

**EU-SERBIA 8th SPECIAL GROUP
ON PUBLIC ADMINISTRATION REFORM**

1 February 2022

Videoconference

Operational Conclusions

General points

- The parties agreed that the conclusions of the Public Administration Reform (PAR) Special Group will continue to be regularly published on the website of the Ministry of Public Administration and Local Self-Government.
- The Serbian authorities will ensure systematic follow-up of the agreed conclusions and provide relevant information ahead of future meetings.

Strategic framework of public administration reform, including public financial management

- The Commission welcomed the adoption in 2021 by Serbia of a new PAR strategic framework, including a Public Financial Management Reform Programme and other related programmes.
- The parties agreed on the need for effective implementation, monitoring and reporting on the new strategy, including through interactive discussions with donors and civil society organisations.
- Serbia confirmed that it is in the process of securing funding for all the activities within the timeframe of the new strategy. It will transpose it in its mid-term (budgetary) plans and reflect the state of play in the next annual implementation report on the strategy.

Public financial management (PFM)

- Serbia confirmed its commitment to a single mechanism for capital investments, in line with its Economic Reform Programme and PFM reform programme. It underlined the need to continue building its capacities, in particular on fiscal risks monitoring, and to ensure the full roll out of the Public Investment Management Information System (PIMIS) by 2025 at the latest, in order to achieve this objective.
- In this respect, the Commission recalled the need to ensure that the Decree on Capital Projects Management is applied to all capital investments regardless of the type of investment or the source of financing, including those under intergovernmental agreements. Both sides agreed on the need to have in place efficient and transparent use of public resources, as well as effective procedures on strategic relevance evaluation, to guarantee the integration of capital projects' planning, appraisal and implementation into the budget process. The Ministry of Finance mentioned at the meeting that it succeeded in making major progress in

2021 without actually getting any training because of the COVID-19 restrictions. The Commission informed on the possibility of technical assistance to Serbia, including training, as appropriate.

- Serbia indicated that it will keep the Commission informed and ensure a transparent process in preparing the National Investment Plan. Serbia informed that the National Investment Plan is contingent upon the prior preparation and adoption of the Development Plan. The Development Plan, which is envisaged per the Law on the Planning System, is hierarchically the highest and long-term development planning document which requires a broad consultative process, and consensus on the development directions, of all relevant stakeholders.
- The Commission emphasised its concerns about the law on special procedures for linear infrastructure projects, as it allows for the circumvention of the public procurement law, and thus also EU rules and standards. It recalled its recommendation to repeal the law on special procedures as soon as possible in order to implement the public procurement law fully and thereby ensure that all investment projects are subject to its provisions and principles.
- The parties agreed on the need to establish a track record in implementing the newly amended law on the origin of assets and special tax by initiating proceedings in the appropriate cases when conditions prescribed by the law are met.
- The parties also acknowledged the need to continue efforts in addressing public internal financial control (PIFC) priorities, to allow for the further development of managerial accountability, and in increasing budget transparency.

Policy development and coordination

- The Commission welcomed the ongoing process of drafting a new National Plan for the Adoption of the Acquis (NPAA), reflecting the clusters approach of the revised enlargement methodology.
- The parties agreed on the importance of a strong quality control role of the Public Policy Secretariat and other Centre of Government institutions in order to ensure effective implementation of the law on the planning system and other relevant legislation, including at the local level where necessary.
- This relates *inter alia* to the quality of sector planning documents, regulatory and financial impact assessments, the timely adoption of mid-term plans, and the regular publication of implementation reports on key government and sector planning documents.
- This also applies to the area of public consultations, where the Commission noted that the regulatory framework is not always sufficiently applied on draft pieces of legislation of public interest. Serbia committed to use the newly established e-Consultation Platform to its full extent and to keep the Commission informed on its progress.
- On all these matters, Serbia will make the full use of the Unified Information System (UIS), and related Online Monitoring Tool (OMT), and improve the presentation and clarity of statistics as appropriate.
- In this context, the Commission welcomed Serbia's ongoing review of the implementation so far of the law on the planning system in order to improve its effective enforcement. Serbia will keep the Commission closely informed on the next steps.

Accountability

- The parties stressed the need for Serbia to establish analytical units in all ministries and line bodies without delay, in order to foster the effective consolidation of strategic, operational and financial management functions and managerial accountability, as planned in Serbia's strategic documents.
- The parties underlined the important role of independent bodies in promoting the accountability and transparency of the public administration. They agreed on the need to monitor the actual implementation of independent bodies' recommendations, in addition to the formal acceptance of those recommendations by the public administration.
- The Commission welcomed improved provisions in the newly amended law on free access to information of public importance. It stressed, in light of previous concerns on ensuring the exercise of this fundamental right in practice, the need for its effective enforcement. The Commission also welcomed the adoption of the new law on the Ombudsman.

Public service and Human Resources Management (HRM)

- In light of the delays in carrying out recruitment procedures through competitions, the Commission encouraged the authorities to look into the possibility of simplifying recruitment procedures to avoid recruitments backlogs, in respect of both managerial and non-managerial selections, while ensuring merit-based recruitments. It offered its and SIGMA's continuous assistance in this regard.
- The parties stressed the need to continue improving data collection in all areas of human resources management, including on categories of temporary contracts and dismissals – monitoring also the dismissal cases overturned by court decisions – in order to be able to detect possible irregularities.
- The parties underlined as a priority the phasing out of the high number of acting senior management posts, in line with the targets and timelines set in Serbia's new PAR strategy.
- In this context, the Commission welcomed the establishment of a 'Special Working Group' within Serbia's government and administrative structures to enable deeper discussions on solutions to these persisting issues.
- As regards retention policy and the attractiveness of the civil service, the Commission noted that the application of the 2016 law on the salary system in the public sector was again postponed, this time to 2025. Serbia will keep the Commission closely informed on any further changes of plans in this important area.

Service delivery

- Serbia updated the Commission on the continuous development of e-services. It also informed on the process of harmonising special laws with the law on general administrative procedure (LGAP), which remains a challenging task.