



## Serbia Technical Assistance to Reform Corporate Financial Reporting (P154862)

EUROPE AND CENTRAL ASIA | Serbia | Governance Global Practice |  
 Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 1 | ARCHIVED on 08-May-2017 | ISR27817 |

Implementing Agencies:

## Key Dates

### Key Project Dates

Bank Approval Date:20-Feb-2016

Effectiveness Date:24-Mar-2016

Original Closing Date:31-Dec-2019

Revised Closing Date:31-Dec-2019

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to contribute to an enhanced investment climate in Serbia by improving the institutional and technical capacity of supervisory authorities, professional organizations, and universities for quality financial reporting in line with the EU *acquis communautaire* and good international practice. To that effect, the project will focus on strengthening capacity for the accountancy and audit professions and improved monitoring and evaluation by regulators of financial reporting, for both private companies and SOEs.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Components

Name

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory

## Implementation Status and Key Decisions

The STAR-CFR Project was approved in March 2016, and launched in June 2016 in conjunction with the ROSC A&A dissemination workshop. The project closing date is December 2019.

The Project Grant Agreement called for the establishment of a Steering Committee to oversee corporate financial reporting reform and act as the final decision-maker with respect to project implementation. The terms of reference ("Rule Book") and composition of the Steering Committee were



finalized at the end of 2016. The first official meeting of the Steering Committee took place in Belgrade on December 15th 2016. During the meeting, the Rule Book was approved, as well as the project procurement plan.

The Project Implementation unit is in place and comprises a procurement specialist and financial management specialist. A senior and a junior project coordinator within the Ministry of Finance has also been appointed.

Activities have begun under several sub-components of the project:

- Terms of Reference for the analysis of the existing legislation and regulations to support alignment of the financial reporting regulatory framework with EC Directives have been finalized.
- A study visit to institutions in the Republic of Croatia took place in March 2017 under the knowledge exchange component of the project.
- Negotiations are in process with several stakeholders to develop a sustainable process for translating and adopting International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

## Risks

### Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	--	--	● Moderate

#### Comments

The Assistant Minister of Finance of the Republic of Serbia (and Chair of the Steering Committee) who recently departed the Ministry was one of the key counterparts in the establishment of this project.

This departure creates the risk of institutional memory loss and could result in some delays.

The Steering Committee was established to ensure broader stakeholder engagement, but also as a mitigation measure to address these risks.

## Results

### Project Development Objective Indicators

►Serbia has a sound framework for CFR that is consistent with frameworks of major investor countries in Europe and conducive to investment (Date, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25-Feb-2016	--	--	31-Dec-2019
Date	25-Feb-2016	--	--	31-Dec-2019

#### Overall Comments

It is too early in the project life to be able to report any meaningful progress towards achieving the project development objectives.

**Intermediate Results Indicators**

► Statutory framework, standards, and rules governing CFR are fully aligned with the *acquis communautaire*. (Date, Custom)

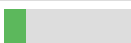
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25-Feb-2016	--	--	31-Dec-2018
Date	25-Feb-2016	--	--	31-Dec-2018

**Overall Comments**

It is too early in the project life to be able to report any meaningful progress towards achieving the project development objectives.

This activity was given priority, and terms of reference for a consultant have been finalized and will be published shortly.

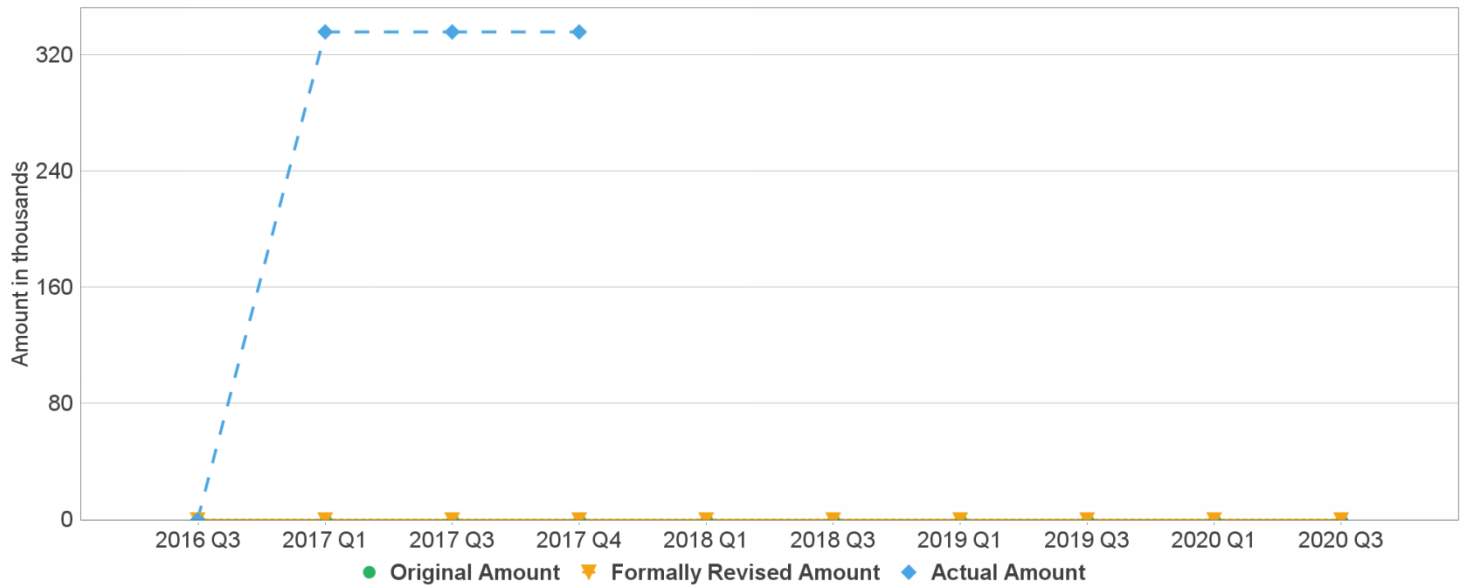
**Data on Financial Performance****Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P154862	TF-A2080	Effective	USD	1.95	1.95	0.00	0.34	1.61	 17%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P154862	TF-A2080	Effective	24-Mar-2016	24-Mar-2016	24-Mar-2016	31-Dec-2019	31-Dec-2019

**Cumulative Disbursements**



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.