases, additional support in understanding that the most common market failures and gender gaps will not prevent access to the

benefits of the Project. During orientation meetings, communicated provided will focus on Project' design elements that facilitate participation of vulnerable groups (provision of TA in development of business plans and throughout implementation, preferential treatment in grantee selection, etc). In disadvantaged areas, additional support may be considered from Extension Services, NGOs, TA providers and peer-to-peer networks to ensure that potential beneficiaries receive timely information and support in the application process. Awareness raising sessions will be conducted in municipal centers to ensure higher participation of targeted population.

Mass and social media, electronic communication through Ministry website, press releases/conferences and regional road shows will be some of the communication channels used to disseminate information about the project.

8.3.2 Market needs assessment at three levels

To better target advisory support to small and medium size agri-food producers, the Project will assess their needs in the area of technical, entrepreneurial and digital capacities. The assessment will analyze the particular needs of women and young agri-food producers, those living in disadvantaged areas and have particular land/climate constraints, and handicraft producers. The assessment will subsequently identify the capacity constraints of Extension Services that need to be addressed to ensure that they can meet the needs of potential Project beneficiaries. The assessment will also take into account how private/NGO resources can complement public services. Extension Services will be able to plan their trainings and support services around the results of the assessment. Lastly, the assessment will identify the type of assurance/information that banks need to provide the financial support (matching grants) foreseen by the Project.

8.3.3 Sample-based applicant/beneficiary survey

Six months after each grant call the PMT will conduct sample-based applicant/grantee satisfaction surveys to collect feedback on: i) grant application process and the quality and effectiveness of support received by Extension Services/TA providers, ii) business plan and grant reporting requirements, iii) level of inclusiveness in the selection process, iv) quality and effectiveness of the business plan implementation support. The survey results will be soliciting feedback on the effectiveness of the project activities (both financial and technical) that will be used for service improvements. This will allow the PMT to identify potential design issues related to access and implementation of the matching grant program and the effectiveness of advisory services. The survey data will be disaggregated by age, gender and location). Survey results with proposed corrective measures will be published on Ministry website and discussed at regional workshops.

8.3.4 Regional stakeholder workshops

MAFWM/PMT together with Local Governments and Extension Services will organize annual stakeholder regional workshops in which the Ministry will present the Project progress, grant disbursements figures for the region, and other progress data checked against plans to ensure transparency. At the regional workshop, the Ministry also present applicant/beneficiary survey results and aggregated grievances and how these have informed the grant mechanism design and supporting services (market demanded trainings and advisory services).

9. Grievance Mechanism

A Project level grievance mechanism (GM) will be established with two main entry points for grievances: i) DAP's existing Information Centre for the national support program and ii) feedback space made available through the Open Data Platform developed by the project. To ensure GM access, potential beneficiaries, communities and other stakeholders may submit grievances through Local Governments and numerous Ministry channels as outlined below. The GM will provide the opportunity for continued feedback on the grant scheme and resolution of individual grievances during implementation. Procedures related to complaints handling will be included in the Grants Operational Manual and posted on the MAFWM's website to ensure full transparency.

The GM shall serve as both Project level information center and grievance mechanism, available to those affected by implementation of all Project sub-components and be applicable to all Project activities and relevant to all local communities affected by project activities. The GM shall be responsible for receiving and responding to grievances and comments of the following two groups:

- i. A person/legal entity directly affected by the project, potential beneficiaries of the Project,
- ii. Stakeholders - people with interest in the project, and
- ii. Residents/communities interested in and/or affected by project activities.

The GM shall be effective prior to commencement of the Grant Program, in order to manage and appropriately answer complaints during its different phases. It will be authorized to receive questions/complaints in respect to the marching grant scheme, including the eligibility criteria, adequacy of support to women, adequacy of TA services, adequacy of stakeholder engagement and the Environmental and Social performance of sub-grants. In addition to the GM, legal remedies available under the national legislation are also available (courts, inspections, administrative authorities etc.).

MAFWM is responsible for establishing a functioning GM and informing stakeholders about the GM role and function, the contact persons and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- on the website of the MAFWM ([http://www.minpolj.gov.rs/.](http://www.minpolj.gov.rs/))
- on the SCAP project website
- on the notice boards and websites of Local Governments
- through the Ministry's social media account <https://twitter.com/poljoprivredars> and <https://es-la.facebook.com>

9.1 Raising grievances

Effective grievance administration strongly relies on a set fundamental principle designed to promote the fairness of the process and its outcomes. The grievance procedure shall be designed to be accessible, effective, easy, understandable and without costs to the complainant. Any grievance can be brought to the attention of the GM personally or by telephone or in writing by filling in the grievance form by phone,

e-mail, post, fax or personal delivery to the addresses/numbers to be determined. The access points and details on local entry points shall be publicized and shall be part of the awareness building once the micro locations of the Project are known.

9.2 Grievances administration

Any grievance shall follow the path of the following mandatory steps: receive, assess and assign, acknowledge, investigate, respond, follow up and close out.

Once logged, the GM shall conduct a rapid assessment to verify the nature of grievances and determine on the severity. Within 3 days from logging it will acknowledge that the case is registered and provide the grievant with the basic next step information. It will then investigate by trying to understand the issue from the perspective of the complainant and understand what action he/she requires. The GM will investigate the facts and circumstances and articulate an answer. The final agreement should be issued and grievant be informed about the final decision not later than 30 days after the logging of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified. Even when an agreement is not reached, or the grievance was rejected, the results will be documented, actions and effort put into the resolution. If the grievance could not be resolved in amicable endeavor, the grievant can resort to the formal judicial procedures, as made available under the Serbian national legal framework. Logging a grievance with the GM does not preclude or prevent seeking resolution from an official authority, judicial or other at any time (including during the grievance process) provided by the Serbian legal framework.

In case of anonymous grievance, after acknowledgment of the grievance within three days from logging, the GM will investigate the grievance and within 30 days from logging the grievance, issue the final decision that will be disclosed on the PMT's website. Flowchart below shows the grievance/feedback value chain.

The GM shall keep a grievance register log, which will include grievances received through all admission channels, containing all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. However, the personal data of each Grievant shall be protected under

the Data Protection Law. Each grievance will be recorded in the register with the following information at minimum:

- description of grievance,
- date of receipt acknowledgement returned to the complainant,
- description of actions taken (investigation, corrective measures),
- date of resolution / provision of feedback to the complainant,
- verification of implementation, and
- closure.

9.3 Grievance and beneficiary feedback reporting

The role of the GM, in addition to addressing grievances, shall be to keep and store comments/grievances received and keep the Central grievance log administered by the MAFWM. In order to allow full knowledge of this tool and its results, quarterly updates from the GM shall be available on the MAFWM website. The updates shall be disaggregated by gender, type of grievances /complaints and presented at annual workshops which will be used as a feedback generator platform.

9.4 Constitution of GM

MAFWM will add the role of GM for this Project to DAP's Info Centre for Grants by the time public consultations on this SEP have been completed. This will allow any potential grievance to be addressed even at the planning stage. The info Centre will be responsible for GM administration, take any action necessary to address the grievance and inform the complainant about the outcome of the process, and maintain an exhaustive data base of stakeholders, their responsible persons and representatives.

Figure 4: Grievance Value Chain

	Grievance Mechanism (GM)
Level	At the level of MAFWM/PMT (DAP's Info Centre & Open Data Platform)
Role	Project information center and grievance mechanism for matching grant mechanism, Environmental and Social Performance of the Project, information sharing or inequitable access to TA and Extension Services
Focus	All components of the Project
Responsibility	Addressing concerns and grievances from potential beneficiaries of the Project and other interested parties
Methods for raising grievances	Grievances can be logged in writing, by e-mail or phone at the GM or at the Local designated Grievance admission points at local Municipalities
Registry of Grievances	GM Registration Log
	Grievance Log administered by PMT Local Grievance Logs at local entry points (Local Governments)
Administration of Grievances	The GM shall, within three days after the day of receipt, acknowledge such receipt and take overall 30 days to decide on the grievance or to inform the complainant why the grievance cannot be resolved within the given time. Within 25 days the implementation of remedy shall be verified
Reporting	GM shall keep and store all grievances in a Central Grievance Log, and publish quarterly reports on the PMT website

Grievances may arise from members of communities who are dissatisfied with eligibility criteria use and actual implementation.

The existence of a GM should not prevent citizens or communities from pursuing their rights and interests by seeking redress through the courts, administrative law procedures, or other formal dispute resolution mechanisms available.

9.5 Grievance Log

The PMT will maintain grievance log to ensure that each complaint has an individual reference number and is appropriately tracked and recorded actions are completed. When receiving feedback, including grievances, the following is defined:

- Type,
- Category,
- Deadline for resolving the appeal, and

- Agreed action plan.

Each complaint should be assigned with an individual reference number and is appropriately tracked and recorded actions are completed. The log should contain the following information:

- Name of the grievant, location and details of the grievance.
- Date of submission.
- Date when the Grievance Log was uploaded onto the project database.
- Details of corrective action proposed,
- Date when the proposed corrective action was sent to the complainant (if appropriate).
- Date when the grievance was closed out.
- Date when the response was sent to the grievant.

9.6 Grievance admission channels

Any grievance can be brought to the attention of the GM by filling the grievance form in hard copy or on-line, or in any other format as chosen by the grievant. The Grievance form is provided in Annex 1. Any type of grievance can be submitted by mail, fax, phone, e-mail or in person using the below access details:

*Ministry of Agriculture, Forestry and Water Management
Directorate for Agrarian Payment, Info Centre
To the attention of the GM
Nemanjina 22-26
11000 Beograd*

9.7 Monitoring and Reporting on Grievances

The Info Centre will be responsible for:

- Collecting data from local Extension Services serving as local admission points on the number, substance and status of complaints and uploading them into the single regional database;
- Maintaining the grievance logs on the complaints received at the regional level
- Monitoring outstanding issues and proposing measures to resolve them;
- Disclosing quarterly reports on GM mechanisms.
- Summarizing and analyzing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database;
- Monitoring outstanding issues and proposing measures to resolve them;

The quarterly reports to the WB shall be submitted through the PMT, which shall include a section related to GM which provides updated information on the following:

- Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances \ (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

9.8 World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

10. Monitoring and Reporting of the SEP

Component 3 of the Project will support monitoring and evaluation (M&E) activities to track, document, and communicate the progress and results of the project, including monitoring of the Stakeholder Engagement Plan. The PMT will be responsible for overall compilation of progress and results. Feedback and grievances received through the project GM will be aggregated and included in annual reports.

11. Disclosure and Consultation requirements

Following a 14 days two-week disclosure window once endorsed by MAFWM and the WB, the draft SEP, shall be subject to Public consultations. The SEP will be disclosed in Serbian and English at the website of the MAFWM together with invitations to the Public Consultations. Given the importance of Project, its scale and geographical spread the Public invitation shall be announced in a reputable printed media with national coverage to allow a wide range of Stakeholders to be included in the Consultation process. This will provide the Stakeholders with opportunities to express their views on project risks, impacts, and mitigation measures and allow MAFWM to consider and respond to them.

The Invitation shall indicate how the document to be consulted on may be accessed, the Project details, date, time and venue of the consultations, and contact information details for feedback and /or questions.

Once the Consultations have been completed, Minutes of the Meeting shall be prepared and annexed to the SEP. The Minutes shall reflect on the feedback received, questions raised and how these were incorporated into the final document. The attendance of Stakeholders shall be verified through a signed attendance log, preferable with contact details of the attendees and photographs with permission to disclose.

12. Estimated Budget

MAFWM/PMT will be responsible for planning and implementation of stakeholder engagement activities, as well as other relevant outreach, disclosure and consultation activities. Based on the needs of the SEP, the stakeholder engagement/communication budget will cover the following activities: (i) development

of communication strategy, (ii) development of Project web-site administered by the MAFWM/PMT, (iii) sample-based applicant/beneficiary survey (after each matching grant round), (iv) media coverage expenditures; (v) printed outreach materials and project documents (leaflets, ads, manuals, brochures, posters, etc.); (vi) regional workshops/consultation activities. The tentative budget for these activities is US\$ 130,000.

To ensure successful SEP implementation, the Project will hire a part-time Communication/Outreach Specialist supported by the Component 3: Project Management, Monitoring and Evaluation budget.

ANNEX 1 – GRIEVANCE REGISTRATION FORM

Reference No:

Full Name

Note: you can remain anonymous if you prefer, or request not to disclose your identity to the third parties without your consent. In case of anonymous grievances, the decision will be disclosed at the Projects website www.minpolj.rs

First name _____

Last name _____

I wish to raise my grievance anonymously

I request not to disclose my identity without my consent Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).

By Post: Please provide mailing address:

By Telephone: _____

By E-mail _____

I will follow up on the resolution at the website as I want to remain anonymous

Preferred Language for communication Serbian Other (*indicate*)

Description of Incident or Grievance (*What happened? Where did it happen? Who did it happen to? What is the result of the problem? Date of Incident/ Grievance*)

One-time incident/grievance (date _____)

Happened more than once (how many times? _____)

On-going (currently experiencing problem) What would you like to see happen to resolve the problem?

Signature: _____ Date: _____

Please return this form to: The Ministry of Agriculture Forestry and Water Management, PMT, Competitiveness Agriculture Project.

