

The European Commission represented by  
the European Union Delegation to Serbia

Support to Public Administration Reform  
under the PAR Sector Reform Contract

*EuropeAid/137928/DH/SER/RS*

*Service contract number: CRIS 2018/395-584*

***External Evaluation of Serbian  
Public Administration Reform  
Strategy***

***- Final Report -***

***21 April 2019***



This project is funded by  
the European Union

*"This publication was produced with the financial support of the European Union: Its contents are the sole responsibility of GOPA Consultants and do not necessarily reflect the views of the European Union"*



European Union

External Evaluation of Serbian Public Administration Reform Strategy

**Final Report 21042019**



Republic of Serbia

The project is implemented led by:



in consortium with





## Report Control Path

<b>Document Title:</b>	<b>External Evaluation of Serbian Public Administration Reform Strategy</b>
<b>Project Title:</b>	<b>Support to Public Administration Reform under the PAR Sector Reform Contract</b>
<b>Contract No:</b>	<b>CRIS 2018/395-584</b>
<b>Country:</b>	<b>Serbia</b>
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<b>Date of the Report:</b>	<b>21/04/2019</b>
<b>Reporting Period:</b>	<b>01/8/2018 – 21/4/2019</b>

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Date: 21/4/2019



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## List of acronyms and abbreviations

<b>ACA</b>	Anti-Corruption Agency
<b>AI</b>	Administrative Inspection
<b>AP</b>	Action Plan
<b>AP PAR</b>	Action Plan for Implementation of Public Administration Reform Strategy
<b>APIGP</b>	Action Plan for Implementation of the Government Program
<b>APR</b>	Serbian Business Registers Agency
<b>BRAS</b>	Business Registry Agency of Serbia
<b>BSL</b>	Budget System Law
<b>BV</b>	Baseline value
<b>CEP</b>	European Policy Centre
<b>CHU</b>	Central Harmonisation Unit
<b>CMST</b>	Change Management Support Team (WB)
<b>CoG</b>	Centre of Government
<b>CPAR</b>	PAR Council
<b>CPIPDP</b>	Commissioner for Information of Public Interest and Personal Data Protection
<b>CPE</b>	Commissioner for Protection of Equality
<b>CROSO</b>	Central Register of Mandatory Social Insurance
<b>CSL</b>	Civil Service Law
<b>CSO</b>	Civil Society Organization
<b>DG ELARG</b>	General Directorate for Enlargement
<b>DG NEAR</b>	<b>Directorate-General for Neighbourhood and Enlargement Negotiations</b>
<b>EAD</b>	(former) Directorate for E-Government, MPALSG. Now ITE.
<b>EC</b>	European Commission
<b>E-Gov</b>	E-Government
<b>EQ</b>	Evaluation Question
<b>EM</b>	Evaluation Matrix
<b>ERG</b>	Evaluation Reference Group
<b>ERP</b>	Economic Reform Program
<b>EU</b>	European Union
<b>EU IPA</b>	Instrument of Pre-Accession Assistance of EU
<b>EUR</b>	Euro
<b>FoL</b>	Faculty of Law, Belgrade University
<b>FIA</b>	Financial Impact Assessment
<b>FMC</b>	Financial Management and Control
<b>FR</b>	Functional Review
<b>FS</b>	Fiscal Strategy
<b>GAWP</b>	Government Annual Work Plan
<b>GDP</b>	Gross Domestic Product
<b>GGF</b>	The UK Government's Good Governance Fund
<b>GoS</b>	Government of Serbia
<b>HR</b>	Human Resources
<b>HRD</b>	Human Resources Development



<b>HRM</b>	Human Resources Management
<b>HRMIS</b>	Human Resource Management Information System
<b>HRMS</b>	Human Resources Management Service
<b>IA</b>	Internal Audit
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>IMPG</b>	Inter-ministerial Project Group
<b>IPA</b>	Instrument for Pre-accession Assistance
<b>ITE</b>	Office for Information Technologies and E-Government
<b>JC</b>	Judgment Criteria
<b>LFAI</b>	Law on Free Access to Information
<b>LGAP</b>	Law on General Administrative Procedure
<b>LPS</b>	Law on the Planning System of the Republic of Serbia
<b>LSA</b>	Law on State Administration
<b>LSU/LSG unit</b>	Local Self-Government Unit
<b>MEI</b>	Ministry of European Integrations
<b>MoF</b>	Ministry of Finance
<b>MFIN</b>	Ministry of Finance
<b>MoJ</b>	Ministry of Justice
<b>MPALSG</b>	Ministry of Public Administration and Local Self-Government
<b>M&amp;E</b>	Monitoring and evaluation
<b>MTBF</b>	Mid-Term Budget Framework
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NAD</b>	National Priorities for International Assistance
<b>NAPA</b>	National Academy of Public Administration
<b>NARS</b>	National Assembly of Republic of Serbia
<b>NPAA</b>	National plan for adoption of legal acquis of EU
<b>NSO</b>	National Statistical Office
<b>OCCS</b>	Office for the Cooperation with Civil Society Organizations
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OGP</b>	Open Government Partnership
<b>OO</b>	Overall Objective
<b>PA</b>	Public administration
<b>PAR</b>	Public Administration Reform
<b>PAR SBS</b>	PAR Sector Budget Support Program in Serbia
<b>PAR SRC</b>	Public Administration Reform Sector Reform Contract
<b>PARS</b>	Public Administration Reform Strategy
<b>PCM</b>	Policy Cycle Management
<b>PEFA</b>	Public Expenditures and Finances Assessment
<b>PFM</b>	Public Financial Management
<b>PFMRP</b>	Public Financial Management Reform Program
<b>PIFC</b>	Strategy for development of public internal financial control
<b>PMCDU</b>	Prime Minister Cabinet Delivery Unit
<b>PP</b>	Public Procurement





<b>PPA</b>	Principles of Public Administration, the Principles
<b>PPO</b>	Public Procurement Office
<b>PPS</b>	Republic of Serbia Public Policy Secretariat
<b>RBM</b>	Results Based Management
<b>RCC</b>	Regional Cooperation Council
<b>ReSPA</b>	Regional School for Public Administration
<b>RIA</b>	Regulatory Impact Assessment
<b>ROM</b>	Results-Oriented Monitoring System
<b>RoP</b>	Rules of Procedure
<b>RS</b>	Republic of Serbia
<b>RSD</b>	Serbian Dinar
<b>SAB</b>	State Administration Body(ies)
<b>SA</b>	State Administration
<b>SAA</b>	Stabilization and Association Agreement
<b>SAI</b>	State Audit Institution
<b>SARS</b>	State Administration Reform Strategy (2004)
<b>SCTM</b>	Standing Conference of Towns and Municipalities
<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>PAR SG</b>	PAR Special Group
<b>SIGMA</b>	Support for Improvement of Governance and Management at OECD
<b>SMART</b>	Specific, Measurable, Achievable, Relevant, Time-bound (EU)
<b>SO</b>	Specific Objective
<b>SRC</b>	PAR Sector Reform Contract
<b>ToR</b>	Terms of Reference
<b>TV</b>	Target Value
<b>UIS</b>	Information system for the planning, monitoring of the implementation, coordination of public policies and reporting - Unified Information System
<b>UNDP</b>	The United Nations Development Programme
<b>WB</b>	World Bank
<b>WeBER</b>	Western Balkans Enabling Project for Civil Society Monitoring of PAR



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## Executive summary

In January 2014, the Government of the Republic of Serbia adopted a new **Public Administration Reform (PAR) Strategy**. The main purpose of adopting the new Strategy was to ensure the sustainability of PAR and for the first time extending its scope to the entire public administration system. In March 2015, the Government adopted the first Action Plan for the implementation of the PAR Strategy, covering the period 2015-2017. In July 2018, the Government adopted the second Action Plan, covering the period 2018-2020.

The Strategy envisaged the collection and processing of data on activities performed, as part of a continuous monitoring process, and the preparation of regular assessments of progress, including an independent external evaluation. According to the Action Plan (2018-2020), the evaluation was envisaged as a combined ex-post evaluation of the implementation of the first Action Plan and a mid-term evaluation of the Strategy document. This external evaluation has been carried out with the assistance of the Support to Public Administration Reform under the PAR Sector Reform Contract project from August 2018 to May 2019.

The general aim of the evaluation was to contribute to the improvement of the strategic and operational framework for PAR, with well-targeted findings and recommendations. According to the evaluation design the following objectives were set: (i) assess the quality of the strategic framework for PAR; (ii) form the basis for deciding on whether the current PAR Strategy should be revised; (iii) assess the relevance, effectiveness, efficiency, sustainability, and impact of the Action Plan 2015-2017; and (iv) based on the findings, develop recommendations for capacity building and technical assistance.

Although a mid-term evaluation naturally limits the scope of findings on the ultimate impact of reforms, the authors of this evaluation also provide recommendations on the way forward, in order to utilise the momentum of this exercise for steering policy decisions on the future of PAR. Hence, in this summary, the reader will find the key lessons learned from the evaluation with an extensive forward-looking focus. Other important findings, relevant mostly for the enhanced implementation of the existing Strategy, through its second Action Plan, are not covered in this summary, but detailed in the evaluation report, following the logic of the evaluation questions. The summary does include the most important recommendations in a concise form. Those recommendations are also further elaborated in the main body of the evaluation report.

### The strategic design – a story of continuous advancement and some key limitations

While the evaluation focused on the Strategy and its first Action Plan, it also assessed the design and development process of the second Action Plan. Overall it has been found that the Strategy, despite certain design limitations, and the two Action Plans contain **highly relevant objectives and adequately reflect the external and internal realities of the Serbian administration**, identifying key challenges and sound ways to address them in light of the needs for European integration and good governance. It can also be concluded that the **quality of the documents gradually increased**, leading to advancements in the clarity of formulation of activities, in the design of measurable indicators, and in more realistic and more reform-oriented operational planning. In addition, although the development of the Strategy and its first Action Plan was already participatory, the elaboration of the second Action Plan is **exemplary in terms of continuous involvement of external stakeholders** in the design process, using various methods of stakeholder engagement. These advancements are good indications of the capacities of the drafters of the strategic documents and their **ability to learn and adapt**. Nevertheless, it is concluded that the current strategic framework is **overambitious** and generally **does not fully correspond to the limited capacity of the administration** for implementing the envisaged reforms. While both Action Plans were systematically used to address and successfully resolve



a series of shortcomings in the design of the strategic framework, which were identified during implementation, due to their nature, the Action Plans were limited in what can be achieved under the umbrella of the existing Strategy itself.

The **Strategy itself is hence the ultimate cause of the limitations of PAR** regarding the design of the reform. **The most critical such design factors in the Strategy are that it:** (i) does not provide for a comprehensive analysis of the root problems it attempts to solve (i.e. the reasons for the lower-than-necessary performance of the administration) and hence fails to clearly identify and conceptualise the intended reforms (including a clear definition of the scope of the public administration to be addressed and a selection of prioritised problems to address from among all issues identified) and to attach corresponding outcome-level measurements; (ii) does not provide a clear strategic framework for other strategic documents and their hierarchical relations relevant for PAR, leaving some key PAR areas – most importantly an overarching service delivery policy – without a clear strategic direction; (iii) is not time-bound, lacks consideration of capacities and resources required for its implementation, and focuses on output rather than outcome-level results; and (iv) lacks a comprehensive progress and performance management design ensuring timely and effective monitoring and implementation.

While the development of the Action Plans addressed many of these problems, instead of sequential fixes, it is recommended to **develop a new PAR Strategy along with the Action Plan** that allows for comprehensively redesigning the whole PAR strategic framework **by taking into account the accumulated reform achievements and new challenges the Serbian public administration** may face, the developments in PAR-related public policy documents since 2014, as well as the momentum stemming from the existence of the Law on Planning System (LPS) in terms of strategy design. This development process should **utilise the existing good practices in terms of stakeholder engagement** and should result in a strategic framework that is **fully compliant with the LPS, gender-aware** and addressing those key PAR aspects that are necessary for **providing a comprehensive PAR umbrella, including the hierarchical clarity between different PAR-related policy documents, the provision of direction for an overall service delivery policy as well as the necessary resources for sound PAR implementation.**

### **Overall implementation, some key horizontal driving and limiting factors for reform success**

Under the umbrella of the PAR Strategy, the Serbian Government has embarked on, and even concluded, a series of fundamentally important reforms and greatly contributed to the fiscal consolidation of the country. The Strategy's overall objective aimed at improving the public administration in accordance with the principles of the European Administrative Space and provision of high-quality services to citizens and businesses, as well as the creation of a public administration which shall significantly enhance economic stability and living standards. The indicator attributed to measuring progress toward the overall objective (in the Action Plan 2015-2017) shows a **positive trend toward the attainment of the overall objective**. In financial terms, the evaluation was **not able to provide a full and detailed account on the PAR-related spending, and its attribution to results**, not only because of the lack of result-based indicators, but also due to the incomplete availability of spending details and the required level and due to the incomplete and non-systematic approach to costing reform activities. In addition, establishing a clear link between the budget and the envisaged PAR-related activities was not entirely possible. However, there seems to be a **considerable positive return on the overall investment in the Action Plan 2015-2017**. The cost of the Action Plan 2015-2017 implementation was reported at around EUR 41 million, plus the resources spent from the UK Government Good Governance Fund (GGF). Savings from downsizing the public administration were reported in the amount of around EUR 180 million. Additional monetary benefits



(generated by new e-services, improved inspections and construction permits, etc.), in terms of positive impacts, already amount to tens of millions of Euros, with clear cumulative prospects.

Some key **horizontal factors behind** the positive developments were identified as: (i) **recognition of PAR** – and especially some key aspects of the PAR agenda with regard to rightsizing of the administration and e-Government – as priorities in the key central planning documents (as operationalized through the Action Plan for Implementation of the Government Program - APIGP), **in light of the fiscal consolidation**; (ii) **commitment of the political management and staff** of the Ministry of Public Administration and Local Self-Government (MPALSG) to PAR and devotion of staff of other institutions, although recognisable only for some of the reform initiatives just to name some: digitisation promoted by the Delivery Unit of the Prime Minister's Office, public policy management led by the Public Policy Secretariat, inspection reform overseen by the Ministry of Public Administration and Local Self Government or for civil service capacity building and the establishment of the National Academy of Public Administration with support from the Human Resource Management Services), etc.; and (iii) **strong external (donor) support** to PAR within and outside of the scope of the European integration.

On the other hand, while this evaluation cannot assess how much of the originally envisaged reforms will materialise by the end of the implementation of the second Action Plan, it can be already stated that the **implementation success** of the objectives of the Strategy by the end of 2017 **is limited**, as on average only 23% of targets for the five specific objectives of the Action Plan (2015-2017) were achieved by the end of 2017. However, because of significant progress made in a number of additional PAR areas during 2018, the targets' achievement **rate by early 2019 is estimated at around 50%**. However, the achievements of the five specific objectives greatly vary and **implementation of the designed measures and activities is uneven**.

The evaluation identified a number of **horizontal factors limiting effective and efficient implementation**. Most importantly the Strategy and its Action Plan (2015-2017) was not only generally overambitious, but it has not been designed based on a sound assessment of the available implementation capacities. Consequently, implementation increased the overall workload of the public administration, while a gradually decreasing public administration workforce and capacities, downsized in line with the requirements of the fiscal consolidation efforts, have also negatively affected it. In essence, **more work was to be done by fewer people**. In addition, **high staff fluctuation, weak managerial accountability and empowerment (including the high rate of senior positions filled with temporarily appointed staff)**, and a **lack of specific competences** and skills for newly assigned tasks (including for monitoring and coordination), plus an **uneven willingness to reform and to inter-institutional cooperation** (including, in several cases, a lack of sufficient collaboration with the civil society and with independent bodies) all limited the reform progress. Furthermore, the implementation period coincided with the fiscal consolidation process, **limiting** not only the **availability of funds for PAR**, but also the **continuous, systematic and overarching focus on all aspects of the envisaged reforms** by decision makers. The fact of having multiple elections and consequently a slower pace of decision-making, also adversely affected the timeliness of delivery of the reforms.

**Given the success of the fiscal consolidation, Serbia is in a better position to fund PAR more extensively, including the allocation of funds necessary to ensure the allocation, capacity building and retention of human resources for PAR in a sustainable fashion.** In addition, the introduction of the PAR Medium-Term Expenditure Framework allows to plan the resource needs systematically. The stable financial situation of the country also allows **the Government to focus on PAR more systematically** as a key priority area of reforms necessary for providing better public services and contributing to economic and social advancement.



The evaluation also assessed the effectiveness of the functioning of the PAR management and coordination mechanisms and found that **neither the PAR Council nor the Inter-Ministerial Project Group (IMPG), as the operative-level coordination forum, was fully utilised for management purposes** and especially for timely and decisive mitigation of implementation-problems. They met less frequently (and often with delays) than would have been necessary for addressing bottlenecks in a timely fashion and to allow for a transparent platform (with NGOs) for policy dialogue related to PAR implementation and took rather formal decisions, instead of focussing on effective problem mitigation. As a result, in the case of priority reforms, other coordination forums (e.g. the e-Government sub-group of the PAR Council and the Delivery Unit or the APIGP mechanisms) were substituting and – successfully – helping to address implementation delays. **Also, the work of the IMPG and the PAR Council are insufficiently connected with:** (i) the management and monitoring structures of the Sector Budget Support Program for Public Administration Reform, funded by the European Union; and (ii) the Public Administration Reform Special Group.

The **MPALSG** itself has also been identified as being **limited both in terms of reform leverage via-à-vis other key stakeholders and in terms of sufficient staffing for reform coordination** (having only two staff fully dedicated to this matter). Regarding reporting, the system of collecting inputs from implementers on progress was not efficient and timely (partially also due to **incomplete clarity of reporting lines and resistance to share information**), while the **monitoring reports**, although gradually improving, **were not sufficiently reflecting on obstacles and delays**.

In light of these factors, in order **to ensure a streamlined, efficient management and coordination system for PAR (including all PAR-related matters and policies), along with the development of the new PAR strategy, it is recommended to revisit the existing mechanisms, clarify the mandates of the various forums, institutions and levels, and fully mobilise and capacitate them to take timely corrective actions and provide a harmonised picture of PAR** both within the Government and towards external stakeholders. On a positive note, the recent establishment of the Unified Information System as per the Law on the Planning System – if applied systematically and with rigour – gives a good possibility to also **enhance PAR reporting and the utilisation of timely information for problem mitigation**.

### Some key, specific results and important reforms lagging behind

The PAR Strategy and its Action Plan(s) are designed around five specific objectives. The evaluation assessed the attainment of results along with all five aspects. Hereby the most important reform achievement and the most critical lagging reforms are summarised per specific objective. As a general note, it is recommended that **all necessary efforts be taken to ensure that the achieved developments remain sustained, while additional attention is dedicated to those matters that received limited focus or faced specific implementation challenges so far**. The detailed evaluation report provides specific, targeted recommendations on those matters.

Efforts toward specific objective 1 (*Improved organizational and functional public administration sub-systems*) led to a number of improvements, inclusive of the **introduction of e-services** and single-portal access for citizens and businesses. These improvements, however, are yet to fully translate into outcome-level changes. **Downsizing** of the public administration has been **completed**, while the public administration **“Optimisation Program”<sup>1</sup> shows slow progress**. The **Law on the Planning System has been adopted**, allowing for a comprehensive,

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<sup>1</sup> Conducting improvements of organisational forms of selected PA sub-systems by implementing recommendations from reports on conducted Functional Reviews



systematic design and focused implementation, monitoring and evaluation of public policies. Whereas the adoption of the **Decentralisation Strategy is overdue**, a new **inter-municipal cooperation mechanism** and an online analytical tool for **local self-government have been launched**. Further **progress is expected** in relation to the **interoperability between registers, and with regard to the strengthening of managerial accountability**. Significant progress in the **transparency of Government decision-making is lacking**, but certain **progress towards a more rational and coherent overall structure** of ministries, and other bodies subordinate to the central government, **has been made**.

Initiatives under specific objective 2 (*Coherent public civil service system which is merit-based and improved human resources management*) led to a number of improvements towards a more professional and coherent public service. **Improvements** could be observed **in the institutional set-up towards more consistent human resources management** practices across the public service. A **fair and transparent remuneration and employment system** for the civil service – albeit normatively completed – **is still not in place**. The **National Academy for Public Administration** has been **established** and training programs developed. A **coherent system for the employment of civil servants in local self-government, and a competency framework for state level civil servants**, have been **adopted**.

Under specific objective 3 (*Improved public finances and procurement management*), implementation has **strengthened financial responsibility, control and discipline**. A strategic framework for public finance management is in place and has served to **improve budget inspection capacities and the public procurement system**. The **credibility of projections** in the medium-term budget framework has also **improved**. In addition, **financial stability and a surplus in the national budget** have been achieved. The operational framework for financial management and control has been improved, while **implementation of the adopted Strategy** for Development of Public Internal Financial Control is **hindered** mainly by limited capacities of the Ministry of Finance (MoF). The ability of the **Central Harmonisation Unit** in the MoF to perform analytical work and collect data, on which it can advise the Government, is still in **need of strengthening**. Objectives related to **gender budgeting and program budgeting have been achieved**.

In the context of specific objective 4 (*Increased legal certainty and improving the business environment and the quality of service provision*), reform efforts led to an improved planning system and regulatory framework. The adoption of the **Law on General Administrative Procedure has enabled more efficient administrative procedures** for improving the delivery of services to citizens and businesses. **Reforms of administrative inspections** have already **generated impact-level results**. A number of **simplified administrative procedures** have also translated into the delivery of new public services. Local self-governments already accumulated additional revenues from increased land development contributions through an improved system of issuing construction permits. The **improvement of the policy development process**, however, is **progressing slowly**.

With regard to specific objective 5 (*Increased citizens' participation and accountability in performing the tasks of public administration*), targets were modest, in line with Government priorities. Consequently, **outcome-level progress, in terms of increased citizen participation, transparency and control of the performance of the public administration, and of the administration, has not fully materialised** – with the exception of an improved normative framework for whistleblowing and its evidenced results. Nonetheless, important normative improvements have been achieved. The Law on Local Self-Government and the Law on the Planning System prescribe public consultation for law-making and for drafting public policies. In practice, however, state administration bodies are yet to fully shift from sporadic public discussions at the final stages of developing a law or policy, to systematic and transparent consultations from the start. Progress was made in terms of the **implementation of two action**



**plans for the** Open Government Partnership, **adopting the first generation of integrity plans,** and promoting the **introduction of civic budgets.** While more data collected or processed by state bodies is now openly accessible, in general, state administration bodies need to be more active in publishing information proactively and online.

In addition to achievements against the overall and specific objectives, the implementation of the Strategy also contributed to the accomplishment of unintended results, namely an **increased awareness among civil servants of their role as providers of services** and a more service-oriented attitude of the public administration towards citizens.





## 1. Introduction

This evaluation has been carried-out within the context of the project “Support to Public Administration Reform under the PAR Sector Reform Contract” (the Project)<sup>2</sup>, a part of complementary support to the PAR Sector Budget Support Program in Serbia (PAR SBS). The purpose of the Project is to strengthen the capacity of the central government to manage the comprehensive PAR process and coordination of implementation of the PAR Sector Reform Contract (PAR SRC). The PAR SRC was concluded between Serbia and the European Commission (EC) in 2016, to facilitate EU PAR SBS to Serbia. The evaluation of the PAR strategy is the first major evaluation commissioned by the Ministry of Public Administration and Local Self-Government (MPALSG).

The Public Administration Reform Strategy<sup>3</sup> (PARS) was adopted by the Government of the Republic of Serbia (GoS) in January 2014 and is the key strategic PAR document of the Republic of Serbia (RS). Implementation of the 2014 PARS has been supported by two Action Plans (APs): the AP for the implementation of the PARS in the RS in the period 2015–2017 (AP PAR 2015-2017)<sup>4</sup>, adopted on 19 March 2015, and the AP for the implementation of the PARS in the period 2018–2020 (AP PAR 2018-2020)<sup>5</sup> adopted on 6 July 2018. According to the latter, an evaluation of the PARS should commence in mid-2018, as a combined ex-post evaluation of the implementation of the AP PAR 2015-2017 and a mid-term evaluation of the PARS, based on which, if necessary, revisions of the PARS and future AP(s) can be prepared. Further, the AP PAR 2018-2020 states that: “The draft evaluation report would thus be prepared by the end of 2018, and submitted to the RS PAR Council (PARC) for consideration. In order for the evaluation to be as objective as possible, external independent evaluators shall be engaged, through the complementary support of the EU PAR SBS.”<sup>6</sup>

**The key purpose of this report is to present evaluation findings and draft conclusions and recommendations.** These are based on the findings generated through the evaluation implementation phase, from 15 October to 25 December 2018, per the plan contained in the Inception Report approved by the Evaluation Reference Group on 12 October 2018. The plan determined the design and the implementation way for the “External Evaluation of the Serbian Public Administration Reform (PAR) Strategy”.

## 2. Evaluation objectives, questions, methodology and challenges

*The intent of this short chapter is to introduce the objectives of the evaluation, evaluation questions and judgment criteria, methodology for collecting data and information, and will also take stock of key challenges encountered during the evaluation process. This chapter will refer to the evaluation matrix (EM), which is attached as annex. This chapter's full version can be found in Annex 15.*

### 2.1 Evaluation objectives

The aim of the evaluation is to provide a combined mid-term and ex-post review of the PARS and its AP(s). The evaluation has focused on these documents and the assessment of their performance in terms of relevance, effectiveness, efficiency, impact, and sustainability, and how these could be improved. The ultimate objective is hence to contribute to the improvement of the PAR strategic and operational framework in RS with well-targeted findings and recommendations.

<sup>2</sup>Sector Reform Contract for Public Administration Reform, IPA 2015/038-444. Link: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2015/pf\\_04\\_sector\\_reform\\_contract\\_for\\_public\\_administration\\_reform.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2015/pf_04_sector_reform_contract_for_public_administration_reform.pdf)

<sup>3</sup>Public Administration Reform Strategy in the Republic of Serbia, (*Official Gazette of RS*, no. 9 of 30 January 2014, 42 of 23.4.2014 - correction, 54 of 13.7.2018). <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>4</sup>Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017 (*Official Gazette of RS* No: 31/15). Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>5</sup>Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2018-2020 (*Official Gazette of RS* No: 54/2018). Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>6</sup> AP PAR RS for the period 2018-2020, Government of Serbia, p76.



As assessed by the SIGMA 2015 Baseline Measurement Report<sup>7</sup>, the PARS defines the PAR objectives, while the AP(s) define performance targets and actions to achieve them. The study recommended that the first ex-post evaluation should be undertaken, in order to make decision-makers aware of actual progress in achieving the set PAR objectives, including an impact assessment supported by data relating to outcome-level performance indicators.

As per the terms of reference (ToR) of this assignment, the evaluators agreed with the principal beneficiary (the MPALSG) during the inception phase that the independent external evaluation of the PAR Strategy and the AP(s) pursues the following objectives:

### Table 1. Evaluation objectives

**Objective 1:** Assess the quality of the strategic framework for PAR, i.e. PAR Strategy, a mid-term review, and AP(s), and demonstrate whether these have taken on-board the latest lessons learnt and policy approaches to PAR.

**Objective 2:** Form the basis for decision-making to assess and decide upon on whether the current PAR Strategy should be revised.

**Objective 3:** Assess the relevance, effectiveness, efficiency, sustainability, and impact of the AP PAR 2015-2017, and generate specific and actionable recommendations based on the evaluation findings.

**Objective 4:** Based on the findings, draft recommendations for capacity building and technical assistance measures, as well as for enhanced decision-making for the improvement of the strategic and operational framework for PAR.

## 2.2 Evaluation questions and judgment criteria

The evaluation questions examine the PARS against the five evaluation criteria developed by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD-DAC)<sup>8</sup>: Relevance, Effectiveness, Efficiency, Sustainability and Impact. Their design was preceded by a thorough review of the intervention logic, documents analysis - including the monitoring reports developed during the course of the implementation of the PARS - and a consultative process involving key stakeholders for the implementation of PAR. An intensive participatory process with the key stakeholders took place during the inception phase resulting in the final formulation of the evaluation methodology, including the exact evaluation questions. An evaluation matrix (EM), placed in Annex 1, summarises the steps through which the evaluation team answered each of the evaluation questions and produced credible findings.

### Table 2. Evaluation questions

#### 1. RELEVANCE

**EQ # 1** To what extent were and are the objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, still relevant to priority needs, inclusive of cross-cutting needs, and to what extent have these corresponded to implementation capacities in Serbia?

**EQ # 2** How adequately have stakeholders been involved in the development of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, respectively?

#### 2. EFFECTIVENESS

**EQ # 3** To what extent were the five Specific Objectives for AP PAR 2015-2017 achieved?

**EQ # 4** Which unexpected positive and negative (if any) changes have occurred, inclusive of those related to any cross-cutting issues, across the five Specific Objectives defined in AP PAR 2015-2017?

<sup>7</sup> OECD/SIGMA Baseline Measurement Report, the Principles of Public Administration (2015). Link: <http://sigmaweb.org/publications/public-governance-monitoring-reports.htm>

<sup>8</sup>Link: <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>



**EQ # 5** What were the key driving forces and success factors for specific actions by stakeholders and implementers, and what were the restraining forces that reduced effectiveness?

### 3. EFFICIENCY

**EQ # 6** Were the objectives of the AP PAR 2015-2017 achieved on time, what were the major factors and causes influencing any delays, and how were these dealt with?

**EQ # 7** How adequate was management of implementation of AP PAR 2015-2017 and the institutional and organisational structure and capacity for coordination, monitoring, reporting, and evaluation of the implementation process?

**EQ # 8** Was the AP PAR 2015-2017 implemented in a highly cost-effective way, compared to alternatives, with activities and costs proportionate to the benefits achieved?

### 4. IMPACT

**EQ # 9** What has happened as a result of the AP PAR 2015-2017 implementation in terms of the progress made towards meeting the EU accession criteria, increased Government effectiveness, and real socio-economic change for a wide range of beneficiaries?

### 5. SUSTAINABILITY

**EQ # 10** To what extent are future PAR interventions sustainable in terms of funding and to what extent are the AP PAR 2015-2017 implementing institutions existing and new capacities sustainable?

## 2.3 Methodology

In preparing the evaluation, additionally, two key sources of guidelines were used: The DG NEAR Guidelines<sup>9</sup> on linking planning, programming, monitoring and evaluation (EC 2016), as well as the EC's Evaluation Methods for the European Union's External Assistance, Methodological Bases for Evaluation Volumes 1-4 (EC 2016).<sup>10</sup>

The first steps in organizing the evaluation started in August 2018 and envisaged the delivery of the final evaluation report initially for January 2019 (later modified to March 2019), and full completion (with the results dissemination) by March 2019. Towards ensuring a participatory approach, an evaluation reference group (ERG) was formed that met to discuss the draft inception report, finalising the evaluation methodology on 27 September 2018, to discuss the key findings of the implementation phase on 17 December 2018 and to deliberate on the final draft conclusions and recommendations on 13 February 2019. (More detail on the ERG's role in Annex 15).

There were three main methodological stages for the design and execution of the evaluation. During the inception phase, the evaluation team collected and analysed relevant documentation and involved key stakeholders in completing the inception report. The inception report detailed the selected methodological approach, and provided a detailed work plan and phasing drafted. During the following implementation phase, the evaluation team collected data and information in accordance with the set methodology, by conducting surveys, targeted interviews, focus group meetings, as well as further document and data collection and clarification, leading to the development of an interim report. Finally, the synthesis and reporting phase was devoted to the preparation of the draft final evaluation report (More on evaluation methodology in Annex 15).

The evaluation design involved three main methodological stages and the following key data and information-collection instruments: documents review, cost-effectiveness analysis, ten online surveys, seven focus groups, a SWOT analysis, and interviews with around 75 interlocutors. Details and outputs related to the information-collection instruments used are placed in Annex 15.

<sup>9</sup> Link: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v-0.4.pdf)

<sup>10</sup> Link: [https://ec.europa.eu/europeaid/sites/devco/files/evaluation-methods-guidance-vol1\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/evaluation-methods-guidance-vol1_en.pdf)



## 2.4 Risks, challenges and their mitigation

This independent external evaluation of the PAR Strategy is a first such major evaluation commissioned by the MPALSG. Its ToR responded to the currently fragile capacities by ensuring that the MPALSG and other key stakeholders in PAR are not over-stretched by the evaluation exercise so that their organisational learning would not suffer. For this purpose, the Project assumed some responsibilities that are typically those of an internal evaluation manager as commissioner of external evaluation works. In order to ensure sufficient GoS ownership over the evaluation process the ERG gathered the key 16 PAR Strategy implementing institutions as well as some external stakeholders, with a mandate to verify the evaluation process and serve as the key joint working body supporting this task with insight and control.

The evaluation implementation and synthesis processes were satisfactorily completed, although delayed due to a lower than anticipated response rate, and by some of the targeted respondents' limited involvement in the process consisting of interviews, focus groups, and surveys. Given the novelty of this particular, horizontal evaluation exercise in Serbia and heavy workload of relevant public administration (PA) employees, the delays did not come as much of a surprise; rather they had been considered as a risk by the inception report that is to be mitigated by additional resources (including time) put into ensuring that the level and quality of data collected for answering the EQs is not compromised. Therefore, despite the consequent delay due to the extended time necessary for the execution of the assignment, the collected data and information met the expectations set by the Inception Report and provided a sound basis for responding to the EQs and 95 evaluation indicators.

The evaluation encountered the following key challenges: **(i)** extensive scope of the horizontal PARS, including five specific objectives (SOs), 19 measures, and 47 results (objectives), with a number of closely related, additional strategies; a main challenge was to capture and place all evaluation outputs within a standard evaluation report format and length; **(ii)** the structure of the AP PAR 2015-2017 is complex, but lacks comprehensive outcome-level indicators and indicators on the level of measures. The absence of adequate indicators resulted in limited possibilities to monitor and evaluate outcome-level performance; **(iii)** corresponding to the scope of the strategy, the EM is complex and extensive, including 16 Judgment Criteria and 95 evaluation indicators. This complexity was a challenge for responding comprehensively but concisely; **(iv)** contrary to good practice of outcome evaluations, due to the lack of prior evaluations on PAR and to the lack of a comprehensive set of outcome-level indicators, the overall evaluability of the PARS was limited; finally **(v)** the lack of complete and accurate financial information necessary for a comprehensive cost-effectiveness analysis, i.e. the incomplete AP PAR 2015-2017 final financial balance sheet, hampered a more in-depth cost-effectiveness analysis. (More on risks and challenges in Annex 15).

## 3. Background

*The intent of this short chapter, in addition to providing a general overview of the electoral, institutional, and normative context in the RS, is to specifically address the economic context, the 2014-2018 fiscal consolidation, as well as the theme of the EU accession and PAR in Serbia. **This chapter's full version can be found in Annex 16.***



### 3.1 Electoral, institutional, and normative context

The pace of efforts towards delivering on PAR has been adversely influenced by a high level of turnover at the political decision-making level within the executive branch, including in the MPALSG,

because of a number of elections that took place over the 2012-2017 period, each triggering several months in which the focus shifted from PAR towards election campaigns and the formation of new governments. **In sum, around one third of the implementation period of the PAR Strategy coincided with election related activities.** There has also been a high level of turnover of staff. In addition, though the overall ministerial responsibility with the formation of the current MPALSG<sup>11</sup> has not changed since 2014, its internal structure went through a number of changes and restructuring, contributing to losses of institutional memory and reduced operational effectiveness in implementation.

Furthermore, having in mind the limited level of managerial delegation of operational decision-making in the Serbian PA, any changes at managerial level has a spill over effect on the implementation of PAR (with its various management structures). **These factors potentially had an effect on the attainment of the PAR objectives.** This is true irrespective of the fact that since 2014, all Governments considered PAR as a priority in their key political statements (PAR is recognised as a priority in the key horizontal medium-term planning documents: Exposé of the Prime Minister {PM}, the fiscal strategy for 2017 with projections for 2018 and 2019, and the National

**Table 3. PAR Timeline (external and internal)**

Internal Events	External Factors
	<b>2012</b> EU candidacy status 2012 Presidential elections 2012 Parliamentary elections <b>New Government</b> New Judiciary & SA Minist. Selakovic
Start of drafting of the new PAR Strategy	<b>2013</b> Pre-accession Economic Programme PA employment ban Law on PA pays reduction
<b>Adopted new PAR Strategy</b>	<b>2014</b> Start EU negotiations The May 2014 floods 2014 Parliamentary elections <b>New Government</b> New MPALSG Deputy PM Udovicki Start of fiscal crisis 2014 SIGMA principles of PA
Abounded drafting of AP PAR 2014-2016	<b>2015</b> Start of 3 year MMF Arrangement
PAR Council meeting PAR special group (SAA) meeting PAR Council meeting PAR Council meeting <b>Adopted AP for PAR 2015-2017</b> PAR Council meeting IMPG meeting Adopted AP PAR Rpt. 1/2 2015 PAR special group (SAA) meeting PAR Council & IMPG meetings	<b>2016</b> Law on PA employees reduction
PAR Special Group (SAA) meeting IMPG meeting PAR Council meeting	<b>2017</b> Economic Reform Programme - ERP 2016 Parliamentary elections <b>New Government</b> New MPALSG Minister Brnabic
PAR Council meeting PAR Special Group (SAA) meeting IMPG meeting PAR SBS dialogue platform meeting PAR Council adopted AP PAR Rpt. 15-16 PAR SBS dialogue platform meeting	<b>2018</b> 2017 Presidential elections <b>New Government</b> New MPALSG Minister Ruzic 2017 SIGMA principles of PA
PAR Council meeting PAR SBS dialogue platform meeting PAR special group (SAA) meeting <b>Adopted new AP PAR 2018-2020</b> PAR SBS dialogue platform meeting SBS 30M EUR Tranche PAR Council adopted AP PAR Rpt. 15-17 IMPG meeting	The end of IMF arrangement Done GoS fiscal consolidation PA employment ban till end 2019

<sup>11</sup>The Law on Ministries (Office Gazette of RS No. 44 of 26 April 2014, 14 of 4 February 2015, 54 of 22 June 2015, 96 of 26 November 2015 - dr. Law, 62 of 26 June 2017). Link: [https://www.paragraf.rs/propisi/zakon\\_o\\_ministarstvima.html](https://www.paragraf.rs/propisi/zakon_o_ministarstvima.html)



Program for the Adoption of the EU *Acquis* (NPAA) 2014-2018. The economic reform program (ERP) 2016-2018 provides only general remarks<sup>12</sup> over the reviewed period.

Furthermore, in accordance with respective decisions of the National Assembly of the Republic of Serbia (NARS) and the GoS, the ultimate ambition of the country is a full accession to the European Union (EU), resulting in an intensive need for legislative harmonisation with the EU *acquis*. In the course of the harmonisation, the PA needs to undergo major adjustments and be capable to meet the immense challenge arising from the accession process. These necessary adjustments include the need for regulatory and other changes and reforms, including the setup and capacity building of new institutions, such as the Office for Information Technology and e-Government (ITE) or the National Academy for Public Administration (NAPA), which resulted in a large number of planned regulatory activities envisaged in the PARS AP(s).

**Table 4. Laws subjected to a public debate**

Public Policies Management System Transparency- Laws subjected to a public debate <sup>13</sup>			
Year	2015	2016	2017
# of total draft laws, (w/out international contracts confirmation)	123	56	22
# of total draft laws publicly debated	48	23	11
% of total draft laws publicly debated	39%	50%	50%

A full list of adopted and forthcoming laws and strategies related to the AP PAR 2015-2017 implementation is placed in Annex 5. It is important to note that a number of these laws and strategies have been completed in the course of 2018, i.e. after the AP PAR 2015-2017 reporting period, thus increasing the level of effectiveness reported in MPALSG's monitoring report for the period of 2015 and 2017, issued in March 2018 (hereinafter: Final Report). These are all evidenced in part 5.3 of this report.

### 3.2 Economic context and the 2014-2018 fiscal consolidation

In 2014, Serbia's GDP declined, due to continued decreasing domestic demand exasperated by historic floods, and weak economic trading activity. Total effects of the floods in the 24 affected cities and municipalities (of total 174 in Serbia) were estimated at the time to be EUR 1,525 million and 51,800 jobs lost.<sup>14</sup> In parallel, a high unemployment rate at the time was one of the largest social concerns. The recession in 2014 was the third since 2008. Serbia's public debt rose to 70% of GDP while the fiscal deficit grew to 6.6% in 2014<sup>15</sup>. Serbia thus entered into a fiscal crisis. **In response to the crisis and to secure credibility, towards the end of 2014, Serbia started new fiscal consolidation measures.** In February 2015, Serbia entered a new precautionary three-year International Monetary Fund (IMF) Stand-By Arrangement (worth about EUR 1.2 billion)<sup>16</sup>.

On 3 March 2016, Government adopted an Economic Reform Program (ERP) for the period 2016-2018. The program established a medium-term framework for macroeconomic and fiscal consolidation policies and specific prioritised reforms. The aim was to eliminate obstacles to economic growth and increase competitiveness. **By 2018, fiscal consolidation was fully achieved.** The statement issued by the IMF already in late October 2015 confirmed that Serbia continued to make good progress in implementing reforms and that growth turned positive as the economic activity was expanding.

<sup>12</sup> OECD/SIGMA Monitoring Report for Serbia (2017), page 11

<sup>13</sup> Data from Indicator Passport # 19 for AP PAR 2015-17

<sup>14</sup>Source: The Government of Serbia post-disaster needs assessment, supported by the European Union, the United Nations and the World Bank, Link: [http://www.sepa.gov.rs/download/SerbiaRNAreport\\_2014.pdf](http://www.sepa.gov.rs/download/SerbiaRNAreport_2014.pdf)

<sup>15</sup>Source: Ministry of Finance of Serbia, Link:

<http://www.mfin.gov.rs/UserFiles/File/tabele/2015%20januar/Tekuca%20makroekonomska%20kretanja.pdf>

<sup>16</sup> Source: <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1567>

**Table 5. Key macroeconomic indicators change over the viewed period, 2014-2018<sup>17</sup>**

	GDP growth %	Public debt % of GDP	Fiscal deficit/solicit % of GDP	Annual inflation % (Dec.)	Unemployment %	Fiscal investments %	FDIs as % of GDP	Tax collection increase %	S&P credit rating
2014	-1.6	66.2	-6.6	1.7	19.2	-3.4	3.5	N/A	BB-, negative
2015	1.8	70	-3.5	1.5	17.7	4.9	5.1	N/A	BB-, negative
2016	3.3	67.8	-1.2	1.6	15.3	5.4	5.2	N/A	BB-, stable
2017	2.0	57.9	1.1	3.0	13.5	7.3	6.2	7.8	BB, stable
2018	4.4	56.7	1.5	1.9	11.3	11.5	6.2	6.7	BB, positive

On the other hand, policies subsequent and related to the IMF agreement, and parts of the ERP, coincided with the implementation period of the AP PAR 2015-2017, and became part of the PAR agenda (rationalisation, i.e. downsizing of the PA). **These policies hampered the achievement of a number of PAR objectives (report part 3.4.1 on HR and PAR).** The rationalisation policies include a freeze of employment in the public administration (PA) in order to downsize it, followed by a reduction civil servants' salaries.

### 3.3 The EU accession and PAR in Serbia

Serbia applied for EU membership on 19 December 2009. The European Council granted Serbia candidate country status on 1 March 2012, while the Stabilisation and Association Agreement (SAA) was concluded on 22 July 2013. The accession negotiations started on 21 January 2014 with the first meeting of the Accession Conference. The ninth meeting took place on 10 December 2018. So far, out of 35 negotiation chapters, 16 have been opened<sup>18</sup>. **Throughout this process, the EC has strongly emphasised that substantial progress with government-wide PAR is a pre-requisite for EU-accession.** The importance of PAR to the process of European integration was strongly underlined in the EU's "Enlargement Strategy and Main Challenges 2014-2015"<sup>19</sup>, which stated that PAR - although there is no specific *acquis* chapter - PAR is one of the three "fundamentals" of the strategy, together with the rule of law and economic governance. **Moreover, since 2014 the EC has defined the scope of PAR as covering the following six core areas:**

**Table 6. The EC Core PAR Areas<sup>20</sup>**

- 1. Strategic framework for public administration reform** i.e. political commitment to the reform process, including political leadership, technical coordination and monitoring of implementation;
- 2. Policy development and coordination** i.e. appropriate coordination at the centre of government, inter-ministerial coordination, policy development and financial analysis;
- 3. Public service and human resources management** i.e. organisation and functioning of the public service, de-politicisation, merit-based recruitment and promotion, training and professionalization;
- 4. Accountability, i.e. transparency of administration** including access to information and possibility of administrative and legal redress;
- 5. Service delivery** i.e. improving services for citizens and business, including better administrative procedures and e-Government services;
- 6. Public financial management (PFM)** i.e. commitment to a more comprehensive approach to improving management of public finances and the overall budgetary process.

<sup>17</sup>Sources: National Bank, Link: [https://www.nbs.rs/internet/latinica/18/18\\_3/prezentacija\\_invest.pdf](https://www.nbs.rs/internet/latinica/18/18_3/prezentacija_invest.pdf) and The Government Fiscal Council, Link: <http://www.fiskalnisavet.rs> and Statistical Office of the Republic of Serbia, Link: <http://www.stat.gov.rs>

<sup>18</sup>Source: <https://www.consilium.europa.eu/en/policies/enlargement/serbia/#>

<sup>19</sup>EU Enlargement Strategy, November 2015. Link: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2015/20151110\\_strategy\\_paper\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2015/20151110_strategy_paper_en.pdf)

<sup>20</sup> OECD/SIGMA "The Principles of Public Administration (2014). Link: <http://www.sigmaxweb.org/publications/Principles-Public-Administration-Nov2014.pdf>



Put in the Serbian context, a more efficient, more rational and less expensive public administration would be better suited to the country's needs for joining the EU. Since 2014, the EC has produced four reports assessing Serbia's progress and efforts towards European integration, i.e. in October 2014, November 2015, November 2016, and April 2018.

The EU is amongst the most committed supporters of PAR in Serbia, as well as in other enlargement countries. This support is demonstrated by the importance the EU attaches to establish a regular dialogue on PAR (especially in the context of the PAR Special Group framework), as well as through its technical support dedicated to PAR capacity building (notably in the framework of SIGMA support). Also, the EU is the largest donor for PAR.

**3.3.1 PAR Special Group (SG) for monitoring the implementation of the SAA.** The Public Administration Reform Special Group (PAR SG) was established as a monitoring mechanism and a policy dialogue forum for the implementation of the SAA in the area of PAR. The PAR SG became a key platform for dialogue on PAR and its results, based around the six core PAR areas, as listed above, and as further defined in the Principles of Public Administration (The Principles) developed by SIGMA. The results of the PAR SGs are fed into the SAA Committee, with a more structured, political discussion on key PAR issues. This mechanism facilitated a policy dialogue on PAR between representatives of the EC and the GoS. The first SG meeting was held on 23 October 2014, followed by five more meetings. Conclusions of a meeting were, for the first time, published on the MPALSG website for the meeting on 29 May 2018 in Belgrade<sup>21</sup>. **Each meeting resulted in conclusions related to progress of the PAR efforts and definition of the next steps.** Since 2017, consultative meetings between the PAR SG and Civil Society Organisations (CSO) representatives also take place.

**3.3.2 Support for Improvement of Governance and Management (SIGMA).** In order to assist countries, undertake comprehensive and coherent PAR measures, the Organization for Economic Cooperation and Development (OECD) and the EU established the SIGMA instrument, as a joint initiative, in 1992. SIGMA first published its detailed strategic framework for good PA, entitled "Principles of Public Administration", in 2014<sup>22</sup>. Subsequently, SIGMA published a PAR Baseline Monitoring Report on Serbia in 2015, as well as Progress Monitoring Reports in May 2016 and November 2017<sup>23</sup>. Finally, a new and more results oriented Methodological Framework for the Principles was published in 2017. Together, these reports represent an important framework and instrument for measurement of PAR in Serbia and were extensively used during the design of both Serbian PAR AP(s).

Moreover, since 2015 SIGMA has extended technical assistance (TA) to the GoS, especially to the MPALSG and the MoF, to develop capacity and knowhow related to the PAR strategic framework design, coordination effectiveness, and implementation efforts. SIGMA also published a wide array of important papers related to the PAR efforts and good practice. These include SIGMA papers on managerial accountability in the Western Balkans and a toolkit for the preparation, implementation, monitoring, reporting and evaluation of PAR and sector strategies.<sup>24</sup> **Regular SIGMA TA missions over the period subject to this evaluation (2014-2018) substantially contributed to the improvement of the PAR policies in Serbia, as well as their implementation.**

Furthermore, the PAR AP(s) utilise the SIGMA monitoring framework to a large extent by incorporating a number of SIGMA indicators to its monitoring framework. The purpose of this integration was to enable measurement and monitoring of PAR and to link PAR to the of EU accession

<sup>21</sup>Source: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>22</sup>Strategic Framework of Public Administration Reform, Policy Development and Co-ordination, Public Service and Human Resource Management, Accountability, Service Delivery, Public Financial Management

<sup>23</sup>Source: <http://www.sigmaweb.org/publications/monitoring-reports.htm>

<sup>24</sup>SIGMA Paper No. 58 Managerial Accountability in the Western Balkans, November 2018. Link:

<http://www.sigmaweb.org/publications/Managerial-accountability-in-the-Western-Balkans-SIGMA-Paper-58-November-2018.pdf>;

SIGMA PAPER No. 57 Toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies, October, 2018. Link: <http://www.sigmaweb.org/publications/SIGMA-Strategy-Toolkit-October-2018.pdf>





process. In addition, this approach made the monitoring PAR AP(s) more cost-effective. The utilised SIGMA indicators have been and will continue to be monitored through regular SIGMA assessments, based on data provided by the GoS. **Compared to the first AP PAR (2015-2017), the higher quality of the AP PAR 2018-2020 design clearly reflects the benefits of collaboration with SIGMA.**

**3.3.3 Sector Reform Contract (SRC) for PAR and the WB Loan.** The Sector Reform Contract (SRC) for PAR, concluded between Serbia and the EC in 2015, is additional support to PAR in the amount of EUR 80 million (agreement signed on 5 December 2016), of which EUR 70 million are intended for disbursement through Sector Budget Support (SBS) and EUR 10 million through complementary technical assistance.<sup>25</sup>

The overall objective of the SRC is to assist the Government to improve the efficiency, accountability and transparency of the Serbian PA and the quality of service delivery as well as management of public finances. The SRC established specific objectives and results<sup>26</sup> to guide support and measure the results of the PAR AP(s) and the Public Financial Management Reform Program (PFM RP). General conditions for disbursement of all tranches include (i) satisfactory progress in the implementation of the PAR Strategy and continued credibility and relevance thereof; (ii) implementation of a credible stability-oriented macroeconomic policy; (iii) satisfactory progress in the implementation of the PFM RP; (iv) satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information. The PAR SRC objectives, in the most part, coincide with those identified in the Serbian PAR Strategy, and also the SIGMA Principles. A specific coordination structure has been established for the guidance, management, coordination and monitoring of the actions included in the PAR SRC. The GoS has formed “Operational Teams” to share information, coordinate activities and monitor progress of PAR SRC implementation. The first meeting to facilitate the Platform for Policy Dialogue on the implementation of the PAR SRC took place on 12 June 2017, subsequent meetings were held on 27 November 2017, 26 April 2018, and 30 October 2018.

**After assessing progress made in the area of PAR, the EU approved, on 30 October 2018, payment of the first financial request for the fulfilment of commitments agreed in the SRC, in the amount of EUR 30.5 million.** The EC recommended the GoS to submit a request for the next tranche in mid-2020, in order to coordinate it with the regular AP PAR 2018-2020 annual reporting<sup>27</sup>. Any future payments will likely also depend on the assessment of progress toward the SRC objectives. Hence, the GoS needs to prioritise these objectives to ensure the disbursement of future tranches of the SRC.

The EC has also supported the GoS Optimisation Program in partnership with the World Bank (WB) under IPA II (2014-2020). The Program for Results on Modernization and Optimization of Public Administration is a budget support to the Republic of Serbia, intended for implementation of predefined obligations, amounting in total to EUR 69 million. This program supports the implementation of two out of five objectives of the PAR AP: (i) establishment of a coherent merit-based civil servant system and improvement of human resource management; and (ii) improvement of public finance and public procurement management. **There are 6 indicators of which only the first two, on HRM, are yet be attained.**<sup>28</sup>

<sup>25</sup>[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2015/pf\\_04\\_sector\\_reform\\_contract\\_for\\_public\\_administration\\_reform.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2015/pf_04_sector_reform_contract_for_public_administration_reform.pdf)

<sup>26</sup> (1) To improve accountability of administration through restructuring of central government administration; (2) To improve policy development and coordination, including increased participation of citizens and civil society organisations in the policy-making process; (3) To contribute to professionalisation and de-politicisation in the human resources management, (4) To improve service delivery and administrative simplification by improving the quality of the inspection services; and (5) To improve management of public finances, especially to contribute to more transparent budgeting process, to improve internal control.

<sup>27</sup> Platform for policy dialogue meeting minutes, 31.10.2018.

<sup>28</sup> DLI 1: Percentage of Public Administration Employee Positions assigned to pay grades as per the Law on Public Sector Employees Salary System; DLI 2: Percentage of Public Administration Employees assigned to new pay grades as per the Law on Public Sector Employees Salary System; DLI 3: Total number of Public Administration Employees at or under annual ceiling prescribed by the Law on



### 3.4 Human resources management

The PAR Strategy has been implemented in the specific context of downsizing the public administration, in line with the requirements of fiscal consolidation and the IMF Stand-by Arrangement. **Three restrictive employment measures from 2013 are still in force.** Amendments to the Budget System Law in December 2013 introduced a two-year freeze (later extended and still in force)<sup>29</sup> on employment in the PA.<sup>30</sup> Simultaneously, progressive reductions of salaries in the PA were introduced.<sup>31</sup> Finally, in August 2015, further staff reductions were introduced with the Law on Determining the Maximum Number of Employees in the Public Sector<sup>32</sup>. **Despite the fiscal crisis having ended, the statute was amended on 22 November 2018 and extended until 31 December 2019.**

Since the introduction of these rationalisation measures, the number of PA employees was reduced by over 45,000. **A notable negative side-effect of these measures - during a period of increased workload resulting from PAR and EU-integration processes - was that state administration bodies (SABs) more frequently hired new staff on a temporary basis.** This practice, however, not only decreased overall ownership of the reform process, but it also increased the risk of failure to accumulate the necessary competencies and know-how within the PA.

However, given the scope of PAR and demands from the EU-integration process, there are reasons to expect that the PA staff numbers will grow in the medium-term. At present, the RS has 6.4 PA staff per 100 citizens, whereas that number in the EU is 8.5 and for new member states is 8.0. Annex 9 contains a table of CROSO<sup>33</sup> data which shows cumulative changes in the numbers of employees. The staff reductions demonstrated by this data coincided with the implementation of the AP PAR 2015-2017. The rationalisation of the PA was a priority of the AP PAR 2015-2017, i.e. it was the first result of the first measure under the first SO (1.1.1.). **Moreover, in the State Administration (SA), there is a disproportionately high number of senior civil servants in acting positions.** As of 31 October 2018, of a total of 370 management positions in the central government, 322 were filled with **senior civil servants**, of whom 214 (or 66%) were in acting positions<sup>34</sup>.

The effort of development and implementation of a clear concept of civil servants towards the establishment of career, merit based and depoliticised HRM and HRD systems in the Serbian PA dates back to the early 2000s. The 2004 PAR Strategy already highlighted the dualism (ambiguity) between the political and the career role of state secretaries, and between political and non-political public servants in general. **The 2014 PAR Strategy envisaged further efforts towards the PA professionalization, de-politicisation, rationalisation and modernisation.**

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Ceilings on the Number of Employees: DLI 4: Percentage of Redundant Public Administration Employees receiving Redundancy Payments pursuant to provisions of Law on Ceilings on the Number of Employees, Civil Servants Law, and Labour Law; DLI 5: Percentage of Public Procurement Contracts within the category of public authorities over 5,000,000 RSD in value, signed in a Fiscal Year of the Borrower, in 90 days or less between the date of Issuance of Bidding Documents and the date of signing of the Public Procurement Contracts; DLI6: Value of Public Procurement Contracts awarded through Framework Agreements (in RSD); DLI 7: Number of Indirect Budget Beneficiaries included in the FMIS; DLI 8: Percentage of commitments in budget execution system entered within the required deadline per the Law on Deadlines for Payments in Commercial Transactions (%).

<sup>29</sup>Budget System Law (*Official Gazette of the Republic of Serbia*, Nos. 108/13, 68/15, 81/2016, 95/2018). Link:

[https://www.paragraf.rs/propisi/zakon\\_o\\_budzetskom\\_sistemu.html](https://www.paragraf.rs/propisi/zakon_o_budzetskom_sistemu.html)The freeze excluded NARS, elected and appointed officials, directors of public enterprises and agencies, judges, public prosecutors, and independent institutions, as Fiscal Council, CPIIPDP, CPE, SAI, ACA...

<sup>30</sup> Exceptionally, a person can be employed with the consent of a Serbian government body.

<sup>31</sup>The Law on Net Income Reduction for Public Sector Employees (*Official Gazette of the Republic of Serbia*, No.108/13). Link:

<http://www.poreskauprava.gov.rs/sr/pravna-lica/pregled-propisa/zakoni/877/zakon-o-umanjenju-neto-prihoda-lica-u-javnom-sektoru.html>. The income exceeding RSD 60,000 was to be reduced by 20%, while that exceeding RSD 100,000 by additional 25%.

<sup>32</sup>The Law on the Method of Determination of the Maximum Number of Employees in the PA (*Official Gazette of RS*, No. 68/15). Link:

[https://www.paragraf.rs/propisi/zakon\\_o\\_nacinu\\_odredjivanja\\_maksimalnog\\_broja\\_zaposlenih\\_u\\_javnom\\_sektoru.html](https://www.paragraf.rs/propisi/zakon_o_nacinu_odredjivanja_maksimalnog_broja_zaposlenih_u_javnom_sektoru.html). Excluded are medical staff, the staff of social security institutions, any posts and capacities relevant for EU integration and the staff of inspectorates.

<sup>33</sup> Ministry of Finance, CROSO- Central Registry of Compulsory Social Security, Register of Employees in Public sector of Treasury Administration Link: <http://www.croso.gov.rs/cir/index.php>

<sup>34</sup> Per the HRMS correspondence with the Evaluation Team from 19 November 2018.



Specific new steps toward professionalisation in the SA included the establishment of the National Academy of Public Administration (NAPA) in October 2017. The Academy is a new central national institution for the professional development of civil servants in the PA of the RS. This mandate was previously with the Human Resource Management Service (HRMS), in charge of ensuring the application and further development of standards and procedures in the processes of HRM.<sup>35</sup> Although over the past few years on average 10 to 15% of SA employees have been trained annually (see Table 7 and Table 8 below), the training needs are growing as a result of new tasks and qualification requirements. NAPA has prepared and conducted general training programs, as well as training programs for senior civil servants<sup>36</sup> and both for national level and for Local Self-Government (LSG) units<sup>37</sup>. NAPA is mandated to provide general training (part of it is an introductory program), i.e. training which is open to participants from all SA units and is not authorised to provide in-house. Also, at the request of SABs, NAPA can get involved in specific trainings by 1) preparing and implementing special programs; 2) preparing programs to be implemented by SABs; 3) implementing programs prepared by SABs; and in addition 4) SABs could prepare and implement on their own.<sup>38</sup>

Over the past years, NAPA (and its institutional predecessor) gradually embedded and launched some additional trainings, specific to the purpose of PAR (for details of data about trainings provided in recent years, see the below tables). **Despite the progress made, however, the Serbian PA still suffers from scattered data and disconnected databases, including in the area of HRM.** There is a need for a single database for Special Professional Training Programs at the level of state authorities within the MPALSG, in accordance with the Regulation on Professional Training of Civil Servants adopted in March 2015, alongside the existing central HR database and the database of General Professional Training Programs in the HRMS.<sup>39</sup> NAPA has adopted the Rulebook on the Central Record of the Professional Development Program and will keep records of adopted/accredited professional development programs and their implementation.<sup>40</sup> Also, NAPA is yet to get premises and equipment (planned for June 2019), sustainable funding and sufficient staff, to ensure its functioning as the central institution for the professional development.<sup>41</sup> The following two tables show the volume of trainings and targeted specific PAR needs.

**Table 7. All HRMS/NAPA Programs for Training of Civil Servants, trainings and participants**

Program:	Number of Trainings <sup>42</sup>				Number of Participants			
	2015	2016	2017	2018	2015	2016	2017	2018
Introductory General Programs	11	8	9	11	178	165	212	402
<b>General Programs</b>	89	135	206	161	1486	2759	3488	2981
<b>General Program - Senior civil servants</b>	15	22	31	19	247	392	432	279
<b>General Program Advanced Skills Management</b>	3	18	21	9	46	234	290	156
<b>Total:</b>	<b>118</b>	<b>183</b>	<b>267</b>	<b>200<sup>43</sup></b>	<b>1957</b>	<b>3550</b>	<b>4422</b>	<b>3818</b>

**Table 8. General HRMS/NAPA Programs for Continuous Professional Training of Civil Servants**

<sup>35</sup> On new HRMS competences [http://www.suk.gov.rs/en/about\\_us/competence.dot](http://www.suk.gov.rs/en/about_us/competence.dot)

<sup>36</sup> Article 97, Law on Civil Servants and Article 122b of the Law on Employees in the AP and LSG.

<sup>37</sup> Article 2 of the Law on the National Academy.

<sup>38</sup> Article 97 of the Law on Civil Servants and Article 122 of the Law on LSG.

<sup>39</sup> 2016 Semi Annual Status Activities Report on the implementation of the AP PAR RS 2015-2017. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>40</sup> Article 10 of the Law on the National Academy.

<sup>41</sup> Thematic/Expert Focus Group on AP PAR Pillar 2 (SO 1) AP 2015: Establishment of civil service system and human resources management, held in MPALSG Serbian-Korean Information Access Centre on 15 November 2018

<sup>42</sup> Excluded foreign language trainings and numbers are related only for classic trainings. Data provided by HRMS and NAPA

<sup>43</sup> Without additional training activities



Program areas:	Number of Trainings <sup>44</sup>				Number of Participants			
	2015	2016	2017	2018	2015	2016	2017	2018
Strategic and financial management, policies coordination (2015). Management of public policies system (2016, 2017)	6	8	9	9	94	124	126	121
Managing the legislative process and administrative acts	10	13	30	19	143	527	580	291
Public finances	5	9	23	8	152	217	500	266
Management of international development assistance, including EU financial assistance	15	26	32	20	262	608	613	411
Human Resource Management	9	17	6	3	158	298	64	56
Fight against corruption	12	13	8	5	200	201	133	64
Protection of human rights and confidentiality of data	9	13	14	19	129	193	195	255
Business communication	10	11	8	13	172	200	156	259
Information communication technologies	13	20	22	14	176	282	281	196
Inspection oversight	N/A	4	4	9	N/A	93	96	212
Administration as service of citizens	N/A	N/A	33	15	N/A	N/A	490	260
EU Cohesion policy	N/A	N/A	6	1	N/A	N/A	98	13
Safety, protection and health at work	N/A	N/A	10	9	N/A	N/A	145	118
<b>Total:</b>	<b>89</b>	<b>134</b>	<b>205</b>	<b>144</b>	<b>1486</b>	<b>2743</b>	<b>3477</b>	<b>2522</b>

**Despite noticeable institutional and legislative advances in the area of human resources management, more efforts, especially in the implementation of legislation, are required.** Such efforts are essential not only for ensuring the sound implementation of any PAR strategy, but for the overall functioning of the Serbian PA in light of the EU integration, and to meet the objectives of the PAR AP 2015-2017 related to a merit-based civil service (2.1.1), fair salaries (2.1.2), and de-politicisation and merit-based selection of external candidates (2.2.1).

### 3.5 Centre of government and planning system

**3.5.1 Current parallel planning systems.** The strategic framework for PAR has been comprehensively established, but as the 2017 SIGMA Monitoring Report states, the quality of planning is low, especially at the level of operational planning. This weakness is mainly a result of overlaps and parallelism between various planning efforts led by different centre of government (CoG) institutions, e.g. government annual work planning by the General Secretariat (GS), planning for the implementation of the Government Program by the Public Policy Secretariat (PPS). In addition, there is only a limited connection between operational planning and medium-term budget planning, led by the MoF. **The lack of harmonisation between planning processes often led to multiplication of similar (if not identical) reporting information by staff of SABs.** Furthermore, in the case of PAR, there has been a duplication of document management systems. Also, while the institutions are in place to ensure a central government policy-making system, policy coordination faces challenges in practice due to formal and procedural issues, rather than to substance, resulting in weak strategic planning.<sup>45</sup>

**3.5.2 New centre of government architecture and the Law on Planning System of the Republic of Serbia.** Improved CoG functioning is considered to be an important objective of both PAR and EU integration. Efforts to achieve these objectives encompassed strengthening policy and legislative processes and outcomes at the central level, and the public policy-making structure. Although these issues had the attention of several Governments since the end of 2000s, the breakthrough came with the establishment of the Public Policy Secretariat (PPS) in 2014. PPS was established as a special organisation under the Law on Ministries. The AP PAR 2015-2017 charged the PPS with the 'Improvement of organisational and functional subsystems of public administration' and 'Raising the legal safety and promotion of the business environment and the quality of provision of public

<sup>44</sup>Excluded foreign language trainings and numbers are related only for classic trainings. Data provided by HRMS and NAPA

<sup>45</sup> EC Serbia 2016 Progress Report, November 2018, Link: <https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/20180417-serbia-report.pdf>



services<sup>1</sup>. **The formation of the PPS filled an institutional gap and created a basis for coordination of public policies and their alignment with the budget framework, towards the first integrated planning and budgeting system in the RS.**

With the adoption of the Law on Planning System of the Republic of Serbia<sup>46</sup> on 29 April 2018 (in force since 29 October 2018) and the adoption of the corresponding Regulation on the methodology of public policy management, impact assessment of public policies and regulations, and the content of individual public policy documents, and the Regulation on the methodology of drafting mid-term plans<sup>47</sup>, the key normative framework for a comprehensive and unified planning system and public policy management is in place.<sup>48</sup> PPS commissioned the development of an Unified Information System (UIS) for planning and monitoring the implementation of public policies. The UIS is operational since January 2019 for entering data and for reporting on public policy documents. A medium-term planning module shall be operational as of 1 June 2019. **The LPS introduces a system of accountability for results and creates a framework for measuring the efficiency of work in the PA.** It is expected that a coherent monitoring and evaluation system at the national level, including appropriate templates, will now be enabled as a result of the adoption of this law. The LPS also regulated with its Article 34 obligatory public consultations at all stages of the development of public policy documents.

Furthermore, under the lead of the PPS, Action Plans for the Implementation of the Government Program (APIGP) were prepared for 2015 (Pilot), 2016 and 2017, containing key PAR-related measures as priorities.

#### 4. Context of the PAR Strategy in Serbia and intervention logic

*In addition to providing a general overview of the PAR development agenda, this short chapter introduces the evaluation theme, i.e. the PAR Strategy, its design and intervention logic. It will also present the key stakeholders in charge of PAR Strategy implementation, as well as the strategy's reporting, coordination, monitoring and evaluation arrangements. **The full version of this chapter can be found in Annex 17.***

##### 4.1 PAR Strategy 2014, successor of SAR Strategy 2004

For the first time since the democratic changes in 2000, with its 2004 State Administration Reform Strategy (SARS), the GoS presented a strategic overview and main SA reform objectives.<sup>49</sup> These were two-fold: (i) building a democratic state based on the rule of law, accountability, transparency, efficiency and effectiveness, and (ii) developing an SA focused on citizens and capable of providing high-quality services to citizens and the private sector at reasonable costs. **The SARS declared five guiding principles for the reform implementation:** decentralisation, de-politicisation, professionalization, rationalisation, and modernisation. **The SARS modernisation focused on a number of key reform areas:** Decentralisation, Fiscal Decentralisation, Development of Professional and De-politicised State Administration, Rationalisation of State Administration, Introduction of Information Technologies, and SA Control Mechanisms. Unlike other strategies in the Balkan region, the SARS was broad and far from focusing on the civil service reform only. It was not time-bound, although two successive AP(s) covered the periods of 2004-2008 and 2009-2012.<sup>50</sup> **Also, in neither of the two APs were objectives time-bound, while their indicator baselines and target values were mainly related to passing laws.**

<sup>46</sup>Law on the Planning System of the Republic of Serbia (*Official Gazette of the Republic of Serbia*, No. 30/2018). Link: <https://rsjp.gov.rs/EN/wp-content/uploads/2018/07/Law-On-Planning-System.pdf>

<sup>47</sup> The development of both methodologies was supported by GIZ PAR Project.

<sup>48</sup>The Law was foreseen under the third measure of the first SO of the AP 2015-2017, improving the GoS policy management system.

<sup>49</sup>State Administration Reform Strategy. Link: <http://www.arhiva.drzavnauprava.gov.rs/files/dokumenta-7.pdf>

<sup>50</sup>SARS AP for the period 2004-2008 (link: <http://www.arhiva.drzavnauprava.gov.rs/files/dokumenta-9.doc>) and SARS AP for the period 2009-2012 (link: <http://www.arhiva.drzavnauprava.gov.rs/files/Pregled%20realizacije%20AP%20RDU.doc>).



A review of PARS, whose implementation started in 2015, shows that it inherited the SARS' five key reform areas. **The new strategy, however, extended these reform areas to the whole PA system.** The rationale for this extension was the need to ensure a functional unity and a standard quality of activities producing specific types of administrative operations and public authorities, irrespective of the entities which performed them (bodies, organisations, or institutions).

The PARS was developed based on a review of the previous strategy, and in consultation with various stakeholders. **Its scope expanded from around 25,000 SA staff to around 500,000 PA employees.** Its overall objective is that Serbia, through PAR and in line with the principles of the European Administrative Space, provides high-quality services to citizens and businesses, thereby positively affecting the living standards of citizens. The PARS identifies five specific objectives (SOs) to be achieved (see Table 9).<sup>51</sup>

**Table 9. Specific objectives of the PAR Strategy 2014** <sup>52</sup>

**SO1: Improvement of organisational and functional sub-systems of public administration**

This goal implies PA optimization (i.e. number and mandates of institutions, number of employees, organisational structures), and the need for PA institutions to manage their competences, coordination roles, operations and managerial tasks in respect to the goals. Also, it refers to e-government, digitalization, improvement of decentralization and deconcentration.

**SO2: Introduction of harmonised public service system relying on merits and improvement of human resources management**

To achieve this SO, the PA needs to improve its efficiency by establishing a merit-based system with regulated salary and reward system.

**SO3: Enhancement of public finance and public procurement management**

Achieving this SO requires improving efficiency in managing public finances, creating standards and capacity for internal and external financial control functions, and strengthening the budget inspection and public procurement systems.

**SO4: Enhancement of legal certainty and upgrading of business environment and quality of public administration services**

Legal certainty provides the framework for creating competitiveness and jobs, and thereby for achieving greater economic growth, creating better quality services to citizens and business.

**SO5: Improvement of transparency, ethical and responsible approach in discharging the public administration duties**

Citizen participation creates demand for transparency, greater involvement of civil society in decision-making processes and in creating and monitoring public policies. Achieving this SO also requires strengthening of independent state bodies in performing their control functions.

These five SOs are reflected in both PAR AP(s) designed for the operationalisation of the PARS, as well as their measures, although at times somewhat re-worded or altered. **Essentially, there is continuity of the specific objectives defined in the current PAR Strategy and the two APs.** The PAR Strategy and both AP(s) also demonstrate a high level of correlation with the SIGMA Principles, especially the AP 2018-2020.

## 4.2 The intervention logic of the AP PAR 2015-2017

In both AP(s), each of the five SOs is meant to be achieved by a number of measures, as detailed in Annex 6, which reviews continuity and coherence of PAR Strategy and AP(s) objectives and measures. These objectives and measures are summarised in Table 10 below. Under each of the 19 measures, the first AP lists a total of 47 outcomes under 19 measures, called "results". Although the

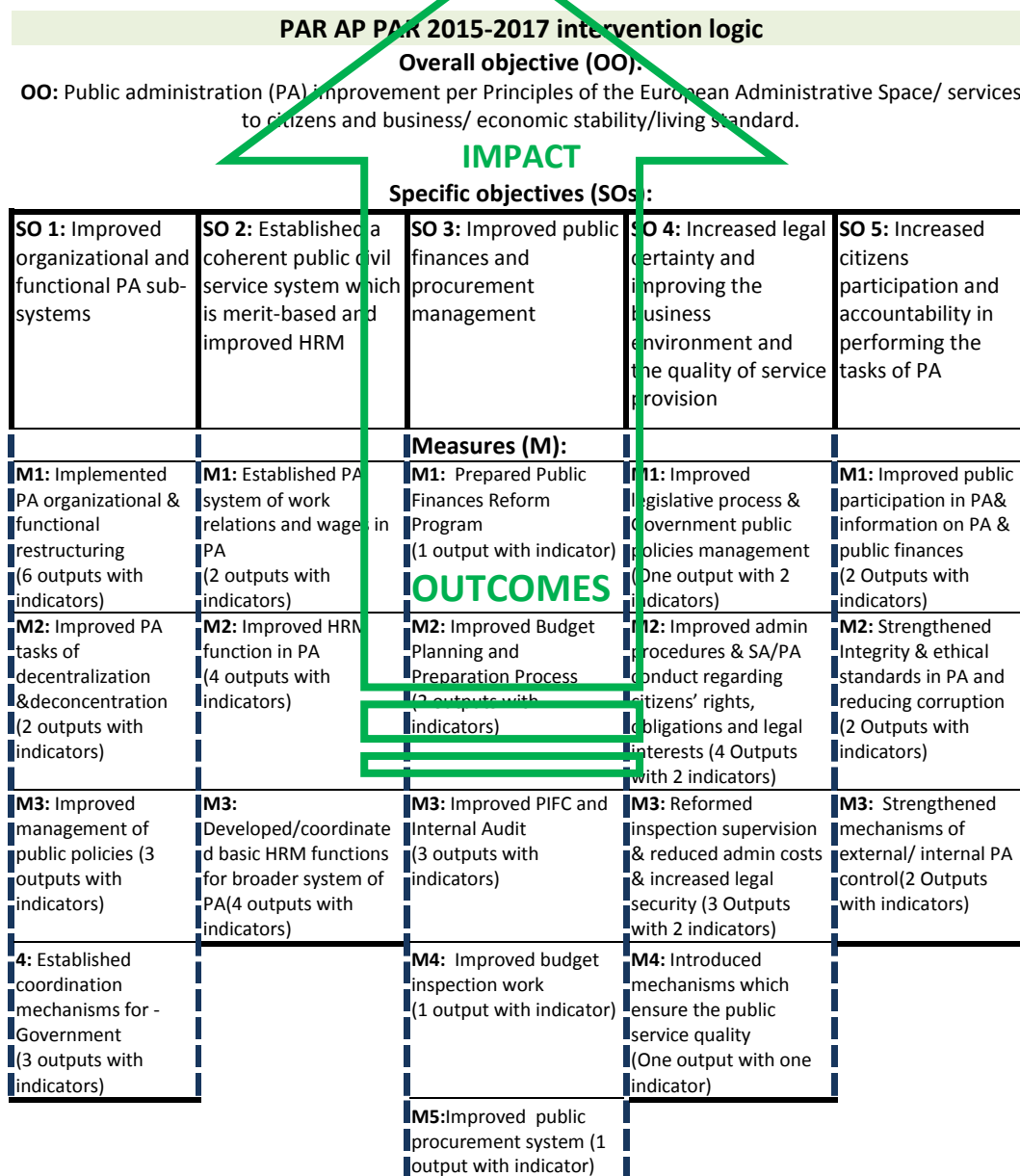
<sup>51</sup>Public Administration Reform Strategy in the Republic of Serbia, pp. 10-11.

<sup>52</sup> Public Administration Reform Strategy in the Republic of Serbia



PAR Strategy dedicated no focus on prioritisation, resources and capacities, efforts have been made in the AP(s) to prioritise the resources needed to implement the strategy, differentiating between government and donor-funded resources. **Comparing the two AP(s), evolvement is evident as the latter AP reflects upon both the achievements delivered and not yet delivered in the implementation of the first AP.** A number of activities (in place of "results") have been designed and adjusted to the developing circumstances, in order to contribute to the set of, now, 17 measures with process and outcome indicators assigned. Further information on the continuity of the AP(s) is provided in Annex 7, which compares implementation timelines of the two APs.

Table 10. AP PAR 2015-2017 intervention logic



Reflecting that the 2014 PARS is the horizontal strategy for PAR efforts in Serbia, two sorts of links have been identified with other core public policy documents of the GoS, so that harmonization of the AP PAR(s) with them is ensured. Under the umbrella of the PARS there are sub-sectoral strategies (sub-strategies) and lateral strategies and action plans.

Table 11. Strategies, programs and action plans related to the Implementation of the PAR Strategy



Strategies and Programs related to the Implementation of the AP PAR 2015-2017	
SO 1.3.	The Strategy for Regulatory Reform and Improved Policy Management System, 2016-2020; AP for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System, 2016-2017;
SO 1.4.	Strategy for e-Government Development for the RS for the period 2015-2018 with the AP for 2015-2016; AP for the period 2017 –2018 for Strategy implementation;
SO 2.3.	Strategy for professional development of employees in local units self-government in the Republic of Serbia and Action Plan for Implementation of the Strategy for the period 2015 -2016;
SO 3.1.	PFM Program 2016-2020 and Action Plan 2016-2020;
SO 3.3.	Strategy for Internal Financial Control Development in the Public Sector for the period 2017 – 2019;
SO 3.5.	Strategy for Development of Public Procurement in the Republic of Serbia for the period 2014 – 2018;
SO 4.1	The Strategy and AP for Regulatory Reform and Improved Policy Management System, 2016-2020;
SO 5.1.	First AP OGP 2014-2016. Second AP OGP 2016-2018;
Strategies and Programs related to the Implementation of the AP PAR 2018-2020	
SO 1.3.	Upcoming: AP for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System for the period 2019-2020;
SO 1.2.	Upcoming: Reform Program for Local Self-Government (LSG);
SO 1.4.	Ongoing: Program for E-Government Development 2019-2021;
SO 3.1.	Ongoing: The PFM RP review and new AP drafting;
Lateral strategies and action plans	
	The National Anti-Corruption Strategy of the Republic of Serbia;
	Action Plan for Chapter 23 in negotiations with the EU;
	Action Plan for implementation of the Open Government Initiative.

### 4.3 Key PAR Strategy implementing institutions

In an effort to recognise the institutions which may substantially influence the PARS implementation and to better understand the relationships between them, a key stakeholder review was performed as part of this evaluation. It is generally agreed that stakeholder analysis helps understanding the extent to which results have been achieved. However, a horizontal character of the PARS interjects various sectors. This presents a challenge to the job of soliciting any specific stakeholder interest and power-levels related to the whole PAR. **In short, ownership over the PAR agenda varies between stakeholders and is as fragmented as the PARS is wide and cross-cutting.**

The key implementing and reporting stakeholders for the AP PAR 2015-2017 include 16 institutions: the MPALSG, the PPS, the Office for Information Technologies and e-Government (ITE), the Ministry of Justice (MoJ), the MoF, the NAPA, the HRMS, the Ministry of European Integration (MEI), the Office for Cooperation with Civil Society (OCCS), as well as Senior Officials of Line Ministries and other Centre of Government Bodies; (see Annex 4 for a list of these institutions). The largest PAR donor, the EU (and by extension the EU Delegation to the Republic of Serbia) is another key stakeholder besides CSOs.

### 4.4 PAR strategic management within the MPALSG

While the PAR Council (PARC), presided by the Prime Minister, is in charge of the PAR on strategic and political levels, the MPALSG is the central institution in charge of the PAR implementation and its coordination on the operational level. Its Group for PAR Management within the Sector for the Development of Good Governance is in charge of coordinating PAR Strategy-related activities. It was the PARS which had identified the need for a strong internal organisational unit (Department) of the (then) Ministry of Justice and State Administration, to oversee the PA system activities (organisation and work of the ministry, special organisations, public agencies and public services). **Appropriate capacities were to be built by including under the job classification, the organisational units which**





would be responsible for the coordination of activities related to the PARS.<sup>53</sup> To that end, in 2014, the Department for PAR Management & Training was established, consisting of 5 employees, dealing with – *inter alia* – PAR coordination, ReSPA and Open Government Partnership (OGP) initiatives, as well as professional development of the civil servants. Furthermore, the AP PAR 2015-2017 stated that - with the new systematisation of MPALSG - an internal organisational unit for PAR management would be established. **This department was transformed in 2016 into a “group” and consisted of 3 civil servants only.** The formation of the PAR Group was the first step towards establishing dedicated internal MPALSG capacity for PAR. In the future, MPALSG is expected to focus on organisational strengthening and capacity-building, as part of the restructuring process within the MPALSG.

#### 4.5 Reporting, coordination, monitoring and evaluation of the PAR Strategy

The PARS determined an organisational structure for its implementation, coordination and monitoring. All GoS bodies in charge of implementing the PARS (16 in first and 15 in the second AP) must regularly provide the MPALSG with data on progress, on the basis of which progress reports are drafted. Annex 4 contains the list of the reporting institutions. After being processed by the MPALSG, the reports should be discussed by the Inter-Ministerial Project Group (IMPG) and (initially) at the meeting of the Collegium of State Secretaries (which has later been removed from the management of PARS implementation). Once a year, as a minimum, findings from the reports (prepared by the MPALSG) are to be discussed by the PAR Council. The MPALSG published the final progress report covering the period 2015-2017 in March 2018. In order to effectively monitor the implementation of PAR and the AP(s), and report on such matters, an effective and adequate functioning of the reporting system and management structure and mechanism for monitoring is crucial. Whether PAR will be successful also depends on the way its implementation is coordinated and managed. As described above, the PARS has laid the foundation for the four-level structure of managing PAR: “The first and the second levels are the levels of professional coordination, while the third and the fourth levels are the levels of political coordination of the PAR process”<sup>53</sup>, as detailed in the following paragraphs:<sup>54</sup>

**1. The first level of coordination is the Ministry for Public Administration and Local Self Government (MPALSG).** The MPALSG acts as the accelerator of change, and to secure PAR implementation and monitoring. As the first step towards the needed capacities for the fulfilment of these tasks, the new 2015 systematisation of MPALSG has established a new organisational unit for management of PAR, the PAR Group with the following tasks: **(i)** Coordination and participation in preparation of development strategy and action plans in the area of PAR; **(ii)** Coordination and participation in the preparation of action plan for Open Government Partnership implementation; **(iii)** Professional tasks for the needs of the PAR Council and the inter-ministerial project group (IMPG); **(iv)** and preparation of reports in the European integration process from the aspect of the implementation of the strategies and action plans in the field of PAR and Open Government Partnership.

**2. The second level of coordination is the inter-ministerial project group (IMPG).** The IMPG is tasked with performing the expert coordination and monitoring of the PARS implementation – and is formed of Secretaries of the Ministries. The IMPG was first established for the period from January 2015 to December 2017. After the adoption of AP PAR 2018-2020 in July 2018, a new IMPG was established on 26 October 2018 by the GoS. Its specific tasks include: (i) taking part in the drafting of strategies and action plans in the PAR process; (ii) participation in all relevant initiatives and projects in the PARS (within the regular revision of the PARS, and in the development of the new PAR Strategy, respectively) and recommending the inclusion of certain activities in the Annual Work Plan of the Government (in cooperation with MPALSG); (iii) harmonisation of other national strategic

<sup>53</sup>Public Administration Reform Strategy in the Republic of Serbia, page 52.

<sup>54</sup> Details regarding the four level structure are taken from the Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017, pages 63-67



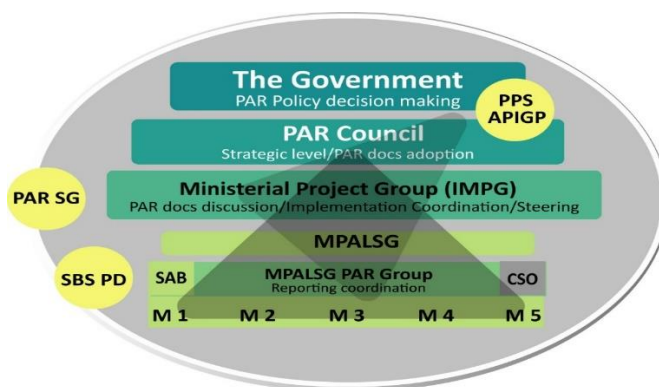
documents with the PARS (in cooperation with PPS and GS); (iv) adoption of the report on the results achieved by the PARS and AP, based on the analyses and proposals developed by the MPALSG; (v) prepare proposals to the PAR Council, to discuss and adopt decisions on which consensus was not reached within the work of the IMPG; and (vi) participation in the evaluation of the PARS (each member within the scope of his/her authority).

**3. The third level of coordination is the Collegium of State Secretaries.** It was envisaged that this body resolves the issues which could not be resolved at the technical level. However, due to its limited effectiveness, the 2016 SIGMA report “Overview of the coordination structure for the PAR Strategy”<sup>55</sup> recommended elimination of this level. The GoS and the PAR Council adopted this recommendation in July 2018<sup>56</sup> and August 2018<sup>57</sup>, respectively.

**4. The fourth level of coordination is the PAR Council.** This council, composed of the Prime Minister and line Ministers, is the central strategic and political body for the coordination of PAR by the GoS. It has the overall responsibility for guiding PAR and defining the priorities and proposals for the strategic development of PA in Serbia. Unlike the IMPG, the PAR Council is thus not limited to the PARS. The main tasks of the PAR Council are: (i) defining proposals for the strategic development of PA in the GoS; (ii) initiating and proposing PAR measures and actions to the GoS; (iii) discussing and adopting reports on achieved objectives in connection with the PAR agenda; (iv) promoting and monitoring the implementation of PAR, especially from the perspective of integrating the principles and goals of PAR into sectoral development strategies and planning documents; and (v) discussing and providing preliminary opinions to the GoS about development strategies, draft laws and other legal documents related to the organisation and work of the GoS, PA bodies and in particular those proposing the incorporation of new state authorities, organisations, services or bodies of the GoS.

Besides the above explained coordination structure set by the PARS, another PAR reporting process is in place between the PPS and the MPALSG in relation to those PAR objectives found in the APIGP coordinated by PPS. Out of 22 SOs of the most recent APIGP, adopted by the GoS on 7 November, 2017 contains two specific SOs for PAR: e-Government (3.4) and PAR Optimisation and Salaries Reform (3.5). These PAR objectives have been prioritised by the GoS, as well as by the Stop to Bureaucracy Action Plan (2016) implemented by the Delivery Unit in the PM’s Office. The following graph shows how these separate strategic realms (APIGP and AP PAR) interact:

**Table 12. PAR Coordination Structure**



<sup>55</sup> OECD/SIGMA (2016): Overview of the coordination structure for the Public Administration Reform Strategy: December 2016; Link: N/A

<sup>56</sup>On 6.7.2018, the GoS adopted the amendments to the PAR Strategy's coordination structure, which changed it from a four-level to a three-level structure. The College of the State Secretaries was abolished, per recommendations from the 2016 SIGMA analysis.

<sup>57</sup>Decision on the PAR Council (*Official Gazette of the Republic of Serbia*, No. 66/18). Link: N/A



## 5. Report findings, conclusions and recommendations per the evaluation matrix

Against the background of Chapters 3 and 4, the intent of this chapter is to present the evaluation analysis and key findings following the order of the evaluation questions (EQs), structuring the analysis based on the main evaluation criteria: Relevance (EQ1 and EQ2), Effectiveness (EQ3, EQ4, and EQ5), Efficiency (EQ6, EQ7, and EQ8), Sustainability (EQ9), and Impact (EQ10). In addressing the evaluation criteria, the narrative will respond to the corresponding EQs, judgment criteria and the corresponding indicators, as identified in the Evaluation Matrix (see Annex 1), and provide a summary analysis of the findings. Each EQ section will be opened with a summary of findings and conclusions, followed by detailed overview of the findings, and followed by the corresponding recommendations.

### 5.1 (Relevance) EQ 1: Relevance of the PAR Strategy and the two AP(s) objectives

**Summary findings and conclusions for EQ 1** The PARS, AP PAR 2015-2017, and AP PAR 2018-2020 are variably SMART in their designs. All three documents are highly relevant, and adequately reflect the external and internal realities of EU-integrations existing at the time. However, the PARS has a number of shortcomings from today's point of view, related to the present PAR needs.

There is no sign in the PARS how (if at all) a prioritisation amongst competing reform needs was conducted. On the other hand, some prioritisation within the adopted strategy did happen due to fiscal consolidation and through the APIGP (e.g. optimisation, e-Government). Furthermore, the PARS lacks a comprehensive definition of PA, a stakeholder analysis, a clear designation of jurisdictions of SABs and a concept for effective coordination. Moreover, the strategy has been written as an academic rather than a public policy document, without addressing the causes or assigning SMART elements. Consequently, PARS neither adequately defines the content of the reforms, nor does it enable performance measurement. The PARS also lacks indicators, consideration capacities and resources required for implementation, and it focuses rather on the output instead of the outcome-level. The PARS is also not time-bound. These factors contributed to challenges in implementation and follow up, as it will be demonstrated later in this report. Finally, the strategy is in a need of harmonisation with the LPS and the 2017 SIGMA Principles and revising its objectives in terms of completed and potential new reform themes. The new ones, such as the public services or open data, but also paperless e-Government and other PAR opportunities and objectives such as gender and climate change related objectives.

Both AP(s) ensured continuity of PARS objectives and measures while adding new ones (incl. gender-related measures). However, the strategy's deficiencies limited the level of quality of the two AP(s). The first AP innovatively introduced SMART elements but ultimately was overly ambitious and only to a point enabled effective monitoring for outcome level results. The second AP was more streamlined, with clearer reporting lines and more usable monitoring data. The AP 2018-2020 absorbed a number of unmet AP 2015-2017 objectives. The second AP is nearly in full compliance with the LPS, but the overall PARS is not. Albeit gender-neutral, PARS lacks situation analysis which processes gender and climate change as cross-cutting issues. Some key PAR themes are insufficiently covered in the PARS and the AP(s) e.g. change management, communication, or efforts to develop a comprehensive policy for service delivery. Also, although covered by the LPS, a policy on the hierarchy of strategic public policy documents is yet to be made.

The objectives of the PARS and two PAR AP(s) corresponded to the capacities of key implementing stakeholders only to a degree. On one hand, PARS implementation increased the overall workload of the PA. On the other hand, the implementation was chiefly affected by gradually decreasing PA workforce and capacities, rationalised in line with the requirements of the fiscal consolidation efforts. In essence, more work was to be done by fewer people. In addition, low staff retention, weak managerial accountability, and a lack of specific competences and skills for newly assigned tasks impeded an adequate match of capacities for achieving timely the desired objectives.



**Stakeholders inclusion in the drafting of the three documents was gradually improving. The development of AP PAR 2018-2020 was exemplary in terms of the high level and wide array of different stakeholders involved, but still short of full transparency of the process, and a gender mechanism.**

### 5.1.1 JC 1.1: Extent to which the objectives of the PAR Strategy and the two AP(s) are SMART and relevant

*PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 are variably SMART<sup>58</sup> in their designs with coherent objectives mostly relevant to actual reform needs (Indicator- 1.1.1., hereafter I-1.1.1.). In fact, the PARS is not SMART while AP(s) to large extent meet the SMART criteria. All three documents reflect on the reality of the time, addressing PAR needs in light of EU accession, but without prioritisation, without properly assessing costs and capacity needs and without comprehensively covering service delivery. Most of the PARS specific objectives (SOs) are still relevant, however, as major progress has been made toward several SOs, they shall be re-assessed and adjusted to new, future needs on the horizon until 2025.*

The PARS inherited from the previous strategy the principles and key SA reform areas and has extended these to the PA system. The 2014 PARS enlarged the scope of PA from around 25,000 state administration (SA) to around 500,000 public administration (PA) employees. The strategy links PAR and EU integration and recognises them as two complementary processes. Hence its overall objective focused on PA in line with the principles of the European Administrative Space, emphasising the development of high-quality services. Furthermore, the PAR Strategy and both APs, demonstrate a high level of correlation with the 2014 SIGMA Principles of Public Administration, although the PARS structure was developed before the publication of the SIGMA Principles. In order to further examine the overall quality and relevance of the PAR Strategy, the evaluation team conducted a SWOT analysis, based on comprehensive inputs from the evaluation process i.e. interviews, focus groups, and surveys.<sup>59</sup>

**Table 13. PARS SWOT analysis**

1. Key internal factors	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>&gt;Responds to the EU integration needs</li> <li>&gt;Widened focus to cover the whole PA</li> <li>&gt;Addresses key PA problems</li> <li>&gt;Inherits still relevant PAR principles from Strategy 2004</li> <li>&gt;Addresses M&amp;E and management mechanism</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Externally driven process with limited ownership</li> <li>&gt;Unclear in terms of the exact scope of PA</li> <li>&gt;Written in an academic rather than public policy style</li> <li>&gt;How-focus as opposed to what-focus</li> <li>&gt;Focus on norms and outputs and not reform outcomes</li> <li>&gt;Lacks definition of institutional operational responsibilities, situation and stakeholder analysis</li> <li>&gt;No clear theory of change/intervention logic, not duly prioritized and sequenced</li> <li>&gt;Lack of performance measurement framework and is not time-bound</li> <li>&gt;No alignment in terms of PA capacity needs, financial resources or change management</li> </ul>

<sup>58</sup>Specific, Measurable, Attainable, Realistic and Timely.

<sup>59</sup> Thematic Focus Groups PARS scope, design, relevance, priorities, and capacities held at the MPALSG Serbia-Korea Information Access Centre on 16 November 2018 and Survey questionnaire # 1: PAR Strategy scope, design, relevance, priorities, and capacities.



> Limited focus devoted to service delivery, gender, etc.

### Internal factors summary...

There is a clear degree of relevance of the PAR Strategy (and the two AP(s)) that comes from the fact that the two AP(s) were intended to address a number of problems outlined in assessment and progress reports produced by the EC, SIGMA, and the WB. The PAR Strategy is formally aligned with the EC enlargement strategy, and reflects the requirements of the national PA system in light of the SAA and the Principles of the European Administrative Space. The PARS specifies the PA needs in terms of EU accession, in line with the National Program for the adoption of the EU *Acquis*. The five SOs aligned with the 2014 Principles. The strategy has enlarged the scope of administrative reforms from SA to PA and emphasises the importance of public services - short from envisaging the need for a comprehensive policy on public services. It also inherited principles, reform themes, specific objectives and an additional crosscutting objective relating to control mechanisms, from the 2004 PAR Strategy. Also, it contains a number of other relevant mechanisms and principles, such as those related to the monitoring and evaluation process, and those specifying the tasks of the IMPG.

**However, the strategy development process was strained in a specific external and internal context (report part 3, and Table 3) and was externally driven in terms of its deadline for adoption (adopted at the last GoS session before the elections in 2014), which explains certain deficiencies, from today's point of view.** Given these constraints, ownership of the strategy on the part of the SA was limited. The PARS defined the scope of the PA and **introduced the concept of PA, but without clearly defining its boundaries.** This lack of conceptualisation resulted in challenges for AP planning and implementation. The strategy sets different types of objectives at the same level, without prioritization or clear sequencing. Written as an academic rather than a public policy document, it lacks a full situational and stakeholder analysis, as well as a full set of characteristics of a public policy paper. The strategy lacks an institutional (stakeholders) analysis and a clear definition of the institutional framework, in relation to the set objectives. Only the APs define the institutional framework and the key coordinators in other institutions needed for horizontal operations.

In addition, the strategy speaks of "how" rather than "what", thus not adequately defining the content of the reforms. It is focused on norms and outputs, rather than on the desired reform changes on the level of outcomes and impacts. It does not set any indicators for performance measurement of progress towards objective. It has a limited focus on the quality of public services and the needed policy, without considering open data, change management, or paperless e-Government opportunities and objectives. The same lack of policy focus is true, for example, for capital investments. **PARS does not consider existing internal resources and needed general, financial, administrative and HR capacities (HRM, HRD, retention, talent management, recruitment, job planning, etc.) or change management mechanisms.** Yet, all these resources were needed for attaining the set objectives, enlarged by those related to the EU accession process.

## 2. Key external factors

Opportunities	Threats
> Build on achievements made	> Ownership gaps
> Revisit PAR link to EU integration in accordance with upcoming needs	> Not adhering to the LPS
> Accumulated knowledge on PAR	> Lack of focus and prioritisation
> Comprehensive legal framework in place	> No scoping and consideration of available resources
> Intensive donor interest in PAR and SIGMA support	> Overambitious planning
> Chance to improve PARS	> Lack of sufficient finances

### External factors summary...



The identified potential future opportunities include building on achievements in the area of PAR and in linking PAR more closely to needs arising from the EU accession process. There have been opportunities to exploit accumulated knowledge on PAR (both during design and implementation) since 2014, and there are new opportunities arising from the comprehensive legal framework (the LPS), which is now in place. There is also intensive donor interest (especially from the EU) in PAR and there are opportunities to address limitations of the previous strategy, e.g. through a wider definition of service delivery, establishing a policy on public services and addressing services for citizens and businesses at the strategic level. Such measures would provide for new content for a growing number of e-services, and for other areas such as of PFM. New electronic tools can be used more widely, e.g. for strengthening the fiscal balance and reducing tax evasion. Opportunities exist to determine the function of public services - whether it will be "outsourced" or internally strengthened through new capacities - and to build capacities, initiate structural changes, and establish new functions and new jobs that do not exist in the current system, but will likely emerge as a result of progressing EU integration. Further opportunities include capacity building for HRM as a separate objective or measure in its own right. **PARS could become a comprehensive strategy that is not "just an MPALSG strategy", but a strategy owned by a wider set of stakeholders.** Opportunities also lie in considering new PAR themes, e.g. cross cutting issues such as climate change, and/or gender equality, and in further utilising additional SIGMA (and other TA) support.

A strong EC message on the importance of progressing on the PAR agenda supports the renewal of the PAR strategic framework. **A broad coalition of political support for a new or adapted strategy is now needed, as well as increased GoS ownership.** Successful fiscal consolidation, a favourable economic outlook, and the legal foundations of a unified planning system, present opportunities to improve the current, or develop a new PAR Strategy, more adequate to future PAR needs.

**Key threats include a lack of ownership undermining effective AP design and the overall implementation effort of PAR, and failure to comply with the LPS.** Trying to implement an overambitious AP, without mapped and matched capacities, may hamper its credibility and the credit of the whole PAR effort. Without sustainable access to finance, every AP, and the whole PAR effort, will continuously face implementation challenges. Without full compliance of the strategy with the LPS, and adherence to SIGMA standards for strategy design and functionality, the strategy will likely drift further into anachronism.

The need for sufficient GoS resources and political level ownership and commitment to PAR is critical. There is also a need for comprehensive support to the LPS implementation, towards unified public policies design, planning, implementation, reporting, monitoring, coordination, and evaluation processes. PAR, in its entire scope and with prioritised objectives, needs to become key strategic priority of GoS.

*As shown above, there is no indication of prioritisation in the PAR Strategy. Only certain level of prioritisation was applied to the design of AP PAR 2015-2017 and AP PAR 2018-2020 (I-1.1.2).<sup>60</sup> The first AP could not define the priorities because there is no relevant foundation for prioritisation within the strategy. The strategy provides different types of objectives but puts them on the same level and does not prioritise. In the absence of a prioritised PAR strategy, the RS also lacks a development strategy to guide the AP prioritisation.<sup>61</sup>*

*The SIGMA Serbia Monitoring Report 2017 assessed prioritisation of PAR in key horizontal planning documents as partly adequate.<sup>62</sup> According to sub-indicator 1.1.1.2 "there is a high level of prioritisation of PAR in key horizontal planning documents", scored one of two points. This score was based on a review of central planning documents of government, to verify to what extent PAR is identified as a priority. These documents include the Government Work Plan; the Economic Reform*

<sup>60</sup>SIGMA meeting on 16.10.2018.

<sup>61</sup>Meeting with NAPA on 20.09.2018.

<sup>62</sup> SIGMA Monitoring Report for Serbia (2017), page 13.



Program and the NPAA. To be considered “covered”, each document under assessment must include substantive sections or areas dealing with PAR.

**However, this does not mean that certain prioritisation measures did not take place.** As noted in many places in the AP PAR 2015-2017 Final Report, the GoS prioritised the fiscal consolidation measures, i.e. the PA rationalisation (measure one in SO 1), over other AP objectives, e-Government efforts, new services for citizens and the businesses, and civil service reforms. Hence, while there was no prioritisation in both AP(s) at the level of results, its activities and interventions were prioritised. Moreover, adding a new measure in the two AP(s), such as the one on quality of service delivery, indicates a certain prioritisation in the design of the two AP(s).

As shown in Annex 6, *there is a substantial coherence among PAR objectives between the PARS, AP PAR 2015-2017, AP PAR 2018-2020 and the two AP(s) and relevant sub-strategies and programs (I-1.1.3.)*. However, encompassing all PAR-planning documents, in the SIGMA 2017 Monitoring Report, the value of sub-indicator "coherence of PAR planning documents" was two out of four points.<sup>63</sup> This SIGMA indicator measures if there are significant differences between the key PAR plans (PAR, PFM, e-Government) in terms of objectives or activities.

The pioneering nature of the AP PAR 2015-2017 and gradual emergence of new sub-strategies, combined with complicated procedures for AP revisions, in part explain the lack of coherence between PAR policy documents. The improvements in the AP 2018-2020 (from the AP PAR 2015-2017), in connection with the adoption of the LPS, were important steps to increase coherence of PAR related policies. The implementation of the LPS is an integral part of the AP PAR 2018-2020 as a part of its Measure 1.3. In conformity with the LPS, all activities from other strategies, sub-strategies or action plans, which contribute to the identified objectives of the PAR Strategy, were taken over by the new AP PAR 2018-2020, using identical formulations and a clear referencing of indicators and timelines. **The UIS module for data entry and reporting on public policy documents implementation has been operational in January 2019. This module is likely to contribute to greater coherence among policy documents. The UIS module for medium-term planning is scheduled to be operational as of June 2019. Although addressed by the LPS, a policy on the hierarchy of strategic public policy documents is yet to be developed, adopted and applied.** After the adoption of two regulations of the LPS, the process of establishing a full hierarchy of strategic public policy documents with the LPS is expected to happen, when the revision or redrafting of these documents takes place. However, the LPS does not state any definite deadline until which this will be done.<sup>64</sup> With the new LPS, there is a framework in place for better aligning different levels of planning documents, provided that the developers of planning documents work together. For the time being different timelines of different PAR documents and sub-strategies remain an issue in terms of the hierarchy and call for more harmonisation efforts in the mid-term.

The SIGMA 2017 Monitoring Report for Serbia states that the strategic framework for PAR in RS has been fully established and covers the full scope of the Principles. According to sub-indicator 1.1.1.1 there is a "full coverage and scope of PAR planning documents" justifying the assignment of a value of five out of five.<sup>65</sup> In this context, it has to be noted that an important PAR planning document, the Decentralisation Strategy, has been on the annual Government Work Plan since 2016. However, this document is yet to be drafted and adopted, in accordance with the LPS, as a local self-government (LSG) Reform Program.

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<sup>63</sup>*Ibid*,

<sup>64</sup> Clarification, PPS, 8.4.2019, "The harmonization procedure has been clearly regulated by the Law on planning system of Serbia and Regulation on the methodology of public policy management, impact assessment of public policies and regulations, and the content of individual public policy documents. In that regard, Article 55 of the Law on planning system of Serbia regulates the issue of Requirement of Aligning Public Policy Documents in Force, as follows: 'Valid public policy documents shall be aligned with this law with first amendments thereto.' The above provision has been further detailed in the Article 63 of the Regulation on the methodology of public policy management, impact assessment of public policies and regulations, and the content of individual public policy documents."

<sup>65</sup>*Ibid*.



*With regard to the content of the two AP(s) (I-1.1.4.), a major downside of the strategic framework of PAR in Serbia is – in accordance with the SIGMA methodology<sup>66</sup> - the lack of a full scope of indicator elements (base values and targets), as well as prevalence of output instead of outcome-level indicators without which it is not possible to assess whether and how well the outcome level results compare to what was planned. Outputs are the immediate results of activities and as such cannot on their own achieve the desired change. Typical outputs are transferring knowledge or creating new instruments. A number of well-designed and achieved outputs can, over the medium term, lead to new outcomes, which reflect on a sustainable behavioural change towards improved practice. **The outcome level is key for any reform.** The effective result chains are comprised of carefully designed outputs and outcomes. These results, together with activities and impacts, comprise results chains, establishing a theory of change. The AP PAR should be exactly that, a theory of change. A struggle for giving more emphasis to outcome-level results started with the AP PAR 2015-2017 and continued with the AP PAR 2018-2020. This struggle was challenging, because the PAR Strategy itself does not contain any indicators, let alone at the outcome-level. Consequently, performance against the SIGMA sub-indicator "presence of minimum content of PAR planning documents", is only three out of seven.<sup>67</sup> Based on this methodology, however, the AP PAR 2018-2020 would likely score better results. This AP has the full array of requested elements, although a great many indicators are process rather than outcome related. **There is a possibility to revise APs exists, but the procedure is complex and time consuming. The LPS stipulates the specific conditions for developing an AP. Article 63 of the Regulation on the methodology of public policy management, impact assessment of public policies and regulations, and the content of individual public policy documents regulates the development of a draft, and/or proposal for the amendment, of a public policy document, and/or regulation.**<sup>68</sup>*

Nonetheless, given the deficits of the PAR Strategy, and the positive macro-economic circumstances, the two AP(s) faced the challenge of effectively interpreting and designing actual operational measures in line with the strategy's objectives. The AP PAR 2015-2017 ensured continuity of PAR Strategy objectives and measures while adding new objectives and measures, regarding the human resources development (HRD), budget inspection, and the quality of public services. The AP also altered the planned sequencing of activities in the strategy. Rather than the PARS, the AP starts from functional analysis and the context of the rationalisation on to the PA register. This change originated from the GoS fiscal consolidation effort, a reform agenda agreed with the IMF and the WB. **In the absence of any prioritisation by the Strategy, the AP attempted to adopt all results elements from the strategy as its goals, clearly making the AP overly ambitious.**

The implementation of the AP PAR 2015-2017 was initially slow, due to a lack of prioritisation and delayed funding. AP implementation largely depended on external and often delayed funding. Budgeting for policies at the start of 2015, did not yet benefit from a functioning mid-term financial framework. Limited existence of costing was also an issue due the absence of a methodology, lack of capacities, and limited involvement of the MoF.

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<sup>66</sup> The applied SIGMA methodology for determining this quality involved review of PAR documents to verify to what extent they include systematic information on the following elements: 1) situation analysis, including identification of existing problems; 2) policy objectives; 3) outcome-level indicators for all policy objectives of the strategy; 4) target values for over 90% of the outcome-level indicators, obligatory for the end ones; 5) activities linked to specific institutions, with clear deadlines for completion; 6) estimates for resource needs, with costing information provided for at least 75% of planned activities; 7) monitoring, reporting and evaluation requirements specifying institutional responsibilities and frequency of reports. Methodological Annex for the Principles of Public Administration (2017), p. 11.

<sup>67</sup> OECD/SIGMA Monitoring Report for Serbia (2017), page 13.

<sup>68</sup> Clarification, PPS, 8.4.2019, „If a need is determined for harmonization of the public policy document under their competence with the goals as per articles 60 and 61 of the Regulation hereof, and/or the effects from Article 62 of the Regulation hereof are found to be unsatisfactory, they shall produce a draft, and/or proposal for amendments to the public policy document, and/or regulation, implementing all steps prescribed by the regulation hereof for an ex-ante impact assessment. In case of amending measures envisaged by a public policy document, it is necessary to amend the document, and if they are only amending activities within a specific measure, it is sufficient to change the action plan, if the action plan is not integrated into the public policy document“.





Nevertheless, the AP 2015-2017 was a pioneering effort to design a SMART AP, in contrast to most AP(s) of other sectors and especially to the SARS (2004) and its two AP(s). However, it contained only one overall indicator for "Government Effectiveness", compiled by the World Bank, rather than a set of domestic and customized impact indicators. The SIGMA Principles' indicators were attached to the five SOs also for monitoring 47 planned results. **However, the 19 measures were left without a possibility for measurement, as no indicators were attached to them.** Instead, these measures were planned as "containers" for a number of different "results"- as the outcome objectives are misleadingly called in this AP, i.e. these results were actually meant to be outcome-level objectives. Finally, there were 223 activities placed under the 47 planned results, some of which are outputs. **Thus, the AP PAR 2015-2017 established a complex five level structure with 223 activities, 47 results, 19 measures, five specific objectives, and one overall objective.**

The challenge of dealing with the strategy's deficiencies and the enormous tasks of encompassing all horizontal PAR objectives and sub-strategies and programs, without systematic prioritisation, compromised the quality of the AP design, which has no coherent theory of change, lacking clear and actionable result chains with a logical sequencing from activities via outputs to outcomes and impacts. **Furthermore, the fact that a total of 16 different institutions were tasked to report on implementation, made it additionally difficult to ensure a comprehensive, timely and effective monitoring of the reform.**

**On the other hand, adjustments to the AP were hampered by an overly long and bureaucratic procedure.** Consequently, the AP was never changed, which in effect made it less of an instrument for monitoring than a catalogue for what is to be done. In the absence of a light and flexible procedure for changing APs, MPALSG developed a document entitled "indicator passports". This document contains all the needed information missing from the AP and has been regularly updated, but could not replace the AP as an instrument for monitoring the PAR implementation toward the intended outcomes.

*The AP PAR 2018-2020 made a huge leap forward, based on lessons learned, but was still burdened with the deficiencies of the underlying strategy.* This AP is largely aligned to the SIGMA 2017 measurement framework when it comes to performance measurement, and is generally compliant with the LPS. With the help of SIGMA TA and the EC policy dialogue, the new AP made advances in terms of streamlining and designing more SMART objectives and indicators. **Thus, the results became more easily measurable.** Its design also benefited from an improved costing methodology connected to the medium-term expenditure framework (MTEF) and increased GoS financial commitments in comparison to the past AP. The AP took over a number of objectives not attained in the previous AP. As a result, many activities were planned for 2018, which was again overly ambitious, as demonstrated by an implementation rate of only 41%. The AP introduced a four-level design with 92 Activities, 18 measures, five SOs, and one overall objective (OO), leaving the "result" level of the previous AP out. **A big improvement is that now measures have indicators and their implementation progress can be monitored.** Although many of these indicators are process-oriented rather than outcome-oriented in their nature, this represents a huge advancement and probably the best solution for a gradually evolving measurement framework of such horizontal nature. In addition, the AP has a total of 40 indicators, which make it much easier to follow and steer implementation than it was possible with the 88 indicators of the previous AP. The objectives are clearly assigned to stakeholders and implementers, in line with the methodological requirements of the LPS, in both the AP and the document on passport indicators. The document on passport indicators has been improved in terms of its details. Also, policy instruments, defined by law, have been designed for each measure.

In sum, the AP 2018-2020 is more SMART and functional, and will be easier to report on, monitor and steer. The new AP still uses a similar set of indicators for its OO and SOs, except that it now has a range of custom-made indicators attached to the 18 measures. A major advance is that now there is an improved scope of monitoring results related to the level of LSGs. The target values appear



realistic, in contrast to some timelines for the finalisation of implementation. Some target values have not targets clearly marked as either cumulative or iterative.<sup>69</sup> Although some of the measures have too few activities (e.g. in SO 3, measure 3.2. has only three activities, while in some other cases there are only two activities supporting a measure). However, the result chains appear mostly sequential, actionable and ultimately leading to the intended outcome level changes, or at least contributing to those. **Hence, a focus on results with SMART monitoring elements is there. Moreover, now there is a full and clear explanation on who is measuring what, and when.** Remaining issues include the need for more effective coordination, monitoring and steering and for further gradual improvements of SMART-ness and outcome focused monitoring of the PAR framework.

*The reform-orientation of PAR activities (I-1.1.5.)* is reviewed using the SIGMA Sub-indicator 1.1.1.5 entitled "the level of the reform orientation of the activities in the PAR planning documents". For the AP 2015-2017, the SIGMA Report finds that a relatively large share of activities is not reform-oriented. On average in the three PAR documents, only 69% of the activities were found to be reform-oriented. This means that almost one-third of the total of 388 activities in these plans is oriented to regular or day-to-day business, not toward reforms. As a consequence, SIGMA assigns against this indicator only one of three points<sup>70</sup>. The applied methodology involves an expert review of PAR documents to analyse the extent to which the activities planned will involve reforming the system of PA and changing the behaviour of the stakeholders involved. The analysis differentiates between regular activities (e.g. annual reports, monitoring, etc.) and reform-oriented activities, which contribute to the desired changes. For example, the relocation of the State Audit Institution (SAI) to new premises, in order to be able to also audit the defence sector (in compliance with the strict international audit standards) is viewed as an administrative activity, rather than a reform-oriented AP PAR activity<sup>71</sup>.

*Compliance of the PAR Strategy and the two AP(s) with the new Law on Planning System of the Republic of Serbia (LPS) (I-1.1.6.)* varies. As noted earlier in the report, the new law introduces a system of accountability for results, which entails that overall and specific objectives of policy documents now have to be SMART. While the PAR Strategy and the first AP are low in compliance, the AP PAR 2018-2020 is nearly fully in compliance to the LPS. Finally, all current PAR strategic documents, including the AP PAR 2018-2020, are to stay the way they are until their expiration. Future strategic documents, however, need to either comply with the LPS, or should not be adopted by the GoS.

*The relevance for cross-cutting issues (gender and climate change) found in the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 is low (I-1.1.7.).* **Although the PA in RS may not be ready yet for increased presence of gender equality and climate change in the context of the PARS, this does not mean that these issues need not be found there** ("putting a foot in the door").<sup>72</sup> The Strategy is "gender-blind" and not based on gender analysis. It does not contain gendered targets, measures, baselines, or outcome indicators. Even though it recognises that its implementation will provide for realisation of human rights, it fails to mention gender. This is mainly because gender has not been a priority in the preparation of this document and because there is little commitment to gender mainstreaming. The prevailing understanding is that gender is tackled "by the institutions with the official authority for gender issues." Hence, gender continues to be a separate issue to be handled by the GoS Coordination Body for Gender Equality.<sup>73</sup>

The AP PAR 2015-2017 relates to gender equality in two ways: gender budgeting in SO 3 and creating conditions for effective work of the Commissioner for Protection of Equality in SO 5. However, the

<sup>69</sup> Cumulative targets add on to previous targets while iterative targets don't.

<sup>70</sup> SIGMA Monitoring Report for Serbia (2017), page 13.

<sup>71</sup> Meeting with SAI on 10 December 2018.

<sup>72</sup> Meeting with the CEP on 04 December 2018.

<sup>73</sup> To see more, go to <https://www.mgsi.gov.rs/lat/coordination-body-gender-equality>



indicators and target values remain gender-blind. As a result, the implementation does not integrate a gender perspective and hence does not show the gender analysis of the annual and semi-annual reports for implementation of the PAR Strategy. The gender aspect was not embedded in the analytical work when the SOs and the corresponding measures were developed. The Coordination Body for Gender Equality was not included in the working group for development of the PAR Strategy. Instead, the ministry in-charge of the Coordination Body was invited.

The AP PAR 2018-2020 does not deal explicitly with issues of gender equality, but it includes an affirmative measure in order to achieve gender equality through activity 2.1.2, which refers to amending the Civil Service Law and the possibility of consecutive performance appraisals irrespective of using the right to maternity leave, and leave of absence in order to care for children. In addition, within the measure 3.2, activities will continue in the area of gender-responsive budgeting, which is not included in the PARS. The new AP also includes other cross-cutting results, such as paper-free e-administration (measures 1.4; 4.1; 4.2; 4.3; 5.1), contributing to environmental protection.

Since the adoption of the PAR Strategy, important normative steps have been made. Gender responsive budgeting has been introduced in Serbia in 2015 with the adoption of the Law on Budget System (Article 4) setting an objective “to provide for efficient allocation of budget resources to enhance gender equality”. Moreover, the LPS in Article 3 introduces, among other principles, an integrity and sustainable growth and development principle, which implies that development and implementation of planning documents have to take into consideration the requirements of environmental protection, fight against climate change, reducing the impact of climate change and adaptation to climate change, prevention of over-exploitation of natural resources, increasing energy efficiency and the use of renewable energy sources, reducing greenhouse gas emissions, their impact on society, in particular local communities, their development and peculiarities, sensitive population, gender equality, and fight against poverty.<sup>74</sup>

**The lack of sufficient systematic and continuous dialogue between the PA at all levels and relevant NGOs (non-governmental organisations), including women’s organisations, is another important concern as this decreases the potential to actively engage in gender mainstreaming of relevant policies.** This concern is attested by the fact that the role of relevant NGOs and women’s organisations in the consultation process for developing the PAR Strategy has been minimal, resulting in the absence of gender considerations in it. As a result, activities and processes related to gender equality commitment, on one side, and PAR on the other, run in parallel, resulting in lost opportunities to harmonise PAR processes.<sup>75</sup>

**Table 14. Gender structure of the coordination mechanism for PAR**

Gender <sup>76</sup>	Inter-Ministerial Project Group (IMPG)	Ex-Collegium	PAR Council
Female	41	10	5
Male	26	12	12
<b>TOTAL</b>	67	22	17

**Civil servants are not provided with knowledge and tools to think about gender aspects of the impact of public policy documents, and other public policy instruments they are preparing, be they laws or by-laws.**<sup>77</sup> The LPS and the Regulation on Methodology on Public Policy Management introduce the “Gender Test” into the policy process. This test will be used by policy-making public servants during the legal and policy-drafting process, to assess the gender impact of their policies.<sup>78</sup>

<sup>74</sup>Law on Planning System, page 4.

<sup>75</sup>Gender Equality in Public Administration in Western Balkans, December 2017. Link: N/A

<sup>76</sup>Source: Decision number 119-01-00242/2014-04; Decision 23-02-12592/2016; *Official Gazette of the Republic of Serbia*, No. 81/2016.

<sup>77</sup> Survey questionnaire # 1: Coverage, design, relevance, priorities and capacities for the Public Administration Reform Strategy

<sup>78</sup> Such gender test will be forwarded to the PPS during the already established process of quality-control for regulatory and policy impact assessments, as an annex, for those documents which are deemed by the policy-makers to have a probable effect on gender equality.



As far as climate change is concerned, it is part of a mandatory situational environmental assessment.<sup>79</sup> The PAR Strategy does not refer to climate change, nor do the two AP(s). When considering climate change, the PA working on PAR should rely on systematic information collected and stored centrally, as it is not expected that for each planning effort such data is collected separately. The new LPS and the Regulation on Methodology on Public Policy Management provided key questions for the analysis of environmental impact that should be answered when public policies are developed.

### **5.1.2 JC 1.2: Extent to which objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 are aligned and are corresponding to the capacities of key implementers**

*There is substantial alignment between the objectives of the PARS, AP PAR 2015-2017, and AP PAR 2018-2020 (I-1.2.1.). There is a significant continuity of the PARS SOs in all three documents.* In both AP(s), each of the SOs is meant to be achieved by a number of measures. In comparing the two AP(s), it is evident that the AP PAR 2018-2020 reflects upon the achievements delivered and not yet delivered, during the implementation of the AP PAR 2015-2017.

A notable discontinuity, or rather an adjustment, has been incorporating the crosscutting PARS SO "strengthening the supervision capacities in the public administration" (control mechanisms) into the SO 5. In fact, a number of AP elements have been added, replaced, or re-phrased or otherwise adjusted to evolving circumstances but in compliance, i.e. not in conflict with the strategy. Examples of those added objectives include, in the AP 2015-2017, gender-sensitive budgeting in SO 3, and services quality management (SO 4) that were recognised as an integral part of the SIGMA 2014 Principles in the area of providing public services. Also, measure 2.3 (in both APs), addressing HRD for PA, as such is not in the PARS, and neither are the objectives of reforming and developing public property management (3.1 in AP 2018-2020), or improved budget inspection (3.4 in both APs). Also implicitly, but not explicitly in the PARS, was measure 3.1 in the AP 2015-2017, of adopting a Public Financial Management Reform Program (PFM RP). Furthermore, in AP 2018-2020 measure 4.1 (Improvement of the Legislative Process) was merged with measure 1.3. (Public Policy Management). **However, all these changes furthered the PARS objectives. Hence there is a very high alignment of reform objectives between the three documents.**

The AP(s) are designed so that specific measures are directly related to one of the relevant GoS sectoral strategies (as shown in Table 11, in report part 4.2). Measure 2.3 links to the HRD-related strategy, 3.5 to the PIFC strategy, and so on. On the level of unachieved objectives defined in the AP PAR 2015-2017, many were taken over into the AP PAR 2018-2020. Further information on the continuity of APs is provided in Annex 6 (Continuity and coherence of PAR Strategy and the two APs and sub-strategies).<sup>80</sup>

*The objectives of AP PAR 2015-2017 and, to a somewhat lesser extent, of AP PAR 2018-2020, inadequately corresponded to the capacities of key implementing stakeholders (I-1.2.2., also related to I-6.1.6., I-6.2.1., and I-6.2.4).* Although the PAR Strategy has not been concerned with it, the adequacy of PA capacities to undertake the reform has been a constant subject of the PAR policy dialogue between the EU and RS. The introduction of the SIGMA Principles, and the expectations going beyond the PAR legislative efforts, further exposed the problem, but also helped focusing on remedies.<sup>81</sup> On one hand, more work (reforms per the AP PAR) with fewer resources (rationalisation of the PA) forced prioritisation among the AP SOs. **On the other hand, the lack of adequate capacities delayed the attainment of certain AP PAR objectives. Implementing new norms towards reform results - an imperative in the EU accession agenda on PAR - rather than the mere adoption**

<sup>79</sup> Climate change is one of the principles (Article 3 LPS) for policy documents. Serbia has been part of the UNFCCC since 2001 and the Kyoto Protocol since 2008. There are also relevant *Acquis* and EU Directives. The public sector is also a sizeable consumer.

<sup>80</sup> Evaluation of PAR Strategy Inception Report, Annex 9. Continuity of PAR Strategy objectives. Comparison of PAR Strategy Specific Objectives and measures presence in AP PAR 2015-2017 and AP PAR 2018-2020.

<sup>81</sup> Meeting at the EU Delegation to Serbia on 6.8.2018.



of laws, was negatively impacted by the mismatch between set objectives and available PA capacities (and competences, etc.).

As noted in report part 3.4, the PAR implementation was adversely affected by a gradually decreasing PA workforce and the need for the entire public PA to be downsized. Since the introduction of these PA rationalisation measures, the number of regular employees in the PA, from December 2013 to December 2018, was reduced by 48,595 (-9.43%).<sup>82</sup> **This figure is smaller if temporary employees (employed on limited time) are counted in.** For an independent set of generated data from CROSO on the changes of the PA size, see Annex 9.

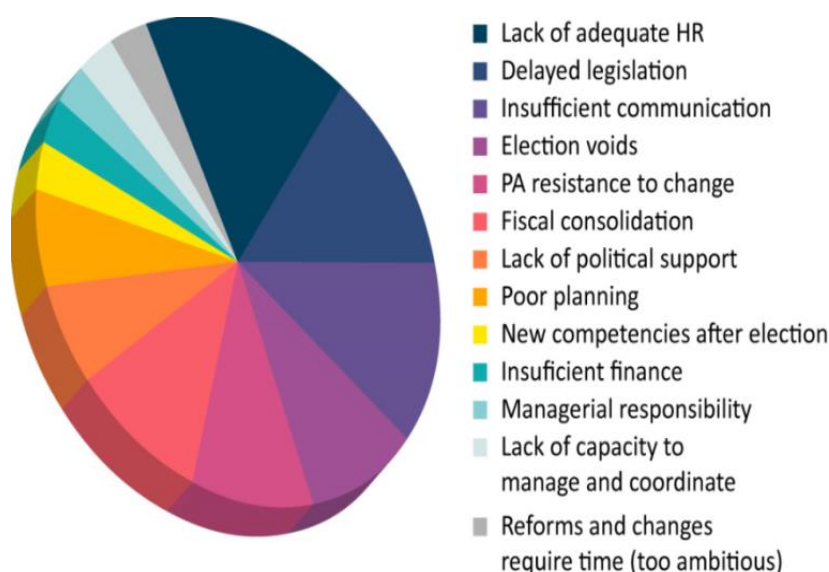
**Consequently, the objectives in the PARS and in the APs do not directly correspond to the available capacities.** On the one hand, capacity needs for implementing PAR were not properly assessed. On the other hand, even if they had been thoroughly assessed, the downsizing would have reduced the possibility of implementing all that was planned. As a consequence, there is a direct mismatch between the ambition level of the SOs (and also other indicator targets) and the available resources and capacities.

**Table 15. Level of PA rightsizing, i.e. PA rationalisation/downsizing**

Year <sup>83</sup>	PA Bodies & GoS services	LSG & AP	PA w-out PE	PA with PE
2014	20,529	126,246	514,084	689,797
2017	17,401	110,232	470,150	601,730
% change	-15,24%	-12,68%	-8,55%	-12,77%

The above table shows the level of the PA rationalisation and decrease in the number of the PA employees. Although substantial, the reported numbers in the table contain those permanently employed and not those on fixed-term contracts. Including the last-mentioned category, as shown in a table contained in Annex 9 of the report, reflecting individuals employed in the PA, and cumulative percentage changes according to CROSO for the period from August 2014 to June 2018, bring the percentage values for workforce reductions down. **In other words, SABs in need of additional HR, where possible, hired necessary additional staff on fixed-term contracts.** Nonetheless, a significant decrease of the PA employees took place, which certainly reduced the PA capacity to implement the PAR objectives.

**Table 16. Self-assessed AP implementers' key barriers**



It is important to note that the lack of capacities did not occur in all PA bodies. In certain verified cases, such as the Administrative Inspection or the SAI, the maximum number of posts increased. However, other impeding factors occurred, such as a lack of specific professional profiles available on the labour market, or the lack of funds for salaries in the planned annual budgets.

**A negative side effect of the restrictive human resources policies during a period of**

<sup>82</sup> Annex to the three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan, page 2.

<sup>83</sup> Per the AP PAR-2015-2017 Final Report, March 2018, page 12.



**increased reform and EU integration is that the PA frequently has to resort to outsourcing** (contracting external services provision through projects and consultancies). Such outsourcing has not only decreased the PA's ownership over the reform process, but also slowed down learning and acquiring much needed competencies, and hinders the accumulation of know-how within the PA.

A survey on self-perception of existing capacities among the 16 institutions (Annex 13), performed in November 2018, partly confirmed the findings described above, but added that there are further critical factors that have affected the capacity to carry out reforms, including: staff retention, managerial responsibility, adequate staff in right positions, qualified staff for specific tasks (e.g. for costing, HRM, planning, coordination, risk management, monitoring or evaluation, internal and external communication), resistance to change, as well as a lack of equipment and software (e.g. in the HRMS). In other words, a lack of sufficient training, HRM, and right competences has occasionally been disregarded, in favour of the downsizing argument. Only 50% of the survey respondents said there was enough staff to perform the necessary tasks.

In this context, the SIGMA 2017 Monitoring Report also notes a need for strengthening capacities of, e.g. MPALSG (inclusive of the Good Governance Sector and the Group in charge of the PAR Strategy), ACA, public procurement, inspection, HRM capacities, and HRMS<sup>84</sup>.

### **5.1R Key recommendations for EQ 1: Relevance of the PAR Strategy and the two AP(s) objectives**

**R # 1.1:** The MPALSG should initiate and lead the process of the 2014 PAR Strategy revision (or prepare a new if the revised content is over 50%). The PAR Strategy needs to comply with the Law on Planning System (LPS), and contain the necessary minimum of specific elements prescribed by the law. Furthermore, it needs to be characterised as a fundamental public policy document, that sets strategic directions for all actions in the PAR area, and to fit in the hierarchy of national public policy documents. The strategy needs to be more "SMART" and updated to match present day PAR needs. This needs to be done through a wide consultation process (SABs, business sector, CSOs and local authorities). The process should gather all relevant SABs for this common work and thus generate joint ownership. The process should include a gender mechanism, and preferably the use of the SIGMA 2018 Toolkit.

(MPALSG, all relevant state administration bodies-SAB, organisation of civil society-CSOs, academia, private sector, EC, etc., medium-term).

**NB:** The first institution listed in above parenthesis is that to which the recommendation is primarily addressed, followed by the potential range of key stakeholders; at the end of each list of lead responsible and key stakeholders, an indication is given on whether the recommendation should be implemented in either the short-term or medium-term.

**R # 1.2:** Towards a more effective and results oriented PAR, the technical revision of the strategy should meet the following minimum criteria:

- i) establish a proper public policy document that is time-bound and SMART;
- ii) cover for a comprehensive and up to date situational and stakeholder analysis;
- iii) where appropriate indicate a clear lead role of MPALSG and needed jurisdictions as well as collaborative roles of other SABs (do the same in the case other SAB stakeholders need to play a lead role);
- iv) ensure a complete structure for each specific objective, in terms of theory of change, with detection of the causes of the problem and setting SMART objectives through the strategy cycle management process;

<sup>84</sup>OECD/SIGMA Monitoring Report for Serbia (2017), pages 59, 84, 172.



v) design overall and specific objectives with indicators (including customized indicators), baselines and targets and, where appropriate, for measures, to enable monitoring for results (ROM and RBM) i.e. monitoring progress towards the set outcome level targets;

vi) improve structure and content of the reform themes to more accurately reflect the 2017 Principles of Public Administration and its shift to outcome and impact level PA reform results, towards good governance;

vii) beyond focusing mostly on norms and outputs, also focus on desired reform changes on the level of outcomes; besides the "how" also address the "what", thus adequately defining the content of the reforms;

viii) establish prioritisation criteria for PAR objectives and/or measures and envisage sequencing the implementation of objectives and measures;

ix) map existing and needed PA capacities for the envisaged PAR efforts inclusive of newly assigned tasks and needed competences and capacities;

x) address the need, capacities and mandate for effective change management, managerial accountability, dealing with resistance to change, and internal and external communication;

xi) consider in more detail costing and needed resources and funds;

xii) address critically and in more detail the system of coordination and steering towards increased PAR results at the outcome level; improve the PAR coordination system and, if needed, **elevate the MPALSG PAR Group function to the level of the PM or DPM office;**

xiii) enable the possibility to correct the sub-measures part of the AP PAR when monitoring and steering show that such a change is needed in terms of increased effectiveness. (PAR Council, MPALSG, all relevant SAB, OCSs, academia, private sector, EC, etc., medium-term onward).

**R # 1.3: Towards a modernised and improved strategic PAR agenda, the PARS revision should:**

i) establish a unique and comprehensive vision that relates to the current PA perspectives and priority PAR themes in Serbia inclusive of the strategic orientation towards EU accession and improved PA services to citizens, to become a comprehensive PAR strategy that is not "just an MPALSG strategy";

ii) comprehensively define the scope of the PA to remove any ambiguities, to enable more effective AP PAR planning and implementation;

iii) concretely address (perhaps by a separate SO) the lack of administrative capacities and charge specific SABs with the task of remedying the situation-reducing capacities was one of the main reasons for slow implementation;

iv) consider SABs institutional capacity building for HR, HRM and HRD as a separate objective or a measure related to a professional development function;

v) consider a new objective to develop new functions and new jobs that do not exist in the existing system and come with EU integration;

vi) in addition to stressing the importance of public services, the strategy also needs to envisage the need for a comprehensive policy (inclusive of quality of public services) on public services delivery, as well as the institutional framework required for its implementation; determine the function of public services - whether it will be "outsourced" or internally strengthened through new capacities;

vii) include non-existent services for citizens and businesses at the strategic level and thus provide a new content for a growing number of e-services in other areas, such as PFM. New



electronic tools can be used more widely, e.g. for strengthening the fiscal balance and reducing tax evasion;

**viii)** in light of limited achievements toward PAR AP SO 5, comprehensively address the need for and the role of the PA control mechanisms and envisage sound and doable objectives and specific measures towards strengthening the PA control mechanisms based on present challenges;

**ix)** in accordance with the new LPS fully encompass on-going changes towards a single planning and information system for PA, so as to avoid the current practice of parallel planning, implementation, coordination, and reporting;

**x)** revise each SO in terms of the current position and the desired direction; also, consider the need for new PAR themes, such as climate change and gender equality, specifically addressing open data and paperless e-Government, etc.

(PAR Council, MPALSG, all relevant SAB, OCSs, academia, private sector, EC, etc., medium-term onward).

**R # 1.4:** The MPALSG should prepare future AP PAR in parallel to the strategy revision or development, rather than subsequently. Ensure that the elements of future APs are SMART, the stakeholders' ownership is increased, and more outcome level indicators introduced within causal and implementable result chains; maintain clear implementation and reporting responsibilities inclusive of specific ownership of each measure and activity; apply clear prioritisation and plan realistically, taking into full consideration needed versus available resources and capacities.

(MPALSG, all relevant SAB, medium-term).

**R # 1.5:** The PPS should address the issue of the hierarchy of public policy documents. Within the PPS-led coordination effort, consider the prospect of the future AP PAR containing (on the level of its objectives) the specific objectives from programs i.e. sub-strategies. Therefore, e.g. PIFC AP would feed into the PFM AP, while the latter will feed into the AP PAR, thus establishing a clear and coherent result chains, planned top-down and implemented bottom-up. Clearly, the potential prospect of revising the PARS would facilitate this process in terms of top-down planning of objectives. Also, allow for an adequate period for harmonisation between the different policy documents.

(PPS, and all relevant SAB, short-term onward).

**R # 1.6:** Establish the medium and long-term HR needs and define what is needed based on the current situation to meet the needs identified. Proper HR planning is needed for the reform as an overarching goal and key future topic. As part of the PAR Strategy revision, map the existing and needed PA capacities for the envisaged PAR efforts in such way that shortage of staff is not the only issue, but also the level of skills for specific tasks, and the adequate distribution of tasks; develop a comprehensive plan to ensure the necessary capacities will be available for the successful implementation of PAR after 2020, through future needs-based staff increases, institutional rationalisation (inclusive of enabling staff rotation), retention policies, full application of the new civil servants normative framework, smart strategic human resource management, as well as through managerial practices of delegation and empowerment.

(MPALSG, HRMS, NAPA, and all relevant SAB, medium-term onward).

**R # 1.7:** In the short-term, besides assigning sufficient staff to the most critical functions, within the set maximum numbers, all relevant SAB should ensure efforts towards increased staff retention and convert temporary staff to regular staff, thus safeguarding the ownership and continuity of the reform processes, as well as institutional memory. Key SABs in need of strengthening capacities for PAR include MPALSG (especially the PAR Group), the PPS, the ACA, the Administrative Inspection and the HRMS, the Central Harmonisation Unit (CHU) in MoF, the SAI and other independent control bodies. On the one hand, an isolated measure of recruiting





more staff may not bring the sought effects. On the other hand, not filling positions with regular staff may continue to increase temporary staff and likely further decrease the ownership of the PA over the reform efforts.

(MPALSG, HRMS, and all relevant SAB, short-term onward).

**R # 1.8:** In the short-term, the GoS should support further strengthening of staff competences and skills across SABs (including LSGs). Especially for specific tasks found to be critically under-resourced such as: costing, HRM, mid-term planning, reporting, monitoring and evaluation, coordination, risk management, internal audit function with budget users, change management with addressing resistance to change, and internal and external communication.

(GoS, HRMS, NAPA, SCTM, all relevant SABs, short-term).

**R # 1.9:** The GoS should empower operational level staff to engage in the reforms and hold them accountable for the achievements of results. Define a category of managerial accountability in the Law on Public Administration after preparation of a Concept Paper on this theme. Enable ministers and senior civil servants to delegate certain powers to positions on the operational level. Re-examine existing models of internal organisation, to enable delegation of powers. Extend the powers of group level senior civil servants as well as introduce personal responsibility for the performed work and achieved results.

(GoS, MPALSG, MoF, all relevant SABs, medium-term).



## 5.2 (Relevance) EQ 2: Stakeholders involvement in the development of the PAR Strategy and the two AP(s)

**Summary findings and conclusions for EQ 2** The number and diversity of stake-holders included in the drafting of the three documents (PARS and two APs) have gradually improved. A range of different stakeholders participated in the PARS development ensuring a participatory approach, albeit without a formalised process of wider consultations and participation of CSOs. In the development of AP PAR 2015-2017, CSOs were represented through the SECO mechanism. In addition, public consultations were held before the drafts were sent to the GoS for adoption. The development of AP PAR 2018-2020 was an example of good practice. It had been prepared through a structured, participatory and more transparent and inclusive approach from the start, short from publishing the proceedings and employing a gender mechanism. The Special Working Group for developing AP PAR 2018-2020 included 12 CSO representatives selected through a public call for participation. The development of the Public Financial Management Reform Program was less participatory.

### 5.2.1 JC 2.1: The array of stakeholders (e.g. CSOs) which took part in the PAR Strategy and the two AP(s) development

*A range of different stakeholders took part in the development of the PAR Strategy (I-2.1.1).* Consultations throughout the process brought together stakeholders, including CSOs, SAB, EU, SIGMA, and the Standing Conference of Towns and Municipalities (SCTM), but without a formalised process of wider consultations and participation of CSOs.<sup>85</sup> **The process was externally driven (managed by external consultants, and driven by policy dialogue between the EU and RS), within a specific context and under time pressure.** MPALSG decided on 18 January 2013 to form a working group for PARS drafting.<sup>86</sup> Public discussions took place in May and June 2013. MPALSG published a draft version of the document on its website, providing an email address for sending comments, and sent it to the EC and SIGMA for commenting.<sup>87</sup> **However, no report on the public discussion process has been published.**<sup>88</sup>

Despite the long history of the CSO movement in Serbia, the relationship between the government and CSOs is still marked by fragmented cooperation and a selective approach of SABs towards individual CSOs. Positive trends, also supported by OGP, are visible, also as a result of the work of the Government Office for Cooperation with Civil Society (OCCS). OCCS provides an institutional framework for more structured co-operation arrangements. The Office encourages the creation of an environment conducive to the development of civil society, and a stronger partnership between the GoS and CSOs. **Against this background the growing inclusion of CSOs, and other stakeholders, by MPALSG, in the PAR processes, represents a very good practice.**<sup>8990</sup>

*A significant range of different stakeholders took part in the development of the AP PAR 2015-2017 (I-2.1.2).* Working groups (WG) were introduced and five CSOs (besides SCTM) selected through the SECO mechanism, to participate in the process of AP planning, implementation and monitoring in the context of the IMPG. **In the Western Balkans, besides Serbia, only in Northern Macedonia and in Montenegro, ministries regularly involve CSOs in working groups charged with drafting policies - despite the challenge of selecting a limited number of CSOs from among 31,900 associations of citizens in Serbia.**<sup>91</sup> The SECO mechanism was initiated for PAR (and six other sectors) in 2011 by the

<sup>85</sup>Meeting at the Law Faculty 30.10.2018.

<sup>86</sup>A doc on GoS decision to form working group for PAR Strategy drafting on 18 January 2013.

<sup>87</sup>A document on GoS conclusion regarding the public discussion from 15 May 2013.

<sup>88</sup>WEBER Regional PAR Monitor 2017-2018; Comparative Regional Monitoring Report, Link: <http://www.par-monitor.org/>

<sup>89</sup>Thematic Focus Groups Pillar 5 (SO 5) AP 2015: Increased citizen participation and public administration accountability held at the MPALSG Serbia-Korea Information Access Centre on 26 November 2018.

<sup>90</sup>The performed survey also shows clear consensus of a stable improvement trend of CSO inclusion.

<sup>91</sup>Source: <http://www.apr.gov.rs/eng/Home.aspx>



Serbian European Integration Office (now Ministry of European Integrations) as a cooperation mechanism of the civil society and the public sector related to international development aid planning, programming, monitoring and reporting.<sup>92</sup> In addition, MPALSG has been organizing public consultations, before drafts were sent to the GoS for adoption. The work on the AP PAR 2015-2017 was organised on three interrelated levels. The first level involved the Coordination Team, the second level included the Expert Team in charge of preparation of the draft AP, and the third level consisted of smaller Operational Teams of three to six persons each. Due to the complexity of the work involved, additional civil servants from MPALSG, MoF, Public Procurement Office (PPO), and other SABs were involved. Finally, the MPALSG Minister was directly involved in the process, especially in terms of agreeing realistic deadlines for implementation.

*A wide range of different stakeholders took part in development of the AP PAR 2018-2020 (I-2.1.3). The second AP has been prepared through a structured, participatory and more transparent and inclusive approach.* A Special Working Group established for drafting the AP PAR 2018-2020 included 12 CSO representatives selected for IMPG membership through a public call, MoF and other relevant SABs, and observers from independent state bodies. Of the 12 CSOs, four came from outside of Belgrade, namely from Subotica, Nis, Leskovac, and Prijepolje. Rather than through the SECO mechanism, in April 2017, at the start of the AP planning process, the OCCS published a call inviting interested CSO to participate in the work of the Special WG for the new AP.<sup>93</sup> The seven best-ranking CSO were initially selected based on the criteria outlined in the call. However, two of the rejected CSOs filed a complaint, because all applicants fulfilled the formal requirements, but not a single organisation from outside of Belgrade was selected. After examining the complaint, the selection commission revised its decision and all 12 applicants were admitted to the working group.

Interestingly, during the drafting process, after the initial rejection of the proposal of a CSO to include developing a decentralisation strategy in the PAR AP and following a strong insistence by the CSO in question, and deliberations within the MPALSG, decentralisation was added to the document through an activity stipulating the adoption of a strategic framework for the improvement of the LSG system.<sup>94</sup> The Special WG coordinated between an umbrella group (*Krovna grupa*<sup>95</sup>), consisting of senior appointed positions, and five operational sub-groups appointed for each of the five AP SOs. SIGMA experts supported the preparation process. The task of the umbrella group was to coordinate development of the AP, prepare a draft AP, provide technical comments, suggestions and proposals to the draft AP, and endorse the draft AP. The task of the sub-groups, headed by sub-group leaders, was to decide and define results, activities, and indicators in line with the AP SO and 19 measures. The Special WG consisted of 102 members, of which 26 were representatives of the top-level group. Finally, public consultations took place during February 2018.<sup>96</sup>

**Despite the involvement of CSOs in the process, no report on CSO inclusion, or meeting reports, were published. Also, the influence of CSOs on AP monitoring, steering and risk management via the IMPG is limited by the group's low effectiveness.** Finally, CSOs with little exposure to the PAR agenda, such as business associations, women's organisations, vulnerable groups, etc., are yet to get involved in the PAR process.<sup>97</sup> These organisations often do not yet recognise their role in PAR. Finally, none of the three planning processes included gender sensitive mechanisms for ensuring proper consideration of gender equality.

**In contrast to the two AP(s), the PFM RP was not elaborated in close co-operation with the CSOs.** Also, instead of public consultations, a presentation of the draft PFM RP document was organised

<sup>92</sup>Source: <http://www.sekomehanizam.org/default.asp?Category=2>

<sup>93</sup>Source: <https://goo.gl/dp4bA0>

<sup>94</sup>WEBER Regional PAR Monitor 2017-2018; Comparative Regional Monitoring Report, and MPALSG meeting on 25 October 2018.

<sup>95</sup> See page 2, Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2018-2020.

<sup>96</sup>Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2018-2020.

<sup>97</sup>Meeting with CEP on 04 December 2018.



for CSOs through the National Convention on the EU platform (on 28 October 2015). However, this presentation did not have the explicit purpose to collect feedback and comments to the draft document. The draft PFM RP was discussed only with international financial institutions and the international donor community (on 10 July 2015).<sup>98</sup> Thus, although CSOs were more involved in the AP PAR drafting, the overall mark against the sub-indicator "quality of consultations related to PAR planning documents measurement" in the SIGMA 2017 Report was zero out of two points.<sup>99</sup>

## **5.2 R Key Recommendation for EQ 2: Stakeholders involvement in the development of the PAR Strategy and the two AP(s)**

**R # 2.1:** The MPALSG should ensure, during any future process for the development of PAR documents, inclusion of a gender mechanism and development of a systemic gender perspective relevant to PAR and its inclusion in the PAR documents. Also, in the design and implementation of all PAR documents, ensure transparency of the process by publishing a Report on Public Consultation which should include information on how consultations were executed, who was invited, what method was used, what was adopted of the proposed suggestions and what was declined and why.

(MPALSG, all relevant SABs, medium-term).

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<sup>98</sup>Meeting with EUD on 31.10.2018.

<sup>99</sup> OECD/SIGMA Monitoring Report for Serbia (2017), page 13.



### 5.3 (Effectiveness) EQ 3: Extent to which the five Specific Objectives for AP PAR 2015-2017 are achieved

**Summary findings and conclusions for EQ3** The indicator for the overall objective of AP PAR 2015-2017 shows a positive trend in terms of the improved quality of public services and other domains of PAR. However, on average only 23% of targets for the five specific objectives of AP 2015-2017, and across the 19 AP PAR measures, were achieved by the end of 2017. Without indicators on the level of the 19 measures, adequate performance measurement for each measure was not possible. The ambitious AP PAR design, without matching capacities and resources and in the midst of a fiscal crises, combined with delayed funding and inadequate coordination, chiefly contributed to this low level of results achieved. The GoS prioritisation, in line with its fiscal agenda, has mainly focused on PAR objectives related to PA rationalisation, HR reforms, e-Government and the development of new services. Because of significant progress made in a number of other PAR areas during 2018, the implementation rate in early 2019 is estimated at around 50%. However, the level of achievement between the five SOs varies.

The efforts under SO 1 towards reforms of the GoS organisational structure and its functions, led to a number of improvements, inclusive of the introduction of e-services for citizens and businesses and other results. These improvements, however, were short from achieving outcome-level changes. The PA rationalisation is successful, while the Optimisation Program shows slow progress. While the adoption of the Decentralisation Strategy is overdue, a new inter-municipal cooperation mechanism and an online LSG Analytical Tool have been launched. The normative and institutional framework for unified policy planning, implementation, monitoring and evaluation system is now in place. Further progress is expected in relation to the interoperability between registers, and with regard to the issue of managerial accountability.

Under SO 1, the SIGMA 2017 Monitoring Report noted a lack of significant progress in transparency procedures for Government decision-making since 2015, but also observed certain progress towards rationality and coherence of the overall structure of ministries and other bodies subordinate to the central government.

The efforts under SO 2 towards reforms of the GoS Civil Servants System led to a number of improvements towards a more professional and coherent public service. Improvements were seen in the institutional set-up towards more consistent HRM practices across the public service. A fair and transparent remuneration and employment system for the civil service - albeit normatively completed – is still not in place. A National Academy for Public Administration has been established and training programs developed. A new coherent LSG Civil Servants System, and new Competences Framework for state level civil servants, have been adopted.

The efforts under SO 3 towards improved public finance management have strengthened financial and administrative responsibility, financial control and discipline. A strategic framework for PFM is in place and has served to improve budget inspection capacities and the public procurement system. According to the SIGMA 2017 Monitoring Report the credibility of projections in the medium-term budget framework (MTBF) has improved. In addition, financial stability and national budget surplus have been achieved. The operational framework for financial management and control has been improved, while the adopted PIFC Strategy implementation is hampered by minor obstacles. The new AP is drafted and is bound to be adopted by the end of the first half of 2019. The bigger issue is the political support for the implementation. The ability of the CHU to perform analytical work and collect data on which it can advise the Government is still in need of strengthening. Objectives related to gender budgeting and program budgeting have been achieved. The capacity of the budget inspection has grown. The institutional structure for a functional public procurement system has been strengthened, while a full-fledged e-procurement system is not yet in place.



The efforts under SO 4 towards improving the process of development and adoption of public policies led to an improved planning system and regulatory framework. The adoption of the Law on General Administrative Procedure (LGAP) enabled more efficient administrative procedures focused on services, i.e. the needs of citizens and businesses. Thus, the legal framework for good administration is in place. Reforms of administrative inspections have already generated impact level results. A number of simplified administrative procedures have translated into the delivery of new public services to citizens and businesses. The policy development process is slowly making progress.

The targets for SO 5 were modest, in line with the GoS priorities. Consequently, outcome-level progress, in terms of increased citizen participation, transparency in the performance of the public administration, and control of the administration, has not materialised - with the exception of an improved normative framework for whistleblowing and evidenced results. Nonetheless, important normative improvements have been achieved. The Law on LSG and the LPS prescribe public consultation for law-making and the drafting public documents, from inception to implementation. In practice, however, SABs are yet to fully shift from sporadic public discussions involving CSOs and citizens at the final stages of developing a law or policy, to the practice of systemic and transparent consultations from the start. Moreover, specific progress was made in terms of the implementation of two OGP APs, adopting the first generation of integrity plans, and promoting new civic budgets. More CSO engagement in the law-making and policy processes is required. SABs still need to be more proactive in information sharing and more evenly apply existing norms for ensuring the participation of citizens and CSOs. Also, a range of legislative and capacity building efforts related to control mechanisms and civic participation need to be made. In general, SABs need to be more active publishing information online.

On the one hand, unexpected positive changes included PFM outcomes and the stabilisation of public finances, doing more (PAR results) with less (rationalised administration), raising awareness of PA servants about their role as providers of services and changing the attitude of the PA towards citizens. On the other hand, negative unexpected changes came from neglecting important parts of the PAR Agenda, such as SO 5, and from frequent elections, a lack of managerial empowerment, and further politicisation of the PA management.

There has been a range of driving forces for PAR, including external factors, such as the EU accession agenda, policy dialogue, SIGMA TA, but also internal forces, such as the GoS prioritisation of certain objectives. Increasing the effectiveness of PAR implementation requires more ownership by the GoS. The range of restraining forces and obstacles are mainly deriving from the PAR Strategy design, the fiscal crises, elections and election related reorganisations and changes of personnel, lack of capacities, and delayed funding. In addition, there are a number of other issues, such as inadequate planning, and monitoring and coordination functions.

### 5.3.1 JC 3.1: Effectiveness of the 19 measures per the five AP PAR 2015-2017 Specific Objectives

Final AP PAR 2015-2017 reporting consists of the Final Report and its Annex, both published on 6 March 2018 (hereinafter, the Final Report).<sup>100</sup> The AP contained 47 planned results across 19 measures and five SOs. The results are actually formulated as output and outcome level objectives. According to the Final Report, 33 of these objectives (or 70%) were achieved by over 50%, while 23% were fully and 47% partially achieved. At the same time, 52% of activities were fully and 20% partially implemented, indicating the level of efficiency. **However, there are newly captured results for 2018, which indicate that an estimated 50% of the results specified in the AP PAR 2015-2017 were achieved at the time of writing this report.**

While there is the WB Government Effectiveness indicator on the level of the Overall Objective (OO), and that there are SIGMA Principles and the WB WEF indicator on the level of the five SOs, there are

<sup>100</sup>Sources: <http://mduls.gov.rs/reforma-javne-uprave/>



no indicators on the level of the 19 measures across the five SOs. **Therefore, performance measurement on the level of the measures was not possible.** Consequently, performance measurement and its assessment were limited to the level of the 47 results.

**Table 17. AP PAR 2015-2017 Final Report Performance Traffic Lights on the OO and SOs levels**

AP PAR 2015-2017 Final Report Performance Traffic Lights				
Overall Objective (OO): Public administration (PA) improvement per Principles of the European Administrative Space/ services to citizens and business/ economic stability/living standard.				
Indicator, Baseline Value-BV, Target Value-TV, and Achieved Values-AV:				
Performance Key:	Target Attained:	G.	Target Not Attained:	R.
Government Effectiveness Indicator (the World Bank) – percentile ranking (0-100) <sup>101</sup>				
BV (2013): 51.18 TV (2018 for 2017): 53-55				
AV (2014): 58.17 AV (2015): 56.73 AV (2016): 56.25 AV (2017): 60.85				
Specific Objectives (SO):				
SO 1: Improved organisational and functional public administration sub-systems	SO 2: Established a coherent public civil service system which is merit-based and improved HRM management	SO 3: Improved public finances and procurement management	SO 4: Increased legal certainty and improving the business environment and the quality of service provision	SO 5: Increased citizens participation and accountability in performing the tasks of PA
Indicators, Baseline Values-BV, Target Values, and Achieved Values-AVs for each SO:				
Performance Key:	Target Attained	G.	Target Not Attained:	R.
SIGMA PPA 4 <sup>102R</sup>	SIGMA PPA 3 <sup>103G</sup>	SIGMA PPA 6 <sup>104G</sup>	SIGMA PPA 5 <sup>105R</sup>	SIGMA PPA 3 <sup>106R</sup>
BV (2014): 2	BV (2014): 4	BV (2014): 2	BV (2014): 4	BV (2014): 3
TV(2017): 3	TV(2017): 4	TV (2017): 3	TV(2017): 5	TV(2017): 4
AV (2017): 2	AV (2017): 4	AV (2017): 4	AV (2017): 4	AV (2017): 3
<b>Bodies Report to Gov.</b>	<b>Profess. Public Service</b>	<b>MT Budget Framework</b>	<b>Service Delivery Citizen</b>	<b>Integrity in Pub. Service</b>
WEF PPA 2 <sup>107G</sup>	SIGMA PPA 3 <sup>108R</sup>		SIGMA PPA 5 <sup>109G</sup>	WEF PPA 2 <sup>110G</sup>
BV(2014-15): 3,6	BV (2014): 2		BV (2014): 2	BV(2014-15): 3,6
TV(2017-18): 3,8	TV (2017): 3		TV(2017): 3	TV(2017-18): 3,8
AV (2017-18): 3,9	AV (2017): 2		AV (2017): 4	AV (2017-18): 3,9
<b>Policies Transparency</b>	<b>HRM Public Service</b>		<b>Good PA Legal Frame</b>	<b>Policies Transparency</b>
	SIGMA PPA 3 <sup>111R</sup>		SIGMA PPA 2 <sup>112R</sup>	SIGMA PPA 4 <sup>113G</sup>
	BV (2014): 4		BV (2014): 3	BV (2014): 4
	TV (2017): 5		TV(2017): 4	TV(2017): 4

<sup>101</sup> <http://info.worldbank.org/governance/wgi/#home>

<sup>102</sup> SIGMA Principle 4: Number of bodies which report to the Government, the Prime Minister, or the National Assembly. Link: Baseline Measurement Report – The Principles of Public Administration – Serbia, SIGMA 2015, <http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-Serbia.pdf>

<sup>103</sup> Ibid. SIGMA Principle 3: Extent to which the policy and legal framework for professional and coherent public service is established and implemented.

<sup>104</sup> Ibid. SIGMA MTBF strength index.

<sup>105</sup> Ibid. SIGMA Principle 5: Extent to which citizens-oriented policy for service delivery is in place and is applied.

<sup>106</sup> Ibid. SIGMA Principle 3: Extent to which integrity systems and anti-corruption systems are established and implemented in the PA

<sup>107</sup> WEF Transparency in Government's policy making, <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>108</sup> SIGMA Principle 3 Extent to which the institutional setup enables consistent HRM practices across the public service, <http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-Serbia.pdf>

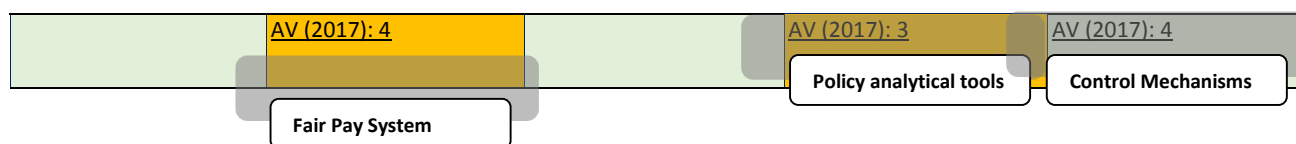
<sup>109</sup> Ibid. SIGMA Principle 5: Extent to which legal framework for good administration is in place and applied.

<sup>110</sup> WEF Transparency in Government's policy making, <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>111</sup> SIGMA Principle 3: Extent to which the remuneration system of civil service is fair and transparent and applied in practice, <http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-Serbia.pdf>

<sup>112</sup> Ibid. SIGMA Principle 2: Extent to which policy development processes make best use of analytical tools.

<sup>113</sup> Ibid. SIGMA Principle 4: Extent to which mechanisms are in place to provide effective checks and balances, and controls over PA organizations.



The single AP PAR 2015-2017 OO indicator (World Bank Government Effectiveness Indicator) indicates a very positive trend. This composite indicator has been designed by the WB Worldwide Governance project to capture perceptions of the quality of public and civil services, the degree of their independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The 2013 baseline was 51.18, while the 2017 target value was set at a range between 53 and 55. **The result was 56.25 for 2016 and 60.85 for 2017 (as measured by the WB in 2018). A more comprehensive and relevant assessment would have required additional OO indicators to this obligatory SAA indicator.** For a full review of the results at all levels (OO, SO, measures, and results level), see Annex 8 (AP PAR 2015-2017 Final Report Performance Traffic Lights).

*The level of achievement of the five AP PAR 2015-2017 SOs (I-3.1.1) varies.* The SIGMA and WEF indicators for SOs, measured in mid-2017, show that overall performance has improved. The following paragraphs – given the choice, design and coverage of indicators, as well as the time elapsed from mid-2017 (the cut-off point for the most recent SIGMA monitoring report) - do not include all results achieved until the end of 2018. These 2018 results are reflected, to the extent possible, in the paragraphs further below, under each of the 19 measures. The key result will be boxed and highlighted.

**Under SO 1 (relating to SIGMA Principle 4), the number of bodies reporting to Government shows no improvement when measured by SIGMA in 2017. Improvements were made after the cut-off date for SIGMA monitoring, as reported by the AP PAR 2015-17 Final Report.** The WEF Transparency in Government's policymaking indicator shows full attainment of a rather modest target - below the 2010 value for Serbia or any WEF medians. The SIGMA report noted that there has not been any significant progress since 2015 in the transparency of procedures for Government decision-making. Progress is expected in terms of the clarity of the timeframe for the process of preparation of proposals for deliberation by the Government, more comprehensive scrutiny of such proposals from the perspective of affordability and policy alignment, and in terms of the publication of agendas prior to formal Government sessions (I-3.1.2).

**Under SO 2 (relating to SIGMA Principle 3), the extent to which the policy and legal framework for a professional and coherent public service is established and implemented, showed no progress, as - given the challenging tasks - the target was set at the same level as the baseline.** The extent to which the institutional setup enables consistent HRM practices across the PA shows improvement. However, the extent to which the remuneration system of civil service is fair and transparent and applied in practice has not increased. Despite the long-awaited amendments to the Civil Service Law (CSL) in December 2018, along with the new Competences Framework adopted (not captured by the Final Report or SIGMA 2017 Monitoring Report), SO 2 performance against the set indicators has improved but is not fully favourable. **The reason for this limited progress is that the GoS has, in December 2018, prolonged implementation of the needed measures and laws till the end of 2019 (I-3.1.3).**

**Under SO 3, the SIGMA medium-term budgetary framework (MTBF) index shows very strong advancement toward the target value.** According to the SIGMA 2017 Monitoring Report, the credibility of MTBF projections has improved. The quality of risk analysis of the Fiscal Council (FS) covering the period 2017-2019 has improved, by including information on risks of state guarantees provided in favour of state-owned enterprises (SOEs). A number of other advances, such as the new PFM RP and the PIFC strategy, contributed to the overall positive monitoring results against SO3- indirectly measured with this single SIGMA indicator (I-3.1.4).





**Under SO 4** (relating to SIGMA Principle 5), the extent to which citizens-oriented policy for service delivery is in place and is applied shows no movement from the base value. The main reasons for the lack of progress are, according to the SIGMA Report, poor coordination of multiple strategies, inefficient allocation of scarce resources for service improvement, and different levels of quality and digitisation of key registers. In addition, there is limited central capacity to monitor performance of service delivery and to assist line ministries and agencies in transforming service delivery. **By contrast, the extent to which a legal framework for good administration is in place and applied, surpasses the target value.** The legal framework for a functioning PA is now in place, although in need of more effective institutional structures and inter/intra-institutional cooperation towards stronger implementation of the legislation. In addition, the extent to which policy development processes make best use of analytical tools (SIGMA Principle 2), shows no movement from the base value, since the advances, such as the LPS adoption, took place only in 2018. Although the Regulatory Impact Assessments (RIAs) for draft proposals are comprehensive and PPS is returning them for upgrades, the SIGMA Report noted that the quality of impact assessments varies, while implementation and monitoring are yet to be addressed. Moreover, the financial information in Financial Impact Assessments (FIAs) and RIAs is not always aligned. Although the PPS routinely scrutinises the quality of RIAs, it does not have a mandate to return low-quality RIAs for revision. On the overall, a number of advances made are recognised, but in some areas, improvements fall short of achieving the targets. **(I-3.1.5).**

**Under SO 5** (relating to SIGMA Principle 3), the extent to which integrity and anti-corruption systems are established and implemented in the PA, according to the SIGMA Report, shows no movement from the base value. **Key reasons included the absence of an amended CSL, poor enforcement of the new Law on the Salary System, and the delayed adoption of a new Law on the Anti-Corruption Agency.**<sup>114</sup> As under SO 1, the WEF Transparency in Government's policymaking indicator shows full attainment of a rather modest target. As noted above, the SIGMA Report complements WEF monitoring with a more critical tone. Finally, the extent to which mechanisms are in place to provide effective checks and balances, and controls over PA organisations (SIGMA Principle 4), shows no progress, as no such progress was planned. **Further development of control mechanisms was not a priority of the GoS (I-3.1.6).**

*In the following paragraphs, the assessment focuses on the 19 measures (encompassing 47 planned results). For each SO, these key achievements supplement the above assessment and include updates on achievements reached in 2018.*

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<sup>114</sup> Corresponding amendments to the CSL were adopted only in December 2018.



**Table 18. AP PAR 2015-2017 Final Report Performance Traffic Lights on measures and results**

<b>SO 1:</b> Improved organizational and functional PA sub-systems	<b>SO 2:</b> Established a coherent public civil service, merit-based system, improved HRM	<b>SO 3:</b> Improved public finances, procurement management	<b>SO 4:</b> Increased legal certainty, improved business environment, quality of PA services	<b>SO 5:</b> Increased citizens participation, and PA accountability			
<b>Performance Key:</b>							
	G Green: Done > 90%		Y Yellow: Done > 50%		R Red: Done < 50%		New 2018 results!
<b>M1:</b> Implemented PA organizational & functional restructuring <b>6 Results/Outcomes:</b>	<b>M1:</b> Established PA system of work relations & wages in PA <b>2 Results/Outcomes:</b>	<b>M1:</b> Prepared Public Finances Reform Program <b>1 Result/Outcome:</b>	<b>M1:</b> Improved legislative process & Govern. public policies management <b>1 Result/Outcome:</b>	<b>M1:</b> Improved public participation in PA & information on PA & public finances <b>2 Results/Outcomes:</b>			
Y 111 Rationalization Y 112 Optimization (FR) R 113 Optimization implementation Y 114 Optimization Communication R 115 Linking to Performance R 116 PA e-Registers	R 211 HRM Policy Paper: Harmonized labor legal rights, Merit based HR, Depoliticisation R 212 Transparent and Fair Salaries System	G 311 Prepared/Adopted PFM RP	Y 411 Regulatory Strategy/RIA	Y 511 All PA LSG Data/Info on Internet Harmonized Y 512 Citizens/CSO Consultations Law/Policy			
<b>M2:</b> Improved PA tasks of decentralization & deconcentration <b>2 Results/Outcomes:</b>	<b>M2:</b> Improved HRM function in PA <b>4 Results/Outcomes:</b>	<b>M2:</b> Improved Budget Planning and Preparation Process <b>2 Results/Outcomes:</b>	<b>M2:</b> Improved admin procedures & SA/PA conduct regarding citizens' rights, obligations, legal interests <b>4Results/Outcomes:</b>	<b>M2:</b> Strengthened Integrity & ethical standards in PA and reducing corruption <b>2 Results/Outcomes:</b>			
Y 121 Decentralization Framework R 122 LSG Finance Framework	R 221 HRM Recruitment, Support further Depoliticisation R 222 Institutional-Policy Framework for HRM PA division policy vs. implementation Y 223 HR Competences, Turnover and Vacancies-CSL delays R 224 HR/M Capacities	Y 321 Multiyear Planning and PBB PA/LSG Y 322 Capital Projects	Y 421 LGAP and Coordination Y 422 Use of IT System E--Gov Portal, E-LGAP Y 423 LGAP HR/org Needs Y 424 PA Response to Citizens	R 521 PA Employee Ethical Standards and Integrity G 522 Improved Protection Whistle-blowers			
<b>M3:</b> Improved management of public policies <b>3Results/Outcomes:</b>	<b>M3:</b> Developed/coordinated basic HRM functions for broader PA system <b>4 Results/Outcomes:</b>	<b>M3:</b> Improved PIFC and Internal Audit <b>3 Results/Outcomes:</b>	<b>M3:</b> Reformed inspection, increased legal security. <b>3 Results/Outcomes:</b>	<b>M3:</b> Strengthened mechanisms of ext./ int. PA control <b>2 Results/Outcomes:</b>			
Y 131 New Policy Management System Y 132 MT & Annual Planning on GoS Priorities Y 133 Policies/Laws Management System Transparency	Y 231 Basis for training system in PA organisations G 232 HRM normative framework for PA/LSG G 233 LSG HRM capacities G 234 LSG Training System/Council	G 331 PIFC Strategy Adopted R 332 FMC on Central Level Awareness R 333 IA Function with Budget Users	Y 431 New Inspections Framework/Outreach Y 432 Inspections Coordination Y 433 New Inspection Supervision System	R 531 Control Mechanism Varia G 532 Administrative Inspectorate Capacities			
<b>M4:</b> Established coordination mechanisms for e-Gov. <b>3 Results/Outcomes:</b>		<b>M4:</b> Improved budget inspection work <b>1 Result/Outcome:</b>	<b>M4:</b> Introduced mechanisms to ensure public service quality <b>1 Result/Outcome:</b>				
G 141 E-Gov legal frame, development, manage&coordinate Y 142 PA/LSG Interoperability of IS G 143 Promotion of New E-services using registers		G 341 Budget Inspection Capacities	R 441 Public Services Quality Management System Development				
		<b>M5:</b> Improved public procurement system <b>1 Result/Outcome:</b>					
		G 351 PP System Improved					

**Table 19. Overview of performance of AP PAR 2015-2017 planned results and activities (end 2017)**

	Total planned Results per SO	Achieved Results (Over 80% achieved)	Partly Achieved Results (Over 50% achieved)	Not Achieved Results (under 50% achieved)	% of implemented activities
SO1: PA Sub-systems	14	2	8	4	53%
SO2: HRM and HRD	10	3	2	5	51%
SO3: PFM and procurement	8	4	2	2	65%
SO4: Legal certainty, business enabling, and service provision	9	0	8	1	51%
SO5: Citizens participation and PA accountability	6	2	2	2	45%
<b>Total:</b>	<b>47</b>	<b>11 (23%)</b>	<b>22 (47%)</b>	<b>14 (34%)</b>	<b>52%</b>
		<b>33 (or 70%) over 50% achieved</b>			

Although PAR should not be restricted to the adoption of laws, regulations and public policies, but include their implementation towards concrete outcomes, a number of important laws and regulations have been adopted as a necessary precondition for achieving the reform objectives defined in the PAR Strategy. For a full list of adopted and pending legislation, see Annex 5. The following pages summarise results per SOs and measures. Obstacles and delays are covered in part 5.5.2 of this report.

#### Results of the evaluation survey about the AP PAR 2015-2017 effectiveness:

82% of survey respondents find that the five SOs have been *somewhat* achieved and 18% answered with *not so much*.<sup>115</sup>

Around 60% find that SO 1 (Improvement of organisational and functional sub-systems of public administration) was *somewhat* achieved and 20% state that it was *largely achieved*.<sup>116</sup>

50% of respondents believe that SO 2 (Establishing a coherent merit-based civil service system and improve human resources management) was *somewhat* achieved, while the other 50% of respondents **thought** that it was *not at all achieved* or *not to the full extent*.<sup>117</sup>

Around 84% think that SO 3 (Improving Public Finance Management and Public Procurement) was *somewhat* achieved or *not so much* achieved, while the other 16% consider it *largely achieved*.<sup>118</sup>

80% of respondents think that SO 4 (Increasing legal security, improving the business environment and the quality of public service provision) was *somewhat* achieved while 20% responded that it was *largely achieved*.<sup>119</sup>

Around 87% believe that SO 5 (Increasing citizen participation and accountability of the public administration) was *largely* and *somewhat* achieved, the other 13% believe it was *not fully* achieved.<sup>120</sup>

#### 5.3.1.1 SO 1: Improved organisational and functional public administration sub-systems (I-3.1.2)

Compared to the 2004 SAR Strategy, the 2014 PAR Strategy ambitiously extended its coverage from the SA to the PA system. SO1 aims to establish the needed legal foundations and common standards for performing the PA tasks, followed by determining competences and functions of the state administration bodies (SAB), and an increase of the use of information and communication

<sup>115</sup> Survey questionnaire # 2: Effectiveness of AP PAR 2015-2017.

<sup>116</sup> Survey questionnaire # 3: Assessment in accordance with specific objective 1 from AP PAR 2015-2017 / Improvement of organisational and functional sub-systems of public administration.

<sup>117</sup> Survey questionnaire # 4: Assessment in accordance with Special Objective 2 from AP PAR 2015-2017 / Establishing a coherent merit-based civil service system and improve human resources management.

<sup>118</sup> Survey questionnaire # 5: Evaluation in accordance with specific objective 3 from AP PAR 2015-2017 / Improving Public Finance Management and Public Procurement.

<sup>119</sup> Survey questionnaire # 6: Assessment in accordance with Special Purpose 4 from AP PAR 2015-2017 / increasing legal security, improving the business environment and the quality of public service provision.

<sup>120</sup> Survey questionnaire #7: Assessment in accordance with the specific objective 5 from AP PAR 2015-2017 / Increase of citizen participation and responsibility of public administration.



technology (ICT) across the PA. Furthermore, SO1 seeks to enable vertical and horizontal coordination and accountability at all PA levels, to regulate public policy processes and to increase capacities for the establishment of an effective strategic planning and policy coordination system.

According to the Final Report, from the total of 14 planned results, across the four measures under the first SO, 14.3% (two planned results) and 53% of activities were fully implemented. Thus, as under other SOs, there are due results that are lagging behind the activities, i.e. pending the implementation of the remaining activities. The attained results are the development, management and coordination of the legal framework for e-Government (1.4.1.) and the promotion of new e-services using registers (1.4.3), both under the measure of "Establishing a coherent public civil service system" (1.4).

### **Key achievements across the SO 1 and its 4 measures**

Successful rationalisation i.e. the "rightsizing" of the PA workforce by around 48,000 employees, from around 500,000;

Performed a horizontal functional review (HFR) across 94 government bodies, and seven vertical functional reviews (VFR), and developed one HFR AP and eight VFR APs. While the HFR AP has been implemented poorly, the VFR AP has been fully implemented for MoF, and nearly fully in the case of the Ministry of Education;

Prepared an analysis for drafting a decentralisation strategy (LSG Reform Program);

Enabled inter-municipal cooperation with models and funding prospects, as "izvorni"- core rather than "povereni" delegated LSGs tasks- a major change;

Adopted a set of new APIGP.

Established new unified national inventory (to be completed by 2021) with around 2500 administrative procedures for business and adopted 188 standardised administrative procedures for LSGs in nine areas;

Established a new GoS Office for IT and e-Government and a strategic framework for e-Government - the 2015-2018 Strategy for e-Government Development and the AP 2015-2016;

Adopted new Law on e-Government on 5 April 2018;

Established new open data portal for data exchange with 48 datasets (<https://data.gov.rs>);

Enabled 653 new e-services for citizens and businesses by 141 institutions via a new national e-Government Portal (<https://www.euprava.gov.rs>), with six major data bases holding about 80% of all official records and with over 760,000 users. Electronic payments have been enabled since December 2017;

The evaluation expert focus group and survey results practically underlined the following SO 1 results: (i) the June 2018 amendments to the Law on LSG and Communal Police;(ii) the preparation for developing a decentralisation strategy, involving participatory planning for the next steps with funding secured; (iii) completed optimisation (non-linear rationalisation) of PA workforce; (iv) adopted set of APIGPs regularly reported on monthly within the Implementation Groups; (v) Adoption of the Law on the Planning System of the Republic of Serbia, and; (vi) creation of the Unified Information System.<sup>121</sup>

#### **Update for 2018:**

**The report for 2018 for AP PAR 2018-2020 shows for SO 1 the rate of 57% of achieved results and 20% of implemented activities.** There follow the key achievements in 2018: (i) the number of PA employees has been further reduced by 0.7%; (ii) PPS launched a new LSG Analytical Service Internet Portal; (iii) amendments were adopted to the Law on LSG; (iv) drafting of Concept Paper for Program of LSG Reform (de-centralisation) commenced; (v) Law on Planning System of the Republic of Serbia

<sup>121</sup> Evaluation experts Focus Group on SO 1 took part in the MPALSG Serbian-Korean IT Access Centre on 14 November 2018.



with two bylaws adopted and in force; (vi) operational Unified Information System for policy planning and implementation; (vi) improved data exchange interoperability between SABs; (vi) increased input (50%) in the register of citizens and application increased; (vii) adopted the by-law on Metaregister; (viii) commencement of work on the development of the Program for Development of e-Government 2019-2021; (ix) all citizens' registries transferred to electronic form. In 2018, SABs exchanged 70% of data electronically, against a target of 30%.

**A detailed effectiveness assessment of the four measures under SO 1 is placed in Annex 18. The implementation status of these four measures and summaries of the effectiveness assessment are as follows:**

**M 1.1: Implementation of organisational and functional restructuring.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 1.1:** Organisational and functional restructuring, was only partly implemented, due to delayed funding and other factors. However, the rationalisation of the PA is largely completed. Implementation of the APs deriving from the horizontal and vertical Functional Reviews (FR), and the GoS Optimisation Program, is progressing, although with delays. Implementation faces a number of obstacles, such as a lack of ownership, ineffective intra SAB communication, and a lack of managerial accountability. It is unclear what will happen with the external coordination function for the GoS Optimisation Program implementation, once the mandate of the WB CMST expires. Also delayed are the establishment of the Central Register for Citizens, linking the process of optimisation to performance measurement, the establishment of a PA Electronic Register, and the provision of regulatory conditions for establishing public policy planning (analytical) units in SABs.

**M 1.2: Improvement in decentralisation and de-concentration tasks.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 1.2:** Concerning the improvement of PA tasks of decentralisation and de-concentration, the basis was prepared for a new decentralisation strategy (i.e. future LSG Reform Program). This process was delayed largely due to budget constraints, but also resulting from low prioritization by GoS. Nonetheless, concrete results include that new inter-municipal co-operation was enabled. LSG units gained important new powers and a new LSG Analytical Service Internet Portal was launched and is now in use. The service provides combined and comparable socioeconomic data on LSG units from several important PA databases, which were not available before to policy makers, businesses and citizens.

**M 1.3: Improvement of the Government's policy management system.**

**Status largely implemented**

**Effectiveness assessment summary for M 1.3:** Regarding an improved management of public policies, very good progress was made, as the normative and institutional framework has been completed. Also, advancement was made towards rationality and coherence of the overall structure of ministries and other bodies subordinated to the central government. The LPS was passed and its two bylaws adopted. A new Unified Information System for public policy management is operational since the end of 2018. Thus, steps have been made towards increased transparency and effectiveness of procedures for Government decision-making and a single public policy planning and implementation system.

**M 1.4: Establishing solid coordination mechanisms enabling harmonised development and functioning of e-Government.**

**Status: Largely implemented**

**Effectiveness assessment summary for M 1.4:** The establishment of coordination mechanisms for e-Government has been progressing well, but full interoperability has not yet been achieved.



Although the new legal and institutional framework for e-Government is still under development, a range of new e-services for citizens and businesses, using different PA registers, has been launched. The interoperability is hampered by various obstacles related to infrastructure development, security, and the need for a holistic regulatory framework. To overcome these obstacles, a new Program for the Development of e-Government (2019-2021), is under preparation, planned to be in compliance with the new LPS, and a concept paper has been drafted. The Law on the Population Register was passed. Its implementation, however, is hampered by differently organized databases, limited coordination between SABs, and the complexity of enabling electronic exchange of data from official records.

### **Textbox 1. Major Final Report Update # 1: Launched New LSG Analytical Service Internet Portal**

After two years of collaboration, MPALSG, PPS, and SCTM, on 20 December 2018, launched a pioneering analytical online tool on the website of the Public Policy Secretariat (<http://rsjp.gov.rs>) with various data relevant to local self-government. The database contains a growing number of sets of data useful for policy making to central and local governments alike, as well as to businesses and citizens. It allows access to an unprecedented amount of data for cross tabulation, comparison between LSGs, benchmarking, etc. The database will be instrumental for the next steps in the expected decentralization process, and for developing an enabling environment for businesses, etc.

### **Textbox 2. Major Final Report Update # 2: The Law on Planning System adopted by the NARS.**

A full normative framework is now in place by which a series of successive steps toward a public policy planning system will be taken, inclusive of a two-year harmonization period for existing public policy documents. The two accompanying regulations have been adopted in January and February 2019 (“Regulation on policy management, regulatory and policy impact assessment, and the content of individual policy documents” and “Regulation on methodology of drafting on mid-term plans”, with support from GIZ); and finally, a Unified Information System (UIS) for policy planning and monitoring has been established. Training of users of the system has started in December 2018 and the AP PAR 2018-2020 entered. The 2018 PAR Report was drafted on the basis of the UIS.

#### **55.3.1.2 SO 2: Establishing a coherent public civil service system which is merit-based and improved human resources management (I-3.1.3)**

A key goal under this objective is a consistent implementation of professionalization, de-politicisation, and a merit-based HR system, based on the principle of the same pay for the same job, an emphasis on modernising the professional training system, and linking the central HR registry with the payroll records of the treasury administration.

According to the Final Report, of the total of 10 planned results, across the three measures under SO2, 30% (three results) were fully achieved, and 51% of activities were fully implemented. The attained results are (i) the normative framework in AP Vojvodina and LSG for the development of HRM functions (2.3.2.); (ii) enhanced capacities of employees in units of LSG for HRM (2.3.3), and; (iii) a coherent, lasting and sustainable LSG training system (2.3.4). All three results come under measure 3: Development and coordination of basic HRM functions for PA.

#### **Key achievements across SO 2 and its three measures**

Prepared policy framework for HRM and adopted normative framework for the reform of salaries, with implementation delayed until 1 January 2020;

Established Catalogue of Posts in Public Services and Organisations;

Established and functioning NAPA since 1 January 2018;



Prepared new civil servant system in AP Vojvodina and LSGs towards new competences and salary reform;

The new Law on Employees in AP Vojvodina and LSGs doubled the coverage of the civil service system in the RS from 23,237 to 53,055 civil servants;

Adopted Strategy for Professional Training of LSG Employees and established SCTM Network for HRM within 130 LSGs HRM units; more than 260 trainings towards strengthening HRM capacities of LSG employees;

The evaluation expert's focus group and survey results especially underlined the achievements related to the amendments to the CSL, which include a Government policy paper for the establishment of a modern HR management system and improvement of managerial accountability and a roadmap for its implementation, as well as its adoption by the PAR Council in November 2017. The Focus Group and survey results also commended the remainder of the HR legal framework, as well as the new Catalogue of Posts and the Law on the System of Salaries in the PA.<sup>122</sup>

#### Update for 2018:

**According to the 2018 Report for AP PAR 2018-2020, 50% of the results planned under SO 2 have been achieved and 100% of activities implemented.** There follow the key achievements in 2018 and early 2019: (i) GoS adopted on 21 January 2019 changes to the CSL with the Competences Framework for SA civil servants, in force since 4 February 2019. Pertinent questionnaires have been sent to all SABs employees; (ii) NARS adopted amendments to the CSL towards merit-based recruitment and de-politicisation, performance appraisal, and strengthening integrity and accountability; (iii) on 16 January 2019, GoS adopted a by-law on internal and public calls for SAB employment and a bylaw on civil servants performance measurement; (iv) changes to the normative framework for salary reform for public agencies were completed; and (v) GoS adopted bylaws on NAPA and four professional development programs on 7 February 2019, and established a central registry for professional development programs.

**A detailed effectiveness assessment of the three measures under SO 2 is placed in Annex 18. The implementation status of these three measures and summaries of the assessment of effectiveness are as follows:**

**M 2.1: Establishing a coherent system of labour relations and salaries in the PA based on transparency and fairness.**

**Status: Partly implemented**

**M 2.2: Improvement of the HRM function in the state administration through a strategic approach and introduction of new instruments and strengthening of capacities for HRM.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 2.1 and M 2.2:** Both the implementation of the measure toward establishing a system of work relations and wages in the PA, and the measure aiming to improve the HRM function in the PA, were delayed and subject to much external criticism in terms of the need for a de-politicised and a merit-based civil service. Over the past period, the number of temporarily appointed PA senior civil servants has further grown. However, with the HRM Concept Paper completed in December 2017, and adopted amendments to the Civil Service Law (CSL), there is an almost complete policy and legal framework in place for a professional and coherent public service. This framework now needs to be implemented, in order to achieve outcome level results. To that end, the new Civil Service Competences Framework was recently adopted. This framework allows adopting new norms to support the CSL changes and enables the implementation of new HRM instruments. However, the implementation of the adopted laws related to the salary system reform, towards a fair and transparent remuneration system for the civil service, has been delayed

<sup>122</sup> Evaluation process experts Focus Group on SO 2 took part in the MPALSG Serbian-Korean IT Access Centre on 15 November 2018.



to 2020, due to the complexity of the process (social dialogue) and fiscal considerations. Hence the intended results have not yet been achieved. The remaining work includes finishing the General Catalogue of work posts in the PA, which will be the future basis for evaluating the performance of civil servants. Also, strengthening HRMS and developing HRM units in the SABs, require further efforts.

**M 2.3: Development and harmonisation of basic HRM functions for the wider PA system (AP and LSG).**

**Status: Largely implemented**

**Effectiveness assessment summary for M 2.3:** Significant progress has been made toward the development and coordination of basic HRM functions for a broader system of PA, establishing the basis for a training system in individual PA organisations. A new National Academy for Public Administration (NAPA) has been established, and bylaws, as well as four professional development programs, adopted. The HRM strategic and normative system for the province of Vojvodina and LSG units, is fully in place. The development of HRM capacities in LSGs, within an established LSG training system and with the adopted NAPA program of professional development for LSG, has commenced with amendments to the CSL summarised in Textbox 3.

**Textbox 3. Major Final Report Update # 3: Amendments to the Civil Service Law adopted on 7**

**December 2018.** One of the key comments of the European Commission in its Progress Reports for 2016 and 2018 concerned political influence on PA senior managerial appointments, with an estimated 60% of senior civil servants in acting positions (actual HRMS figures exceed this estimate), many for an extended period of time. In order to address this concern, according to amendments to the CSL, "Managers who have been appointed to the position until the beginning of the application of this law shall remain in office until the expiration of their term, and no later than 1.7.2019". The implementation of this provision would be a major step towards de-politicisation and professionalization of the PA in Serbia.

**5.3.1.3 SO 3: Improved public finances and procurement management (I-3.1.4)**

The PAR Strategy determined the need for improved budget planning, through the introduction of program budgeting, replacing the conventional line-item budgeting. Program budgeting aims to improve transparency and effectiveness in terms of what precisely will be carried out, at what cost and with what specific expected results on the level of outcomes and impacts. Program budgeting thus links the budgeting process with strategic planning and policy implementation. Besides improving the link between planning and implementation, SO3 aims to contribute to: (i) an improved selection and prioritisation of capital infrastructure projects; (ii) improved management and control of public revenues and internal audit (IA) through the establishment of public internal financial control (PIFC); (iii) increasing capacities of the Central Harmonisation Unit (CHU) in the Ministry of Finance (MoF); (iv) improving the public procurement (PP) system through cooperation of all relevant institutions; (v) improving the functionalities and transparency of PP, and; (vi) increasing capacities of the Public Procurement Office (PPO).

According to the Final Report, of the eight planned results, across the five measures under SO3, half of the results were fully achieved and 65% of activities were fully implemented. The attained results involve preparing and adopting a PFM RP and APs, including revision of the PFM RP and drafting of a new AP for 2019-2021 (3.1.1.), adoption of the PIFC Strategy (3.3.3.), Improved Budget Inspection Capacities (3.4.1.), and an Improved Public Procurement System (3.5.1.).

**Key achievements across the SO 3 and its 5 measures**

The SIGMA MTBF strength index shows very strong progress, beyond the target value, due to the credibility of the new medium-term budgetary framework (MTBF), and adoption of the PFM RP 2016-2020 and PIFC Strategy 2017-2020;





Opening of Negotiating Chapter 32 (financial control);

Adoption of four consecutive Economic Reform Programs (ERPs) with a mid-term macroeconomic and fiscal policy framework, harmonised with the Fiscal Strategy (FS), contributed to improvement of mid-term planning. The fifth cycle of ERP 2019-2021 drafting process was timely finished in January 2019;

Enabled program budgeting with projections for the two subsequent years;

The 2015 Budget System Law made transition from line item to program budgeting obligatory; the LSGs have prepared 2017 budgets accordingly;

The AP report for the period from December 2015 to December 2017 states that 49% of planned activities were implemented; the 2017 budget deficit was 3.1% rather than as forecasted at 7%; there was a cumulative increase in the level of the program budgets preparations (percentage of harmonization of programme structures of budget beneficiaries with the Instructions for preparation of programme budgets): 61% in 2015, 82% in 2016, and 85% in 2017, while the share of the procurement plans on the Portal for Public Procurement reached around 90% for 2017 against the target of 85%;

Significant progress in improving the coverage and quality of reporting on budget execution, continued implementation of multi-annual program budgeting at all levels of government;

Increase in the harmonisation of program structures of budget beneficiaries with the instructions for preparation of program budgets (around 90% in 2017) with gender sensitive indicators introduced;

Medium-term Expenditure Framework (MTEF) prepared for PAR and other sectors within the planning for EU Sector Budget Support (SBS);

Changes to the Budget System Law separating the work of Budget Inspection from Internal Audit;

Improvements to the Public Procurement System that led to the opening of the Negotiation Chapter 5 and completed first stage of harmonisation with the EU *Acquis*;

PFM RP revision and new AP 2019-2021 prepared with adoption due during 1Q 2019;

The results of the survey conducted by the evaluation experts particularly underlined the achievements related to the PFM RP, which include improved credibility of macroeconomic forecasts, further implementation of multi-year program budgeting at all levels of government, improvement of the strategic and legislative framework for conducting financial control in the public sector, improvement of regulations and procedures for public procurement and the adoption of the PIFC Strategy.

#### **Update for 2018:**

**According to the PAR AP Report for 2018, 40% of the results under SO 3 have been achieved and 44% of activities implemented.**

The main achievements in 2018, according to the report, included full fiscal consolidation, implementation of the FR for MoF, improvement of Financial Control and Management (FCM) and Internal Audit reporting, and staffing of the Budget Inspection.

**A detailed effectiveness assessment of the five measures under SO 3 is placed in Annex 18. The implementation status of these five measures and summaries of the effectiveness assessment are as follows:**

#### **M 3.1: Preparation of Public Finances Reform Program.**

**Status: Fully implemented**

**Effectiveness assessment summary for M 3.1:** The first Public Financial Management Reform Program (PFM RP) and its AP were prepared and are under implementation. Chapter 32 of the *acquis* was opened for negotiation. The first report indicated good PFM results, in line with the successful



GoS fiscal consolidation effort. The PFM RP has been revised for the period 2019-2021 and the new AP for the period 2019-2021 drafted. Both documents are likely to be adopted during 1Q 2019.

**M 3.2: Improvement to the budget planning and preparation process.**

**Status: Largely implemented**

**Effectiveness assessment summary for M 3.2:** Efforts toward improved budget planning and preparation have made good progress, with enhanced midterm planning and program-based budgeting in SABs and LSG units. Coverage and quality of reporting on budget execution have improved. There is also an ongoing process of introducing gender sensitive budgeting, which is one of the best in the region. The SIGMA MTBF strength index shows very strong progress, beyond the target value, due to the improved credibility of the new medium-term budgetary framework (MTBF). A rulebook on the content, deadlines and procedure for submitting investment documentation was adopted in March 2018. There are three remaining rulebooks to be adopted.

**M 3.3: Improvement to the financial management system and control and internal audit.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 3.3:** Toward improving PIFC and internal audit, a new PIFC strategy was adopted and implemented, although under constraints. The new AP is drafted and is bound to be adopted by the end of the first half of 2019. The bigger issue is the needed political support for the implementation at all levels of the administration and in state-owned companies and how to create a new policy document that defines and explains the common approach to the implementation of managerial accountability (Serbia 2018 Report). A detailed assessment of needed professional, administrative and institutional capacities of the MoF is still due, to ensure full PIFC functionality. The efforts towards increasing awareness on the central level of Financial Management and Control (FMC), and towards improving the internal audit function, had limited results, due to overambitious targets and low capacities, among other factors.

**M 3.4: Functional improvement to budget inspection.**

**Status: Fully implemented**

**M 3.5: Improvement to the public procurement system.**

**Status: Fully implemented**

**Effectiveness assessment summary for M 3.4 and M 3.5:** Under the two measures, activities to improve budget inspection have been completed, and an adequate number of staff recruited. Improvements of the public procurement system led to the opening of the Negotiation Chapter 5. The introduction of e-procurement, however, is delayed. The PPO's institutional capacity remains insufficient, and the adoption of bylaws and model documents needed for implementation of regulations related to public procurement is still pending. Also, public procurement functions are not yet clearly allocated, and the Procurement Commission does not have the necessary resources and sufficient permanent staff. Finally, the focus on procedural details prevails over the achievement of outcomes.

**5.3.1.4 SO 4: Increased legal certainty and improved business environment and quality of service provision (I-3.1.5)**

Under SO4, the 2014 PAR Strategy envisaged the three following measures: (i) Improvement of the process of drafting regulations, i.e. coordinated policy-making and selection of optimal regulatory instruments; (ii) Improving administrative procedures by adoption and implementation of a new law on general administrative procedures (LGAP), towards increased legal predictability and protection of legitimate expectations of parties in procedures, reducing the number of special administrative procedures, harmonising decision-making in administrative procedures with the principles of the European Administrative Space and other contemporary trends in administrative law; and (iii) reform of inspection supervision by adoption and implementation of a systemic and reform-oriented



Law on Inspection Services. These measures aimed to better protect the public interest and strengthen competitiveness of the economy, through reduced administrative costs of inspection supervision and, at the same time, reduce unfair competition from the grey economy. A fourth measure - the introduction and promotion of mechanisms that ensure the quality of service delivery - was added later. Given the fiscal consolidation effort, and the related prioritisation of PAR activities and results, SO4 has been less prioritised by the GoS.

According to the Final Report, of the total of nine planned results, across the four measures under SO4, none have yet been fully achieved, but 51% of activities were fully implemented. However, eight results were partially achieved, i.e. achieved over 50%, while only result 4.4.1 has been achieved to less than 50%.

### **Key achievements across the SO 4 and its 4 measures**

As the legal framework for a functioning PA is now in place the extent to which legal framework for good administration is in place and applied SIGMA (Principle 5), surpasses of the 2017 target value;

The PPS was established in April 2014 and its capacity developed since its inception;

Adopted Strategy of Regulatory Reform (2016-2020) with AP 2016-2017 (later extended to 2018);

PPS delivered 92 program trainings with 1,086 trainees;

By 2017, 88% of draft laws for which RIA is required, were submitted to PPS for soliciting an opinion;

In March 2016, NARS adopted the Law on General Administrative Procedures (LGAP);

Adopted decree on acquiring and providing data on facts recorded in official records and decree on one single administrative point;

Established Coordinating Body for harmonisation of laws with the LGAP;

Enabled exchange of data from official records through e-services;

The e-LGAP includes data from an increased number of registers, such as those on births, residence, IDs, unemployment, social security, etc.;

The new LGAP introduced minor sanctions for not exchanging data;

The LGAP for the first time regulated the single administrative point (i.e. based on LGAP) enabling the citizens and business to receive in one place all relevant information and services;

A single administrative point has been implemented in May 2016 for a flagship GoS project entitled "Welcome Baby". By 2017 the project encompassed all 76 national maternity wards in Serbia. Since its inception, 90% of new-borns were registered via this new system;

Numerous other e-services were enabled and are available to citizens and businesses through the national single electronic administrative point (see part 5.3.1.1.4, SO 1 and M 4);

Improvements in the fields of (i) issuing electronic building permits; (ii) reducing the time needed for registering a business; and (iii) simplifying procedures for the transfer of property;

A new single legal framework for inspection supervision has been established and later strengthened and systemically implemented; better coordination among 41 inspections has positive results on reducing the grey economy; the type and form of inspection supervision is standardised, so that businesses can know in advance about the type, scope and manner of planned inspections;

Evidenced increase of the number of registered entrepreneurs by 71.3% and decrease in the number of de-registered entrepreneurs by 26.7%;

The results of the survey and focus groups facilitated by the evaluation experts particularly underlined the achieved results related to the inspections reform and reduction of the administrative burden through standard cost modelling related to construction permits and many other areas.

**Update for 2018:**



**According to the AP PAR Monitoring Report for 2018, for SO 4 the rate of 50% of results achieved and 50% of activities implemented.**

The adopted bylaw on acquiring and providing data from official records provided the legal basis for the establishment of the e-Government Portal of RS (the IT system for LGAP). A new national system of one-stop-shops in LSGs bring administrative services closer to citizens and businesses. Since adoption of the bylaw, eight LSGs have introduced such single administrative points. A by-law on new mechanisms for strengthening of inspections and enhancing their oversight and coordination functions has been adopted. The Serbian Korean IT Access Centre (managed by MPASLG) has hosted over 400 training programs for over 12,000 participants, citizens, PA, CSO, and businesses in its first year of operation. The piloting of capacity building for five inspections has been completed and an information platform for inspections established. Currently there are 320 PA institutions within the e-LGAP system. Compared to the target for 2018 of 15%, 15.6% of laws were harmonised with the LGAP.

**A detailed effectiveness assessment of the four measures under SO 4 is placed in Annex 18. The implementation status of these four measures and summaries of the effectiveness assessment are as follows:**

**M 4.1: Improvement of the legislative process and Government public policy management.**

**Status: Largely implemented**

**Effectiveness assessment summary for M 4.1:** Significant advances were made towards improving the legislative process and public policies management, with the establishment of PPS, the adoption of the LPS and its two bylaws, as well as the Strategy for Regulatory Reform and Improvement of the Policy Management System (2016-2020) and AP 2016-2017. Thus, the legal framework for good administration is in place and applied to a large extent. PPS is regularly providing opinions on draft laws for which RIA is required. On the overall, the policy development process is making progress in the use of analytical tools. However, the practice is still limited and RIAs vary in scope and quality.

**M 4.2: Improvement in administrative procedures and operation of conduct of state administration bodies.**

**Status: Largely implemented**

**Effectiveness assessment summary for M 4.2:** Concerning improved administrative procedures and the compliance of SA and PA with citizens' rights, obligations and legal interests, a new Law on General Administrative Procedures (LGAP) was passed. The law aims at improving administrative services to citizens, strengthening a systemic approach to performing administrative procedures and enabling citizen-oriented policies for service delivery. A Coordinating Body has been established for harmonisation of special laws with the LGAP and is yet to become fully effective, due to a shortage of staff and the complexity of collaboration between SABs. GIZ PAR is supporting the establishment of the harmonisation process, but due to a lack of capacities in MPALSG, further important functions, such as the monitoring of LGAP compliance, are difficult to be established. The Unified Public Register of administrative procedures so far identified 2,500 administrative procedures for gradual optimisation and digitalization, of which 188 are on the LSG level, to be finalised by 2021. Towards more effective and efficient delivery of services to citizens, the GoS increased the use of modern IT technologies in conducting administrative procedures, and established an e-Government Portal (the IT system for LGAP). Thus, it enabled the exchange of data between official records, through e-services for acquiring and providing data. While the exchange of data between SABs is work in progress, concrete and substantial impact level benefits are already visible as an exchange of data from official records has begun. The LGAP has, for the first time, regulated the single administrative point enabling parties to receive in one place all relevant information and services. This integration enabled numerous new e-services now available to citizens and businesses through the e-Government Portal.

**M 4.3: Reforms to inspection oversight, reducing administrative costs, increasing inspector's legal security.****Status: Largely implemented**

**Effectiveness assessment summary for M 4.3:** Reformed inspection supervision, reduced administrative costs and increased legal security, helped to modernise the national inspections framework and its outreach. A new strengthened single legal framework for inspection supervision, including bylaws on new mechanisms for the strengthening of inspections, was adopted in June 2018 (amendments to the 2015 law) and has since been systematically implemented. The newly introduced coordination among 41 inspections is effective and has positive results on reducing the grey economy. The procedure, type and form of inspection supervision is now standardised, so that businesses can know in advance about the type, scope and manner of inspections. However, there are funding challenges and the harmonisation of a large number of special laws with the Law on Inspection Supervision is delayed. Also delayed is the procurement of e-inspector hardware and software, due to additionally needed assessments. The funding for e-learning and for adequately equipping the inspections with needed technical means has still not been secured. There is also a lack of people with required qualifications on the job market.

**M 4.4: Introduction and promotion of mechanisms that ensure the quality of service delivery.**  
**Status:****Not implemented**

**Effectiveness assessment summary for M 4.4:** Progress toward introducing mechanisms to ensure the quality of public services has been poor. The attempt to create an effective quality management system for public services was constrained by a number of factors: limited management support, lack of motivation of PA employees to change manners of performing tasks and; and a lack of resources. On the positive side, the new MPASLG Serbian-Korean IT Access Centre emerged as an important training and education hub primarily for citizens but also for PA, CSOs, and businesses.

**Textbox 4. Major Final Report Update # 4: New one-stop-shops in 8 LSG units**

In October 2018, MPASLG announced a call to LSGs for co-financing of 90% of the cost of establishing one-stop-shops related to equipment of the future one stop shops (in terms of architecture, branding and hardware software equipment). A total of eight LSGs from across Serbia (Piroat, Krusevac, Lazarevac, Sabac, Bela Palanka, Sombor, Zitiste, and Smederevska Palanka) signed in with MPASLG to establish one-stop-shops. Through these single administrative points, citizens and businesses need to visit only one place to receive a service (e.g. obtaining driving licence, vehicle registration, or new ID) at a greatly reduced cost and time. GIZ PAR is also supporting, through SCTM, LSGs in establishing their procedures. To this end, a catalogue of procedures and competences was developed, a preliminary analysis conducted, coordination with authorities possessing certain official records initialised, and the exchange of electronic data between authorities improved, etc.

**Textbox 5. Major Final Report Update # 5: Further inspections reform steps in 2018**

Towards modernisation and increased effectiveness of the inspection services, the June 2018 amendments to the Law on Inspection Supervision introduced additional mechanisms for strengthening inspections, such as: unannounced inspection visits, the "secret customer" instrument, joint supervision, penalty reduction and inspection assistance if the offence was self-reported, joint inter-municipal inspections, and a "trusted" subject status, etc. Moreover, coordination has been established among 41 inspections as an instrument to reduce the grey economy (in the field of registration of entrepreneurs). The procedure, type and form of inspection supervision is standardised. Checklists are published so that businesses can know in advance about the type, scope and manner of inspection they will be facing.

**Textbox 6. Major Final Report Update # 6: the MPASLG Serbian-Korean IT Access Centre (SKIP)**

The first SKIP Centre, as part of the MPASLG, opened on 20 December 2017. Apart from the education of GoS officials, it provides citizens and start-up companies with free access to all services provided by the Centre. The objective of this facility, which is equipped with modern ICT, is to provide free access to ICT, to introduce the development of ICT, especially regarding services provided by e-Government, as well as to raise the citizens' technological literacy and promote the Serbian-Korean cooperation. Over the past year, besides becoming an important service point to citizens, SKIP also became a collaborative hub for PAR. The first training was delivered on 19 January 2018. Since then, over 500 training programs, with over 13,662 participants, including mostly citizens, but also employees of the PA, CSOs, and businesses. The centre developed an online application related to on-going programs and available opportunities for citizens. PAR related training themes for the SABs have so far included: improved inspections, establishment of address registers, the "e-babies" service, e-LGAP implementation, etc. The centre was referred to more than 400 times in the media and on the internet. SKIP was commended by the Government of Korea as the best such centre globally. Since the centre is part of the MPASLG, it has become a frequent venue not only for citizens but also for other PAR stakeholders. Skip hosted important events, such as signing agreements and promoting new PAR partnerships, efforts and achievements.

**5.3.1.5 SO 5: Increased citizens' participation and accountability of public administration (I-3.1.6)**

The 2014 PAR Strategy envisaged two measures for the achievement of this objective: (i) improving the conditions for the participation of the interested public in the work of the PA and (ii) strengthening of ethical standards of employees in PA and suppressing corruption. A third measure, added by the AP was strengthening the supervision capacities in the PA, i.e. strengthening of internal control across the public sector. As in the case of SO 4, this SO has been less prioritised due to the government's fiscal consolidation effort and the ensuing prioritisation.

According to the Final Report, of the total of six planned results, across the three measures under SO 5, 33.3% (two results) of the planned results were achieved and 45% of activities were fully implemented. The two results are: improved protection of whistle-blowers (5.2.2), and steps towards increased capacities of the Administrative Inspectorate (5.3.2.).

**Key achievements across the SO 5 and its 3 measures**

In 2017, the GoS became signatory of the Supplementary Protocol to the European Charter of Local Self-Government guaranteeing the inclusion of citizens in the work of local government;

Published national and LSG Civic Guides to the Budget;

Introduced monthly online MoF Newsletter of Public Finance;

Introduced publication of budget execution reports of LSG units in the *Official Gazette*; half of the LSGs publishes the reports on the internet;

The first two AP OGP have been implemented. An interactive internet portal "Good Administration" was established to inform citizens on PAR progress and the mandatory exchange of data from official records;

57.5% of PA bodies and organisations adopted integrity plans;

The first Law on Whistle-Blower Protection has been in effect since 5 June 2015 with an established data centre and adequate ICT equipment provided to judicial bodies, and a relevant training module developed;

The Ministry of Justice published a report on the first year of implementation of the Law on Whistle-Blower Protection on its website. Since the law came in force at the end of June 2017, 427 criminal proceedings have been initiated as a result of whistleblowing, of which 364 were completed;

The number of conducted inspections has increased. During the first half of 2017, five different inspections were conducted. After the first year of implementation, a total of twenty administrative



inspections were conducted; Before first year 282 labour inspections were completed and after first year 949 labour inspections were completed <sup>123</sup>;

Amendments to the Law on the Ombudsman were drafted, along with amendments to the Law on Free Access to Information of Public Interest, and amendments to the Law on the Anti-Corruption Agency;

There are 17 administrative inspectors although maximum 28 were allowed in terms of the maximum number of employees. The administrative inspection in 2017 conducted a total of 1,430 inspections and acted on 1,800 complaints, compared to 2014 base values of 1,400 and 1,230;

The evaluation experts' focus group and survey particularly underlined the achieved results related to the new normative package related to the protection of whistle-blowers, the participatory process of developing the second and third OGP AP, as well as the improved normative framework for the participation of civil society in the process from drafting to monitoring the implementation of public policies.<sup>124</sup>

#### Update for 2018:

**According to the AP PAR Report for 2018, 17% of the results under SO 5 have been achieved and 14% of activities implemented.**

The third AP OGP 2018-2020 was adopted in 2018. Important normative changes (Amendments to the Law on LSG and new LPS) took place, which strengthen public participation in law-making and the policy process, from public discussions on drafted laws and policies to public participation throughout the entire drafting and implementation process. A new bylaw was adopted on the web presentations of SABs. Against the target for 2018 of 71%, 73% of recommendations given by the State Audit Institution (SAI) were implemented.

**A detailed effectiveness assessment of the 3 measures under SO 5 is placed in Annex 18. The implementation status of these three measures and summaries of the effectiveness assessment are as follows:**

**M 5.1: Improvement in public participation in PA and increased information on PA and public finances.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 5.1:** Toward improved public participation in PA, and information on public finances, civic guides to national and local budgets have been published. A MoF publishes a monthly online Newsletter of Public Finance. Budget execution reports of LSGs, have been published in the Official Gazette. Half of the LSGs publish budget execution reports on the Internet. A legal framework for open data was established and a portal launched, with a growing number of datasets. In addition, the first two AP OGP have been implemented, but constrained by insufficient capacities for LSG monitoring of civic budgets reports. The third AP OGP 2018-2020 was adopted at the end of 2018. However, sufficient efforts are missing across SABs towards uniformed and increased transparency of the PA and towards a more pro-active publishing and updating of public information. Further efforts are also needed towards an increased CSO involvement in the CSO agenda of the GoS, by adoption of the drafted Strategy for Creating an Incentive Environment for the Development of the Civil Society, and establishment of the Council for Cooperation with the Civil Society. All SABs are yet to fully shift from occasional public discussions involving CSOs and citizens at the final stages of a legislative or policy development, to the practice of systemic and transparent consultations from the start. Some CSOs refrain from participating in the reform processes (for example in working groups) because they do not want to participate in the process, without playing a substantial role. Also, many CSOs largely perceive the GoS decision-making as not transparent enough. Free access to information of public importance remains insufficient and the

<sup>123</sup> Annual figures.

<sup>124</sup> Evaluation process experts Focus Group on SO 5 took part in the MPALSG Serbian-Korean IT Access Centre on 26 November 2018.



recommendations of the Commissioner and the Ombudsman are not always followed-up. Finally, there are backlogs in administrative courts.

**M 5.2: Strengthened integrity and ethical standards of PA employees and reduced corruption.**

**Status: Partly implemented**

**Effectiveness assessment summary for M 5.2:** Amendments to the Law on the Ombudsman have been drafted to strengthen external and internal PA control and to enforce the proactive publication by SABs of information, inclusive of e-application of information booklets. On the other hand, there are amendments to the Law on Free Access to Information of Public Interest, which have raised certain concerns among CSOs, because of the exclusion of public enterprises from an obligation to share their information with the public. However, the law also requires the proactive publishing by SABs of information, inclusive of e-application of information booklets. CSOs are also concerned about the appointment procedure for a new Commissioner for information of public importance and protecting personal data, as the position is currently vacant. Now that the fiscal crisis is over it is expected that some parts of the SO 5 are prioritised, to achieve more concrete outcome level results.

**M 5.3: Strengthened mechanisms of external and internal PA control.**

**Status: Not implemented**

**Effectiveness assessment summary for M 5.3:** Finally, towards a strengthened mechanism of external and internal PA control, amendments to the Law on Ombudsman were drafted towards further empowerment of the Ombudsman.

**Textbox 7. Major Final Report Update # 7: June 2018 normative changes, from public discussions on drafted laws to public participation in drafting laws**

An important advance took place on 20.6.2018 when the NARS adopted amendments of the Law on Public Administration. Given the amendments to article 77 of the law "State administration bodies are obliged to provide conditions for public participation during the preparation of draft laws, other regulations and acts, in accordance with this Law". On the same occasion the same changes were adopted in the amended Law on Local Self-government. Together with the relevant clauses of the new LPS, a set of important norms were established towards ensuring increased involvement of citizens and CSOs in policy development, implementation and monitoring.

**5.3.1.6. Extent to which the AP PAR 2015-2017 was ambitious and not implementable and the specific factors (I-3.1.7).** As evidenced in part 5.1.1 (on JC 1.1) of this report, the AP PAR 2015-2017 was designed ambitiously with scarce resources, capacities and competences. Given the specific development context it was subject to GoS prioritisation resulting from the fiscal crisis.

Thus, none of the five SOs was fully attained. Of the 19 measures, 16 were reported as not fully implemented. Of the 47 results, by the end of 2017, a total of 14 (or 30%) were achieved up to 50% while 22 (or 47%) were achieved up to 80%. The remaining tasks and objectives were declared as "the next steps". Some significant achievements, not reflected in those figures, were made in 2018.

The overall underperformance against intended results from a number of factors: overly ambitious planning, the EU accession related dialogue, the pressure arising from the introduction of the SIGMA Principles, the lack of, or delayed, availability of financial resources, limited PA (MPALSG and others) implementation capacities, PA downsizing, elections and government reshuffling, fiscal consolidation priorities, complexity and communication of the reforms, continued politicisation of the civil service, and other factors. More details on the different restraining forces and obstacles are placed under report part 5.5.2 (on JC 5.2.).

There are a number of reasons why results and measures in the AP PAR 2015-2017 are overly ambitious. These reasons lie in inadequate planning, underdeveloped partnerships for PAR between





SABs, inadequate managerial accountability, lack of baselines and proper analysis of what can be realistically achieved, and an overestimated speed of resource mobilisation. In terms of implementation delays, the optimisation effort was burdened by poor intra-SAB communication and a lack of managerial accountability on the operational level, the complexity of the reforms, fraught with a need for consensus on one hand, and the existence of vested interests on the other. Yet, some of the SO5 objectives were clearly not high on the Government agenda, such as the new Law on ACA. Finally, efforts related to monitoring and ensuring the quality of public services were isolated, without a clear policy perspective and lacking a holistic approach to the PAR efforts.

### **5.3R Key recommendations for EQ 3: Extent to which the five Specific Objectives for AP PAR 2015-2017 are achieved**

**R # 3.1:** Enable continued support to MPALSG coordination of the GoS Optimisation Program, currently performed by the external WB Change Management Team, whose mandate ends in mid-2019. In parallel, increase the effectiveness of MPALSG to face potential obstacles such as moderate ownership of implementers, weak managerial accountability, and resistance to change and limited internal communication.

(MPALSG, WB CM Team, PPS, relevant SABs, short-term).

**R # 3.2:** Establish a mechanism to ensure that new policy documents are not adopted by the GoS unless they are in line with the LPS. Address the bottlenecks related to capacities, tools, and skills, to ensure that new documents are designed in accordance with the law. To that end, with the help of the PAR Reform TA, ensure effective implementation of the LPS and its two regulations through comprehensive guidelines (manuals, templates, checklists, competencies map, etc.) and tools, as well as through the PPS, capacitated as the centre of excellence, leading and pro-actively supporting SABs. Also, facilitate further capacity building and training for a number of civil servants across the relevant SABs, towards increased capacities for managing the public policy management process (PPMP) and for developing public policy documents.

(GoS, PPS, NAPA, and all relevant SABs, from now on).

**R # 3.3:** Given the current bottlenecks, strengthen interoperability and electronic exchange of data from official records by establishing a mechanism for data exchange between SABs. Develop a meta registry (towards unified data and information storage) and strengthen collaboration among SABs.

(GoS, MPALSG, ITE, relevant SABs, short-term onwards).

**R # 3.4:** With the PAR Reform TA's bridge the gap in the current e-Government strategy, and assess capacities and resources requirements of SABs for effective implementation of the Program for Development of e-Government and Action Plan, currently under preparation, in compliance with the LPS. The program is also to focus on the priorities and the following themes: infrastructure, security, interoperability, and holistic regulatory framework in line with the needed interoperability.

(GoS, MPALSG, ITE, relevant SABs, short-term onwards).

**R # 3.5:** Implement recent amendments to the Civil Service Law aiming to reduce the number of temporary (acting) positions of senior civil servants. Ensure the timely implementation of selection procedures as defined by law, so as to avoid that positions remain vacant. Introduce strategic goals related to the recruitment process. Set annual objectives for managerial positions to enable performance measurement and reviews.

(GoS, HRMS, all relevant SABs, 2019).

**R # 3.6:** Ensure development of the Centre for Assessment and Development of Competences and Career Development in the HRMS and secure funds for updating the HRM information system, in order to institutionalise career management for civil servants employed in priority areas.



(GoS, HRMS, all relevant SABs, short-term).

**R # 3.7:** Move NAPA to new premises and provide technical and other capacities, such as sufficient staff. Develop adequate competences of NAPA's staff, and adopt the bylaws for implementation of the Law on NAPA and other special laws regulating professional development in certain parts of the PA. Ensure introduction of the system of accreditation of professional PA training providers, establish centralised records of PA programs for professional development, and adopt a general act on the program of vocational training of trainees.

(GoS, short-term).

**R # 3.8:** Ensure support for further LSG units HRM capacity building and development of the system for professional development of employees in LSG by strengthening the capacities of LSGs to perform the function of professional development falling within their growing competences and by developing and implementing NAPA program of professional development for LSG.

(HRMS, NAPA, SCTM, all relevant SABs, short-term onwards).

**R # 3.9:** Ensure policy advice, institutional support and adequate resources, per the results of the due assessment of needed professional, administrative and institutional capacities of the MoF, for a more effective implementation of PIFC Strategy towards increased awareness and effectiveness, and set realistic targets for annual FMC and IA reporting by PA bodies.

(GoS, MoF, all relevant SABs, short-term).

**R # 3.10:** Introduce e-procurement and equip the PPO and the Procurement Commission with necessary resources and permanent staff. Also, clearly allocate public procurement functions and enable a shift of focus from procedural details to outcomes.

(GoS, MoF, medium-term).

**R # 3.11:** Increase the use of analytical tools in policy development processes by strengthening the capacities of SABs (by establishing new Analytical Units)<sup>125</sup> to conduct ex-ante and ex-post impact assessments. Review the quality of impact assessments through developing tools for implementation of the LPS. Develop tools for conducting PIA (guidelines, templates, checklists and evaluation grids). Update and upgrade existing RIA handbook into a more user-friendly format.

(PPS, all relevant SABs, medium-term).

**R # 3.12:** Strengthen the capacity of MPALSG to coordinate the harmonisation of policy documents with LGAP, from ad hoc and informal collegial efforts, towards a regular, timely and adequate collaboration between SABs. Raise awareness of the importance of harmonising with LGAP, towards a better understanding of end results in terms of new services. Promote administrative procedures as modern tools for policy making, in order to increase political commitment among SABs.

(GoS, PPS, all relevant SABs, short-term onwards).

**R # 3.13:** Given the newly emphasised focus on citizen-oriented service delivery on one hand, and obstacles in terms of monitoring citizen satisfaction on the other, consider drafting a separate and comprehensive citizen-oriented policy for service delivery. The policy should encompass dedicated institutional arrangements, and strategic and systemic orientation, towards integrating services for citizens across the SABs, discovering citizen needs and preferences, and engaging

<sup>125</sup> Clarification, PPS, 8.4.2019, "The World Bank and the European Commission recommended the establishment of Internal Organizational Units in SAB that would be responsible for carrying out strategic planning and management tasks in support of the process of improving budget planning; Internal Organizational Units would: support and coordinate the preparation and implementation of planning documents; monitoring the implementation and reporting on the level of achievement of the objectives and measures set out in the planning documents; professional support and coordination work in the preparation and implementation of strategic and mid-term plans in accordance with the defined goals of the organization, monitoring and reporting on the level of achieving defined objectives in relation to the resources used, preparation of analyses related to the financial and operational impact for the decision-making process on facts and data".



citizens in policy and service design. Service delivery is major reform in terms of LGAP, and there is a need for a strategic approach in this area. Increase the number of one-stop-shops in LSG units. (GoS, SCTM, MPALSG, all relevant SABs, medium-term onwards).

**R # 3.14:** Support all remaining SABs to shift from sporadic public discussions involving CSOs and citizens at the final stages of a law or policy development, to the practice of systemic and transparent consultations from the start, in order to prevent further CSOs disengagement from participating in PAR. Support SABs and PA institutions to record and proactively offer more information to increase the capacity of CSOs. Ensure legal framework for electronic data entry and **e-application of information booklets** and allocate financial resources for this purpose.

(OCCS, MPALSG, all relevant SABs, short-term onwards).

**R # 3.15:** Strengthen the existing integrity and anti-corruption system of the public service (e.g. by adopting the Law on ACA) and increase the application of integrity plans, and other mechanisms, in practice across all SABs. (GoS, short-term onwards).

**R # 3.16:** Strengthening control mechanisms in place to provide effective checks and balances, and control over PA organisations. Ensure the functioning of control mechanisms, by ensuring that the five independent bodies have adequate staffing and conditions for work, such as premises (the task group formed by GoS to improve the functioning of control mechanisms has apparently been idle). Also, ensure that all vacancies in the Administrative Inspection are filled in order to increase the number of performed inspections.

(GoS, short-term onwards).

**R # 3.17:** Complete legal and policy framework for Government collaboration with CSOs (Strategy for Creating an Incentive Environment for the Development of the Civil Society, and establishment of the Council for Cooperation with the CSO) and ensure proactive and even collaboration of all SABs with the CSOs and citizens. With the PAR Reform TA's support develop a full manual on how to include citizens, CSOs, and businesses in law-making and decision-making.

(OCCS, MPALSG, all relevant SABs, mid-term).



## 5.4 (Effectiveness) EQ 4: Unexpected positive and negative changes

**Summary findings and conclusions for EQ 4** Under SO 1, the key positive changes came from the impact of rationalisation on the fiscal consolidation and stabilisation of public finances. The negative changes came from the fact that there were too few PAR objectives on agenda of GoS. In addition, frequent elections affected nearly 30% of the period under review. Under SO 2, a key positive change was the completion of the normative process for the reform. Negative changes resulted from the lack of progress in the de-politicisation of the PA management. Under SO 3, key positive changes were primarily outcomes of the adopted PFM programs and the stabilisation of public finances. Negative changes came from limited capacities, elections and frequent staff changes. Under SO 4, the key positive aspect was the changing PA attitude towards citizens, and the improvement of inspection oversight. A negative change under SO 4 was the lack of PA capacities for a more effective harmonisation of laws with the LGAP. Under SO 5, more data is now openly accessible, although this was not intended in the AP PAR 2015-2017. There has also been some progress in the involvement of CSOs and citizens in regulatory and policy-making processes. Negative changes refer to the limited regulative and implementation results due to a low GoS prioritisation of related issues. Positive unexpected changes related to cross-cutting issues are limited to gender budget programming and steps toward paperless government.

### 5.4.1 JC 4.1: The range of unexpected positive and negative changes, and those related to any cross-cutting issues<sup>126</sup>

*Interviews and surveys provided large contributions to addressing unexpected positive and negative changes. The key unexpected positive change horizontally was that efforts to move ahead on PAR constantly remained a priority, even if limited in scope, hence giving an opportunity to move ahead on some priority issues. Key negative changes horizontally include the long financial crisis, inclusive of the 2014 floods and the high frequency of political changes (national elections and decision-making voids).*

**Other examples of positive and negative unexpected changes that related to most SOs (I-4.1.6.)** include: on the one hand, a positive impact of rationalisation on fiscal consolidation, enabling stronger efforts toward SOs affected by this process and the SBS policy dialogue as a new driver of change; on the negative side, prioritisation of many PA reform objectives was lacking, frequent elections resulting the loss of institutional memory, and high PA staff turnover and downsizing.

- *Key examples of positive and negative changes related to the four interventions under SO 1 (I-4.1.1.)* include, on one hand, that rationalisation had a positive impact on the fiscal consolidation and the development of e-Government; on the other hand, the lack of managerial empowerment of the civil service at the operational level continued. Citizens' opinion on the SA has been changing for the better. There is now an open data agenda and an operational e-Government. Through the process of rationalisation, civil servants are now more aware of their core and non-core tasks. There is a new partnership between CSOs and government, as it is now possible for representatives of CSOs to be members of working groups.<sup>127</sup>

*Positive and negative changes connected with SO 2 and its three interventions (I-4.1.2.)* include the amendments to the Civil Service Law in October 2018, toward resolving the issue of temporary (acting) managerial positions on the positive side, and the delays in the implementation of HR reforms on the negative side.

<sup>126</sup>Information generated from the evaluation process documents review, interviews, focus groups, and surveys.

<sup>127</sup> Thematic Focus Groups Effectiveness of the Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia for the period 2015-2017 held at the MPALSG Serbia-Korea Information Access Centre on 14 November 2018.



*Key positive and negative changes related to the five interventions under SO 3 (I-4.1.3.)* include: on the one hand an unexpectedly high level of PFM outcomes, including a regular "policy dialogue" between the EU and the Government of Serbia on the topic of PAR and PFM,<sup>128</sup> and the stabilisation of public finances; on the other hand MoF has had limited reform capacities, also affected by frequent elections, while facing demands imposed by other reform objectives.

*Key positive and negative changes related to SO 4 and its four interventions (I-4.1.4.)* include: on the one hand, a high level of implementation of the e-Government agenda, inclusive of the successful interconnectivity with the MoI databases, increased consciousness across the PA that without adequate analysis there is no good regulation and adequate public policy, a high rate of compliance of businesses with the new inspections regulation, and an improving attitude of PA employees towards citizens; on the other hand, the LGAP regulated that an applicant (citizen) is not a party in the LGAP-related proceedings (The Law on Administrative Dispute is yet to be upgraded to fully protect citizens' rights in the proceedings) and, the unexpected deterioration of staff retention, a lack of PA capacities, a large backlog of cases before the Administrative Court, indicating the number of cases in which SABs may not have acted in accordance with the law; particular issue in this domain is continued adoption of laws establishing special rules of administrative procedure, although the unification of procedures is envisaged.

*The key positive and negative changes related to the three interventions under SO 5 (I-4.1.5.)* include, on one hand, that there is now more open data, which is an achievement not envisaged in the AP PAR 2015-2017; also, despite significant delays in improving the legal framework, there is partial progress (variable per different SAB level of propensity to proactively involve CSOs) in the involvement of CSOs and citizens in regulatory and policy-making processes; and an increased knowledge of PA staff of integrity plans as a mechanism for preventing corruption.

On the other hand, the SO 5 agenda was not overly ambitious and a low priority of GoS. Consequently, there were limited regulative and implementation results and there was a lack of post-election continuity of on-going efforts. The draft amendments to the Law on Free Access to Information of Public Importance involve a risk of limiting the right of access to information. The emergence of governmental non-government organisations (GONGOs)<sup>129</sup> simulating dialogue between government and civil society in order to legitimise certain policies, faces criticism from part of the CSOs.

*Finally, examples of positive and negative unexpected changes (i.e. not in the PAR Strategy) related to the cross-cutting issues (gender and climate change) (I-4.1.7.)* include: on the positive side, the amendments to the Law on the Budget System introduced gender budget programming which is gradually implemented; on the other side, a systemic gender sensitive approach across the PAR AP, especially in terms of building PA capacities, is still missing, while there is silence on climate issues within the PAR agenda.

#### **5.4R Key recommendations for EQ 4: Unexpected positive and negative changes**

**R # 4.1:** Create PAR change agents throughout relevant SABs. Adversities of the reform process have forged a core group of reform minded civil servants and an opportunity for further advancing the PAR agenda. Nurture, through retention policies, promoting managerial accountability and leadership, and other means, this unexpected stronger bond between the few, but committed PAR change agents (in the MPALSG, PPS and other institutions) that can serve as a good basis for future collaboration, under somewhat better (financial and other) conditions.  
(GoS, MPALSG, SABs, short-term onwards)

<sup>128</sup> Survey questionnaire # 2: Effectiveness of AP PAR 2015-2017.

<sup>129</sup> Meeting note with Crta on 7 December 2018.



## 5.5 (Effectiveness) EQ 5: The most influential driving and restraining forces which increased and reduced effectiveness

**Summary findings and conclusions for EQ 5** Under SO 1, the key driving forces were: EC inclusion of the PAR as key pillar for RS and its EU-accession; GoS prioritisation of the Optimisation Program; MPALSG commitment to PAR implementation; well-coordinated assistance from donors and creditor's (mainly the EC, WB, and IMF, but also bilateral organisations); commitment of implementers of the e-Government agenda. Under SO 2, key driving forces were: commitment to cooperate with the WB and EC; joint efforts of MPALSG and HRMS resulting in the establishment of NAPA. Under SO 3, key driving forces were: commitment to cooperate with the WB and the EC; collaboration between PA and businesses; awareness of the fiscal situation of the country. Under SO 4, key driving forces entailed e-Government initiatives (e-services) conducted through the GoS Delivery Unit and the commitment of implementers of the inspection reforms. Under SO 5, key driving forces included raising awareness of the significance of the reform both in the administration and among the wider public.

Under SO 1, key restraining forces were: complexity of tasks and delayed funding; dominance of government's other priorities, such as fiscal consolidation; a lack of managerial accountability and poor communication; legislative delays due to election pauses and; a lack of financial resources. Under SO 2, key restraining forces were: an ambitious, complex and demanding PAR process; a lack of sufficient analyses of PAR issues; PAR issues have not been high on the political agenda; legislative delays due to election pauses; lack of adequate HR capacities. Under SO 3, key restraining forces were: overly ambitious deadlines; inadequacy of HR capacities; lack of capacity of CHU to perform analytical work; legislative delays due to election pauses. Under SO 4, restraining forces were: low coordination capacities; legislative delays due to elections; insufficient funds to adequately equip inspections with staff and equipment. Under SO 5, key restraining forces were: uneven openness of SABs for collaboration with CSOs, a lack of openness of the government institutions towards independent bodies; legislative delays due to elections and decision-making voids; and a lack of GoS prioritisation.

### 5.5.1 JC 5.1: The range of different driving forces and success factors

*Examples of driving forces and success factors related to the interventions under most SOs (I-5.1.6.)* include: the inclusion in 2014 of PAR as a key pillar for RS on its EU accession pathway, the GoS prioritisation of the Optimisation Program, i.e. the rationalisation of the PA and the commitment to the IMF, the overall collaboration with the EC (EC progress reports, PAR SG, SBS Policy Dialogue, the 2014 and 2017 SIGMA Principles and the SIGMA Monitoring Report, and other collaboration with SIGMA, etc.), the MPALSG commitment, managed by the Good Governance Sector and the Group for PAR (as a newly built-in PAR mechanism), and other dedicated SABs and a number of civil servants on the operational level, the commitment of GoS to its cooperation with the WB, the commitment and contributions of the many specific implementers such as GIZ (SO 2) or UNDP, SECO RELOF, USAID BEP (all SO 3) - to name the key driving forces and success factors.

*Examples of different driving forces, success factors, and specific actions related to the four interventions under SO 1 (I-5.1.1.)* include: GoS prioritisation of the PA rationalisation (measure 1.1.), well-coordinated assistance from donors and creditors (chiefly the EC, WB, and IMF), a gradually improving multi-stakeholder consensus building process, the introduction of the SIGMA Principles, the efforts to build a unified planning system (measure 1.3), and the strong commitment of implementers of the e-Government agenda (measures 1.4. and 4.1).

*For the SO 2 (I-5.1.2.) driving forces include:* commitment to the WB and EC in terms of de-politicisation and modernisation of the civil service, joint efforts of MPLSG and HRMS resulting in the establishment of NAPA, a gradually improving multi-stakeholder consensus building process towards the reforms of salaries and job relations.



- **For the SO 3 (I-5.1.3.) driving forces include:** commitment of government to its cooperation with the WB and the EC, definition of objectives for PFM reforms, bilateral assistance, collaboration with businesses, commitment of the technical secretariat in the MoF, working group and program management board, and awareness of the fiscal situation of the country.

**For the SO 4 (I-5.1.4.) driving forces include:** GoS prioritisation of the LGAP implementation, within the e-Government agenda, e-Government initiatives (e-services) supported by the GoS Delivery Unit, a gradually improving multi-stakeholder consensus building process in relation to the LGAP implementation on new e-systems that standardise procedures and make them transparent (although there is no standardization without proper harmonization process with LGAP), and commitment of the implementers of inspection reforms.

**Finally, key driving forces for the SO 5 (I-5.1.5.) include:** reports by the EC and other organisations highlighting the need for GoS to become more open toward CSOs and citizens and proactively involving them in the policy process, from sporadic public debates to systematic consultation, and from normative and policy planning, to implementation; strong aspirations by CSOs and facilitation of the dialogue by the OCCS, the OGP agenda and CSO involvement in it, and commitment of the ACA and certain SABs to develop integrity plans. The most important driving force may have been the raising of awareness of the significance of the reforms, both in the administration and among the wider public. While there was far less awareness of SO 5 before the launch of the AP, it has gained recognition as the AP implementation proceeded. One of the important results under SO 5 is the inclusion of representatives of civil society organisations in working groups.<sup>130</sup>

#### 5.5.2 JC 5.2: The range of different restraining forces and obstacles

The following paragraphs describe the main implementation obstacles found.<sup>131</sup> For a detailed analysis of obstacles for each AP PAR measure, see Annex 10 on challenges, restraining forces, and obstacles. Also, see the report part 5.3.1.6 on PA capacities and Annex 11 on causes of delays.

**The following restraining forces and obstacles have affected the achievement of most SOs (I-5.2.6.):** (i) definition of the PA in the PAR Strategy; (ii) ambitious agenda, but insufficient capacities to implement it; (iii) constant change of civil servants dealing with reforms; (iv) inadequate PAR coordination and limited effectiveness of monitoring and steering (see part 4.5.); (v) the GoS seeks to balance PAR activities with the need to improve the quality of public services, the need for fiscal consolidation, and the requirements of the EU accession process. Thus on one hand there is a need to commit and accelerate PAR, take on new obligations, competences and tasks, while on the other hand, there is a need to reduce costs and the number of PA employees; (vi) insufficient PA capacities resulting from low staff retention, overly ambitious planning, poor communication, management and coordination, and resistance to change (see part 3, and 5.3.1.6.); (vii) election pauses in 2016 and 2017 resulting in new governments, changing competences, i.e. frequent post-election reorganisations of SABs, and delayed legislation (see part 3.1); (viii) insufficient and/or delayed funding; (ix) lack of sufficient political support across the SOs, and limited managerial accountability (delegation of responsibility to lower levels); politicised system with a majority of SA senior civil servants serving in acting capacities;<sup>132</sup> and (x) a lack of institutionalised strategic planning across the SABs. In general, there is not enough time to learn how to plan for the long-term, because of a focus on ad hoc activities. Each PAR AP is a combination of activities and results that are urgent and important in given moment, neglecting more long-term needs.

<sup>130</sup> Thematic Focus Groups Effectiveness of the Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia for the period 2015-2017 held at the MPALSG Serbia-Korea Information Access Centre on 14 November 2018.

<sup>131</sup> Information generated from the AP PAR 2015-2017 reporting, evaluation interviews, focus groups, and surveys.

<sup>132</sup> Meeting with NAPA on 20.09.2018.



*Restraining forces and obstacles concerning the four interventions under SO 1: Org. & Functional PA sub-systems (I-5.2.1.), related to the complexity of tasks and delayed funding* (for example, the WB loan was signed only in May 2016). There were delays in the development and adoption of the AP for the HFR, and in the implementation of the VFR, due to low propensity (ownership, awareness, communication, managerial accountability, etc.) on the part of SABs. In general, SABs are not capable of monitoring changes in the organisational structures and the numbers of employees at all levels of government.<sup>133</sup> MPALSG has low coordination capacities. Decentralisation has not been a GoS priority. Legislative delays, due to elections, have been significant. In addition, there has been a lack of financial resources towards a more efficient provision of services to citizens and businesses.

*The restraining forces and obstacles related to the three interventions under SO 2: Civil service, HRM (I-5.2.2.) are related primarily to the ambitious, complex and demanding process for reforming public wages and to the negotiating process with trade unions and other stakeholders.* A delay in the implementation of the Law on Salaries was justified with the need for further analysis to sustain fiscal stability. Improved HRM function in PA (including de-politicisation, capacity boosting) was of a lesser priority to GoS than was rationalisation. Other restraining forces included legislative pauses due to elections, and a lack of funds, premises and personnel to simultaneously and coherently implement the reforms in the field of professional development.

*Restraining forces and obstacles related to the five interventions under SO 3: PFM & procurement (I-5.2.3.) are related to the imposed deadlines, some rushed by the EC, i.e. PFM as a condition for SBS, and inadequate capacities and resources.* There were delays due to legal and other issues, such as the integration and improvement of the existing budget execution software with the new Budget Information System for budget preparation, and the new UIS (solved during 2018). Another major issue was the inadequacy of CHU HR capacities (frequent changes and insufficient numbers of trained senior civil servants) to perform analytical work and collect data on which it could advise the Government on the necessary reforms. Regarding procurement reforms, there were legislative obstacles, due to election pauses. Other constraints were that public procurement functions are not yet clearly allocated, and the PPO Commission has neither the necessary resources nor permanent staff.

*The restraining forces and obstacles related to the four interventions under SO 4: Legal certainty, business environment (I-5.2.4.) stem from the complexity of the challenges faced, low coordination capacities, and legislative delays due to elections.* The policy-making process makes limited use of analytical instruments, such as RIA, in terms of assessing the scope and quality of public policies. Gaps exist in terms of the availability of adequately structured and standardised data in electronic form. MPALSG has limited capacities, and limited cooperation with the Delivery Unit, for monitoring performance in service delivery. There were delays and challenges related to the harmonisation of a large number (78) of special laws with the Law on Inspection Supervision. Sufficient funds for adequately equipping the inspections with needed HR and technical means have not been available. There is also a lack of people with required qualifications on the job market.<sup>134</sup> PAR is poorly communicated both internally and externally. Internally, it was mainly communicated during the process of rationalisation under the agreement with the IMF.

*Restraining forces and obstacles related to the four interventions under SO 5: Citizens participation and PA accountability (I-5.2.5.) are related to the lack of openness of many SABs towards independent bodies.* One reason for the slow implementation of PAR lies in the limited application of the principle of the division of powers (with effective judiciary and parliamentary oversight of the executive). The lack of available data resulted in insufficient capacities of LSGs to monitor the publication of reports on the execution of civic budgets under the OGP. There was limited motivation

<sup>133</sup> Survey questionnaire# 3: Assessment in accordance with specific objective 1 from AP PAR 2015-2017 / Improvement of organizational and functional sub-systems of public administration.

<sup>134</sup> Meeting with Administrative Inspection on 05 December 2018.





of employees of SABs and management in supporting this monitoring and reporting. Beside delays regarding legislative activities due to elections, a major obstacle was that the GoS had not prioritised SO 5. This circumstance, and their reluctance to participate only sporadically, without a clear and substantive role in the process, has caused some CSOs to back away from participating, or fully engaging, in the reform processes (for example in working groups) <sup>135</sup>

## 5.5 R Key recommendations for EQ 5: The most influential driving and restraining forces

**R # 5.1:** Where possible, make use of the detected driving forces and especially raise awareness of detected obstacles. Employ driving forces in a systematic way toward increased future PAR effectiveness, and particularly:

- i) Enable direct inputs from the PAR SG and SBS Policy Dialogue to the IMPG agenda;
- ii) Support increased GoS (SABs) openness and proactive involvement of CSOs and citizens to progress from sporadic public debates to systematic consultation processes; (GoS, MPALSG, SABs, short-term onwards).

**NB:** More details on driving forces and obstacles are available in the report part 5.5 and Annexes 10 and 11.

**R # 5.2:** The challenges ahead are to find ways to utilise the positive, but even more importantly, to mitigate the strongest restraining forces. To that end, future efforts could be made towards setting more realistic deadlines. Also, there is a need to recognise interconnections between intended measures and proper planning of complex regulatory and implementation processes. The authorities should determine an appropriate definition of PA at strategic and operational levels, and enhance and speed up decision-making at management level. (GoS, MPALSG, SABs, short-term onwards).

<sup>135</sup>Meeting with CRTA on 4.10.2018.



## 5.6 (Efficiency) EQ 6: The level to which the AP PAR 2015-2017 objectives were achieved on time and the factors behind it

**Summary findings and conclusions for EQ 6** Timely implementation across the 5 SOs was uneven. Delays were caused by a number of restraining forces and obstacles and adequately dealt with only to a certain degree. Some delays could not be averted, such as those due to election voids and slow contracting and funding. The first delay occurred in year one of the AP PAR when the starting date was postponed from 2014 to 2015 in order to harmonise the AP implementation period with the three-year budget cycle and to allow for sufficient consultations with other SABs. Beyond the late start, implementation of the strategy was delayed several times, for many reasons. One reason was the inadequacy of staffing vis-à-vis the envisaged workload – there was a shortage of staff for coordination, reporting, communication, monitoring and evaluation. Another reason was insufficient resources vis-à-vis the volume of tasks planned. The available civil servants were given additional PAR tasks without increased salaries to match the increased workload. Further key factors causing delays are associated with the lack of coordination and monitoring within an overall supervision system, and with the absence of a uniform set of financial procedures for the AP implementation.

The past reporting process was based on the limited SMART design of the AP 2015-2017, in combination with clear reporting lines and commitments, but lacking ownership (due to frequent change of employees), which led to reports lacking focus and clarity. There was a lack of timeliness and adequate sequencing of decisions within the PAR Strategy coordination structure combined with insufficient effectiveness of the IMPG, in terms of coordination and steering capacity that appear to be key barriers to effectively dealing with delays. However, mechanisms were in place to deal with delays, such as the APIGP coordination mechanism organised by PPS, the e-Government sub-group to the PAR Council, and the PAR and e-Government departments in the delivery unit. Given the relatively good results of these measures, there was, on the overall, a significant collaboration between stakeholders towards effectively dealing with delays.

The elimination of the Collegium (the Board of the State Secretaries) from the PAR structure did not lead to efficiency gains. Thus, further measures are needed to enable effective monitoring for results and steering of the PAR interventions. The management and monitoring structures of the PAR SRC SBS Policy Dialogue and the PAR SG deliverables could also be made more effective in feeding into the work of the IMPG and PAR Council.

The MPALSG lacks adequate capacities for AP PAR reporting, monitoring, coordination and evaluation and lacks sufficient leverage in relation to other SABs. In its PAR Group it has only two staff exclusively dedicated to PAR. The system of collecting inputs from implementers for reports is not efficient, while the monitoring reports, although gradually improving, were not sufficiently focused on obstacles and delays.

The extent to which the implementation of the AP PAR 2015-2017 was cost-effective compared to alternatives could not be established due to incomplete data on final financial expenditures for AP 2015-2017. Besides poor financial reporting, there was a lack of outcome indicators on the level of SOs and the 19 measures, as well as limited overall outcome level results. Moreover, there are inconsistencies between planned funding and actual appropriations, while the obtained final financial figures also indicate unrealistic planning in terms of planned and spent amounts per the 19 measures and aggregated on the level of the entire AP PAR.

Nonetheless, there seems to be a substantial positive return on the overall investment in the AP PAR, considering the evidenced positive impacts. The cost of the performed implementation of the AP 2015-2017 was reported at around EUR 41 million. By contrast, savings resulting from downsizing were reported in the amount of around EUR 180 million. Additional benefits in terms of the monetary impact already amount to tens of millions of EUR with clear cumulative prospects.



### 5.6.1 JC 6.1: Timeliness of attainment of all measures across the five AP PAR 2015-2017 Specific Objectives

**Out of 19 measures, three were fully attained (as referenced in Table 19) and out of 47 results 11 were attained (Table 20). A number of tasks and objectives were carried over to the AP PAR 2018-2020. In general, there was a lack of timeliness of implementation across the five SOs (I-6.1.1.).** Initially the first AP was planned for the period 2014-2016. However, after consultations with the implementing institutions and given the need to harmonise the implementation period with the three-year budget cycle, the start year of the AP was postponed to 2015. This AP was developed without an adequate methodology for costing.<sup>136</sup> Initially, the financial commitments of GoS to the implementation of the AP were around 5% of the total cost. As a result, implementation of the AP initially depended on external funding. By the end of 2017 the amount invested by GoS into the implementation was around 50% of the total cost (according to the Final Report). **An overly ambitious AP and delays in the availability of funding chiefly contributed to slow planning and implementation of activities against the agreed timelines.** The surveys carried out in the context of this evaluation confirmed that 50% of respondents considered that the necessary funds were provided either untimely or somewhat timely. Furthermore, IPA and WB financing became available only later in the AP implementation period. Consequently, in contrast to the second AP, the AP PAR 2015-2017 in general planned for some measures to be implemented only at the beginning or towards the end of the three-year AP period. In addition, **proper planning for 47 results could not be fully evidenced, which is not surprising given ambitious design of the AP, the overall context and the challenges faced.** The implementation of the AP PAR 2018-2020 was much timelier. Annex 7 contains a list of actual implementation timelines for the measures of AP PAR 2015-2017 and AP PAR 2018-2020.

*A number of implementation delays occurred as a consequence of a wide range of causes (I-6.1.2.).* A number of causes are common for more, if not all, SOs and measures, while others are specific to some SOs and measures. Annexes 10 and 11 detail the challenges and obstacles per measure, and causes of delays, respectively. Part 5.5.2 of this report summarises and organises these factors into restraining forces and obstacles in relation to the five SOs and 19 measures. Part 5.3.1.6 of the report deals with the limited capacities for PAR.

*Inadequacy of staffing vis-à-vis the envisaged workload and high staff turnover (I-6.1.3.) were the main reasons for implementation delays,* as evidenced by both the survey on the self-perception of the 16 AP key reporting institutions and the conducted interviews. **The surveys particularly underlined the shortage of specific staff for coordination, reporting, communication, monitoring and evaluation.**<sup>137</sup> The meetings with the PPS, SAI, MPALSG, HRMS, and Administrative Inspection, among others, confirmed a general shortage of staff. Also, required staff profiles were not readily available on the labour market. As shown in part 5.3.1.6 of the report, not only the shortage of staff numbers, but also the adequacy of training, competences, the assignment of available staff to tasks, and the issues of retention and turnover were main reasons for implementation delays. Forced by the regulation on the maximum number of employees, the institutions have resorted to hiring temporary staff, if sufficient financial resources were available. Annex 9 of the report shows this phenomenon well. **Overall, the problem of HR capacities is more complex than the shortage of staff argument.**

*With regard to financing PAR, budgets were inadequately low compared to the volume of tasks to be carried out (I-6.1.4.).* The key reason for inadequate budgets was that the cost of labour (PA salaries, etc.) was not factored into the budgets, but only the costs of additional activities. Individual budgets per activities, however, were not available. Moreover, those budgets that were available on the level of measures could not be fully reconciled in the final financial analysis. **At the time of developing**

<sup>136</sup>Meeting with the MPALSG PAR Group on 25.10.2018

<sup>137</sup> Survey questionnaire #10: Perceptions of capacity for implementation of AP PAR



**the PAR strategy and the initial action plan, there were no established rules for the development of strategic documents. As a consequence, these documents were often not adequately costed and not sufficiently linked to the medium-term fiscal planning.** The MoF does not regularly publish budget execution profiles, which prevents analysis and subsequent adjustments, where necessary. Budget execution reports for 2016 and earlier, contain only basic elements, and do not break down expenditure figures for individual budget users.<sup>138</sup>

Rationalisation across the PA also contributed to a shortage of staff for new PAR tasks. The report (part 5.3.1.6.) describes the inadequacy of PA capacities for the planned PAR tasks. These inadequacies were likely significant, as a decreasing number of civil servants was charged with additional PAR tasks, without being compensated for the additional work.<sup>139</sup> Nonetheless, as highlighted in part 5.5.2. of this report, the lack of human and financial resources were important factors of delays. The lack of resources concerned mostly HR, as well as expenditures for ICT hardware and software. **A comparison of amounts planned and eventually spent per each measure, (see Annex 14) shows large discrepancies between planned and used funds, which is another indication for a "plan as you go" approach.**

*The improvement of coordination and monitoring of implementation, within an overall supervision system (I-6.1.5.) was meant to be addressed with measure 1.3 of the AP PAR 2015-2017.* In reality, activities and results were reported on within four different reporting systems (see part 3.5): (i) the PAR Strategy coordination system (through the IMPG and on to the PAR Council); (ii) the Government Annual Work Plan (GAWP); (iii) the NPAA reporting, and (iv) the APIGP.<sup>140</sup> **Thus, the coordination of activities under the PAR APs has not taken place within a single overall supervision system.** However, the UIS is established and operational since January 2019. One of the first reports developed with the help of the UIS is the report on AP PAR for 2018. This overall supervision system is expected to be fully developed and established through LPS and its public policy regulations.

In 2016, the EC Progress Report stated that the GoS has in place the institutions to ensure a central government policy-making system, but that policy coordination and reporting face challenges in practice, due to mainly formal and procedural issues, rather than to substance.<sup>141</sup> Although the Law on Government obligates government to inform the public about its work prior to implementation, enforcement of the new legal framework for monitoring and reporting on the implementation of strategies was sporadic. In 2016, for instance, neither a GAWP nor an NPAA report were produced. **In addition, the existing reports often did not contain information about progress toward outcomes against measurable indicators. This finding is also reflected in the SIGMA 2017 Monitoring Report according to the indicator "Quality of government monitoring and reporting."<sup>142</sup>**

The structure for a unified planning system has been prepared, with the adoption of the LPS and the two bylaws, as well as with the Unified Information System (UIS) for policy planning, implementation and reporting, established and operational since January 2019. **Thus, a strong basis for improved strategic planning has been created.** Reform measures also include the introduction of the APIGP, whose implementation is constantly monitored and reported on by an established coordination mechanism consisting of four implementation groups and coordinated by PPS, which prepares regular monthly reports of progress for the Prime Minister. Quarterly meetings on a higher level, led by the Prime Minister, with ministers leading the implementation groups, are also held. *Financial procedures allowed adequate and timely procurement of assets and resources only to a point (I-6.1.6.).* As mentioned above, there was gradual AP planning and successive acquisition of funds. In

<sup>138</sup>EC Serbia 2018 Progress Report.

<sup>139</sup>Meeting with former State Secretary on 28 November 2018.

<sup>140</sup>MPALSG PAR Group meeting on 25.10.2018.

<sup>141</sup>EC Serbia 2016 Progress Report.

<sup>142</sup> Marks: 1. The legal framework enables good monitoring and reporting 4/8, 2. Quality of reporting documents 2/12, 3. Public availability of government reports 2/5, SIGMA Monitoring Report for Serbia (2017), page 38.



addition, there was **no uniform set of financial procedures for the AP implementation in place**. The budget calendar established in the Budget System Law is still not fully respected, resulting in insufficient time allocated to proper preparation, assessment and debate among stakeholders.<sup>143</sup> While the budget is now structured by programs, the link with strategic plans and government priorities remains weak and needs further development. In addition, implementing PAR priorities depended on the source of funding. The EC SBS and the WB funding of PAR are based on achieved results, upon whose attainment new tranches are released, as described in part 3.3. Other financial instruments of the EU and bilateral donors have separate arrangements. However, implementers reported through the survey a certain delay in the availability of funds, both from the state budget and from donors. Further findings, especially on difficulties arising from government's budget procedures, could not be evidenced, because individual budgets per activities were not available, while the change of staff, SAB reorganisation, and large number of actual implementers (more than the 16 reporting institutions) prevented further collection of data on this issue.

### 5.6.2 JC 6.2: Extent to which delays were adequately dealt with given their nature and extent

Since the end of 2013, when the freeze on new employment came into effect, the number of PA employees has reportedly been reduced by around 48,000. Currently, Serbia has on average six PA employees per 100 inhabitants. This ratio positions **Serbia among the countries with the least public sector employees per capita in Europe**, while the average in the EU is 8.5.<sup>144</sup> Annex 9 provides details on the change of staff numbers over the past years.

*At the overall level of the AP PAR, the capacity to deal with delays and risk management (I-6.2.1.) were meant to exist within the coordination structures prescribed in the PAR Strategy (see part 4.5 of this report for further details). The measures prioritised by GoS (Optimisation and rationalisation of the PA, e-Government and service delivery related measures, and salary reform) were subject to coordination of the APIGP mechanism, i.e. regular monitoring meetings and steering measures, organised by the PPS. The entire AP PAR, with all 19 measures, was reported on through the PAR Strategy coordination structure, as explained in part 4.5 of this report. The IMPG, which is tasked with operational coordination and monitoring of the PAR Strategy implementation was designed to be a key instrument for risk management. **The IMPG's limited effectiveness in ensuring proper coordination has been a key barrier to dealing with delays adequately (I-6.2.2.).** More findings on its effectiveness are detailed under the analysis against indicator I-7.1.3 in the below.*

*Key capacities and mechanisms for effectively dealing with delays (I-6.2.3.) include the APIGP coordination mechanism administered by the PPS through regular monitoring meetings and steering measures, the newly established e-Government sub group under the PAR Council, and the GoS Delivery Unit (PAR and e-Government departments). These bodies focus on monitoring results and steering implementation towards the outcomes related to the PAR measures prioritised by the GoS. Also, two EC driven forums, providing a mechanism for results-oriented discussion related to the AP PAR implementation, have been established. The first forum is the Special Group on PAR and the second is SBS Policy Dialogue (see part 3.3.1.). Clear examples of the forums' effectiveness include improvements related to HRM objectives such as salary reform and de-politicisation under SO 2. In addition, the Government Office for IT and e-Government has been established, intended as a step forward compared to the Directorate for E-Government within the MPALSG.<sup>145</sup>*

*Clearly, given relatively good results of these measures, there was a significant level of stakeholder collaboration towards effectively dealing with delays (I-6.2.4.) within the above-described key mechanisms and related to the specific AP PAR measures. The two mentioned EC driven forums (the*

<sup>143</sup>SIGMA Monitoring Report for Serbia (2017), page 129.

<sup>144</sup>Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan, p. 11.

<sup>145</sup>Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan.



SBS Policy Dialogue and the PAR Special Group) also indirectly contributed to the awareness of those instances where implementation was delayed or lacking results.

### **5.6 R Key recommendations for EQ 6: The level the AP PAR 2015-2017 objectives has been achieved on time and key factors**

**R # 6.1:** The above challenges to timely implementation of the AP PAR 2015-2017 offer insights on how to further enhance timely delivery e.g. through:

- increased realistic planning,
- alignment to budgetary opportunities,
- proper planning of procurements and attribution of funds when needed,
- establishing an early warning system for risk management,
- full utilisation of the UIS;
- adequate staffing and flexibility of resource provision in peaking delivery periods.

(MPALSG, SABs, short-term onwards).

**R # 6.2:** Given the emergence of a unison planning and implementation system, in terms of its new normative and institutional framework, extend the scope of PAR objectives or measures prioritised in the APIGP across all AP PAR SOs and prioritise using transparent criteria, and within each SO, rather than for an entire SO. In this way, monitoring and steering efforts by the APIGP mechanism would also extend to addressing more effectively a wider span of SOs and measures and the related bottlenecks and delays. Should an adequate strengthening of the PAR Strategy coordination structures (Recommendations 7.1- 7.10) take place, including adequate GoS prioritisation, then this recommendation would be automatically fulfilled.

(GoS, PPS, SABs, short-term onwards).



## 5.7 (Efficiency) EQ 7: Adequacy of implementation management, institutional and organisational structure, and capacity for coordination, monitoring, reporting, and evaluation

**Summary of findings and conclusions for EQ7** The PAR Strategy prescribed a four-level coordination structure (PAR Council, Collegium of State Secretaries, IMPG and MPALSG) for managing PAR implementation. Following a SIGMA recommendation, the structure was reduced to three-levels in 2018, by removing the Collegium of State Secretaries from it. The PAR coordination structure in the current set-up remains to be of limited effectiveness in terms of coordination and steering the reforms towards outcome-level results. The PAR Council met more often than the IMPG, although the IMPG is supposed to be an operational platform for discussing the technical aspects of AP PAR implementation, e.g. progress, effectiveness, and obstacles, and prepare and coordinate steering measures. It could not be evidenced that the IMPG fulfilled those functions.

There was some increase in the capacities for implementation of PAR across interventions under the five SOs, although capacities remain lower than required. The evaluation could not look directly into the issue of whether the budgets were adequate for the volume of tasks planned and carried out, and the results attained, due to incomplete costing and inadequate quality of financial reporting.

The degree of involvement of stakeholders in monitoring (e.g. CSOs) was limited, primarily because of the IMPG's ineffectiveness. Policy and political-level support to PAR exists, especially for certain AP PAR measures, through the APIGP, because PAR is recognised as a priority in the key horizontal medium-term planning documents. The MPALSG's relation with other ministries and institutions to some extent enables it to exercise its jurisdiction over the coordination, monitoring, reporting, despite its own limited capacities.

The past reporting process based on the limited SMART design of the AP PAR 2015-2017, in combination with unclear reporting lines and commitments, led to reports with limited focus and clarity of outcomes. The prolonged process of data and information compilation hampered the timeliness of decisions within the PAR Strategy coordination structure. Furthermore, IMPG meetings are agenda-driven rather than purpose-driven, with plenary rather than interactive sessions, and without clear results, e.g. feedback on the presented AP PAR reports.

Specific coordination, monitoring, reporting and evaluation norms, procedures, and mechanisms are not yet fully in place. Moreover, the LPS implementation is still due and the UIS usage has commenced only in January 2019, so that the practice of AP PAR reports feeding into the single wider planning and reporting system is yet to be established. Some findings indicate that PAR implementers, as well as the MPALSG in general, and its PAR Group in particular, have been understaffed in relation to the scope and complexity of the envisaged reforms.

### 5.7.1 JC 7.1: Adequacy of the overall institutional and organisational structure for managing implementations

*The PAR Strategy prescribed a four-level institutional and organisational structure for managing PAR implementation (I-7.1.1.) which later was altered to a three-level structure following a SIGMA recommendation (report part 4.5.).* The monitoring process is managed and coordinated by MPALSG, while all other ministries and other SABs (the 16 AP PAR reporting institutions, see Annex 4) provide information within their responsibilities towards the AP PAR. The AP defined these responsible institutions (and individuals on behalf of those institutions) for monitoring and reporting. The responsibility for the level of activity in AP PAR has been recognised only in cases where the implementation of certain activities is under the responsibility of the other institutions. In such cases in the column "implementation partners" of the APs, numbers of activities are listed next to the name of the institution. For the purposes of monitoring and reporting, this presentation means that



one of the 16 institutions shall be in charge, (MPALSG) which shall collect all the necessary information and other inputs from other institutions that are designated as partners in the implementation.<sup>146</sup>

The PAR Council was re-established on 15 August 2014 by a decision of government. The Council is the central strategic body of government responsible for PAR. It is chaired by the PM, and co-chaired by the Deputy PM and Minister heading MPALSG. Due to the fact that the PAR Strategy refers to a broader government system, in addition to the Minister heading MPALSG, a number of line ministers and representatives of other state authorities are appointed as members of the Council (17 members). The purpose of appointing 14 members of Government to the Council was to provide more credibility and legitimacy in the management of the entire process of PAR. During 2015-2017, the Council held eight sessions to discuss results achieved and future directions of PAR. However, its activities (**according to available meeting reports, see Annex 12**) focused on that part of the AP PAR prioritised by GoS. Some of the key documents adopted by the PAR Council include: proposal to the Government on the need to adopt the law on rationalisation to regulate the downsizing of the number of PA employees; information on conducted functional reviews within the project supporting optimisation (followed by preparation and adoption of action plans for the implementation of recommendations); opinion on the policy paper and key steps for change management in administration; information on the strategic document for HRM in state administration, etc.

The Inter-ministerial Project Group (IMPG) was established by decision of the Minister heading MPALSG of 23 February 2015. The members of the IMPG are secretaries of all ministries and representatives at similar level from special organisations and services of the Government, representatives of CSOs, and the SCTM. The IMPG consisted of a total of 34 members and 33 deputy members, of which 12 come from the NGO sector (for other stakeholders see I-7.1.3.) The MPALSG drafts the Rules of Procedure of the IMPG. **This group is very large, which limits the possibilities for discussions in plenary.** Given that the head of the PAR Group at MPALSG also serves as the secretary of the IMPG, the two levels of technical coordination and reporting are linked. Since 2015, the IMPG held six meetings (29 June 2015, 7 October 2015, 15 December 2015, 6 April 2016, 10 May 2017 and 26 December 2018). The PAR Strategy, however, states that IMPG meetings shall be held once a month, at the proposal of the MPALSG. In practice, due to the size of the group, monthly meetings require spatial and organisational capacities, which have not been available. The meetings of the IMPG normally focus on the same issues as the meeting of the PAR Council (see Annex 12).<sup>147</sup>

*The coordination structure described above has limited effectiveness in terms of ensuring a good functioning of coordination and monitoring of the PAR strategy implementation (I-7.1.3.).* Limited effectiveness is especially true for the IMPG, **which lacks results-driven agendas, holds plenary rather interactive sessions, and has no clear outputs, e.g. in terms of feedback on the presented AP PAR reports.** The PAR Council has met more often than the IMPG, although IMPG is supposed to be the preparatory stage towards the Council by discussing the technical aspects of AP PAR implementation, progress, and effectiveness, and prepare and co-ordinate steering measures. This structure is rather complex and represents a burden on the institutions. About 75% of institutions (15 out of 20) had their representatives on all PAR structures. In addition, all meetings were organised by the MPALSG, resulting in a large organisational burden on the PAR Group.<sup>148</sup> **Given the GoS' prioritisation of certain AP PAR objectives, the ownership of the remaining objectives was largely left to the level of civil servants which limited results-oriented reporting, and the effectiveness of monitoring, coordination, and evaluation.**

<sup>146</sup> Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017.

<sup>147</sup> Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan.

<sup>148</sup> Thematic/Expert Focus Group on Reporting and coordination in relation to the PAR Action Plans, held in MPALSG Serbian-Korean Information Access Centre on 29 November 2018.





A major concern was the relative inactivity of the Council and the lack of IMPG effectiveness, as well as insufficiently developed capacities of the MPALSG. The IMPG is tasked with ensuring expert coordination and monitoring of the PAR Strategy implementation. Those tasks primarily aim at reviewing the AP PAR reports and take decisions on the implementation of the PAR Strategy. This mechanism presupposes active participation of all relevant SABs in the PAR process. The IMPG meets at the proposal of MPALSG, but usually not sooner than several months after the finished PAR AP reporting. **Since the reporting process at times lasted several months, the end result often would be that the IMPG hears about the issues related to the AP PAR implementation only half a year, or more, after a need for a steering decision occurred (see Annex 12).**

Moreover, according to the Rules of Procedure of the bodies for coordination of the PAR, **different bodies discuss the same issues. This means that the same issues were usually discussed three times.**<sup>149</sup> There is also no good sequencing of decision-making between the PAR Council and the IMPG in terms of the monitoring, coordination, and steering processes, i.e. to have monitoring results and implementation issues put on the agendas, both on technical level with the IMPG and political to the Council.<sup>150</sup> In practice, the linkage between those two levels is not clear. The two levels are yet to establish timely and sequential communication following up the finalisation and presentation of AP PAR reports. The IMPG should prepare materials and take all PAR-related decisions, which it is empowered to take and can find a consensus on. Only those issues on which the IMPG failed to find agreement, should be taken to the PAR Council, at political level, to decide.<sup>151</sup> Interestingly the MPALSG has prepared for the IMPG adoption a proposal of the Rules of Procedure of the IMPG, which determines the way the IMPG works.<sup>152</sup> These Rules of Procedure do not specifically entail results-driven performance review or steering functions.

The SIGMA study that recommended elimination of the Collegium from the PAR implementation structure also referred to the composition of the IMPG, stating that in order to ensure efficient operation of the IMPG it is necessary to: “Revise the composition of the IMPG to ensure professional and expert representation at this working level. Expert representation would allow in depth discussion of the issues and formulation of viable solutions. The members of the IMPG group, at least from those ministries, which take a lead in PAR areas (finance, civil service, service delivery, policy-making, etc.), could be assistant ministers having expertise and responsibility in respective PAR areas. Such change would allow a more in depth discussion in the IMPG, identification of key challenges and formulation of viable solutions.”<sup>153</sup> Furthermore, the SABs can appoint their representatives (those who are more directly involved in the PAR process) to the IMPG, either state secretaries or assistant ministers,. A new IMPG was established in December 2018, with new members, including ministerial Secretaries and Assistant Ministers, and new Rules of Procedures adopted. However, the agenda of the meeting in December 2018 had the presentation of the AP PAR Final Report for 2015-2017 as the only item for discussion. **Results and obstacles encountered or overcome were not discussed at that meeting.** The Final Report had been accepted already earlier, by the PAR Council.

Annex 12 of this report lists all the AP PAR Reports so far, as well as the IMPG and PAR Council meetings and their contents. **Clearly, the sequencing by which the report is discussed first on the operational inter-SAB level (the IMPG), ahead of the PAR Council, was not adhered too.** The effectiveness of the management structure analysed above was not only hampered by limited effectiveness of the IMPG, but also by flaws in the AP design (in terms of SMART objectives and their

<sup>149</sup>OECD/SIGMA (2016). Overview of the coordination structure for the Public Administration Reform Strategy. December 2016.

<sup>150</sup>Meeting with SIGMA on 16.10.2018 – in the past, the PAR Council has mainly “rubber-stamped” PAR related proposals developed by lower level management. Except during the time when Kori Udovicki headed the MPALSG and served a Deputy Prime Minister, the PAR Council has not engaged in substantive discussions on issues related to PAR. A possible explanation for this lack of engagement is a tacit agreement between PAR Council members not to hold each other responsible for failing to achieve planned results on time.

<sup>151</sup>Meeting with CEP on 1.10.2018.

<sup>152</sup>Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017.

<sup>153</sup>OECD/SIGMA (2016). Overview of the coordination structure for the PARS. December 2016, page 4.



complexity) and the quality of reporting (in terms of a lack of sufficient focus on outcomes). In sum, *the use of specific steering and control mechanisms for managing AP PAR implementation was not substantially evidenced (by a review of available IMPG and PAR Council meeting reports) by the evaluation process, inclusive of the rectification functions of IMPG and PAR Council bodies (I-7.1.2.).*

**The monitoring of the AP PAR implementation through the prescribed PAR Strategy structures was not resulting in its management, steering, and risk control, although these are their key functions.**<sup>154</sup>

**In addition to the PAR coordination structures, the RS legal framework includes different internal and external forms of control of PA, and thus also of the PAR process. However, none of these control mechanisms involves performance management or similar controls, but rather the PA compliance with laws.** Those key internal control mechanisms include Administrative and Budget Inspections, the Constitutional Court and Administrative Court, as well as a range of independent and autonomous bodies, such as the Ombudsman, the Commissioner for Information of Public Importance and Personal Data Protection, the State Audit Institution, the Anti-Corruption Agency and the Commissioner for Protection of Equality. All these institutions are the highest independent state authorities in their fields. However, as demonstrated in the past and reported in EC progress reports, and other reports, the control of PA bodies and LSG bodies over the holders of public authority has often been inefficient, despite being laid down by the legal and institutional frameworks. A number of the independent institutions mentioned above lack sufficient capacities for their adequate functioning, which are meant to be strengthened under SO 4 and SO 5. Many of the AP PAR activities, aimed at building the capacity of these independent institutions, have not been effective. Thus, the effectiveness of independent mechanisms to control the PA is still limited. The key question is how the LPS (that introduces performance as a legally binding category) will have the power to evaluate and enable improvement in this respect.

*There has been a certain increase in implementation capacities across interventions under the five SOs (I-7.1.4.).* The capacities of the PA to implement the PAR strategy were initially limited, as shown in the report part 5.1.2., i.e. the objectives of the AP PAR 2015-2017 were not closely aligned to the capacities of key implementers. The evaluation survey on the self-perception of the 16 reporting institutions, performed in November 2018 (Annex 12), showed that capacities remain lower than needed and that their deficiency chiefly influenced the level of the AP PAR implementation. However, the capacity building of HRMS, NAPA, and the PPS (see part 3.4.), as well as the SIGMA TA, have brought certain improvements (report part 3.3.2.). In addition, the **gradual learning experience of civil servants working on PAR design and implementation also contributed to improved capacities.**

*The evaluation process could not look directly into the issue if the budgets were adequate vis-à-vis the volume of planned tasks and results (I-7.1.5.).* The reasons for not being able to directly evaluate the adequacy of financial resources are the same as in the case of indicator 6.1.4, and are related to financial information missing from the AP PAR 2015-2017, as presented in Annex 14. Nonetheless, numerous findings presented in part 5.1.2 on limited implementation capacities and in part 5.2 on the obstacles encountered, indicate that the budgets were not always adequate or, at least, not timely executed.

*The involvement of CSOs and other stakeholders in monitoring (I-7.1.6.) was limited.* A wide range of stakeholders was involved in the design and development of the strategy and the two AP(s). **Consequently, as shown in part 5.2.1, the quality of stakeholder involvement has gradually been improving. However, active involvement of CSOs and other groups, such as the SCTM, in the implementation of the PARS was limited by the inadequate effectiveness of the IMPG.** Its size,

<sup>154</sup>Meeting with CEP on 04 December 2018. and Thematic/Expert Focus Group on Reporting and Coordination in relation to the PAR Action Plans, held in MPALSG Serbian-Korean Information Access Centre on 29 November 2018.



sporadic meetings, the lack of precise results-oriented agendas, plenary rather interactive sessions, and the absence of clear results-oriented outputs, all contributed to the very limited role of CSOs in the functioning of the IMPG.<sup>155</sup>

As the overall technical level monitoring forum, the IMPG includes representatives of CSOs, through the mechanism of Sectoral Civil Society Organisations (SECO-project) for the field of PAR (see indicator 1-2.1.2).<sup>156</sup> However, the PAR coordination structures involve CSOs only at this operational level, and not at the strategic and political levels, in the PAR Council. It is important to stress that outside of the PAR Strategy coordination structure there is a CSO PAR monitoring agenda under the coordination of CEP, through the WeBER platform<sup>157</sup>. This platform gathered civil society organisations in the Western Balkans dealing with PA issues (see part 5.3.1.5.4).

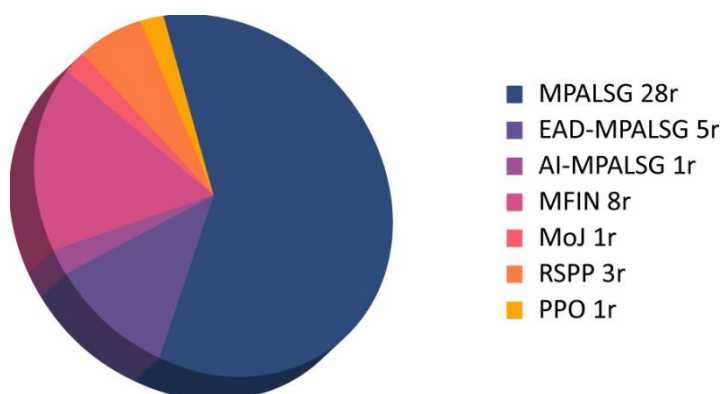
**5.7.2 JC 7.2: The MPALSG’s capacity for coordination, monitoring, reporting, and evaluation of the implementation process**

**The policy and political support to PAR (I-7.2.1.) exists especially for certain AP PAR measures.**

Following the March 2014 extraordinary parliamentary election in Serbia, the PM’s Expose of 27 April 2014 focused on three reform pillars.<sup>158</sup> Besides the importance placed on the stabilisation of public finances and reforms of the business environment, the PM underlined in the Expose the GoS commitment to PAR, towards a more effective public administration and improved public services to the citizens. The PA minister from April 2014 to August 2016 (Kori Udovicki) served in parallel as Deputy PM, underlining the government’s support of the PAR effort, i.e. the implementation of AP PAR 2015-2017. In addition, nominally, political support for PAR was ensured through the PAR Council, chaired by the Prime-Minister.<sup>159</sup> GoS has clearly prioritised some AP PAR parts by including two specific PAR objectives in its APIGP. In addition, these prioritised AP measures were subject to policy level interest not only from within the PAR Council, but also from its sub-group on E-Government. In addition, the SO 3, especially the PFM, also receives political support because of its importance for financial stability. Finally, the GoS, through its PM Delivery Unit and its PAR and e-Government departments, is energetically supporting and effectively implementing prioritised parts of the AP PAR. Thus, it appears that there is sufficient policy and political-level support and interest in the prioritised parts of the AP PAR.

MPALSG is responsible for the overall PAR and for developing planning documents and is the central institution in charge of the PAR implementation and its coordination on the operational level. It assumed responsibility for implementing most results planned by the AP PAR 2015-2017. Of the 47 results, MPALSG has been in charge of implementing 34 activities (see parts 4.3.to 4.5). Yet, over the past years, after each parliamentary election, MPALSG underwent changes to its organisational structure and staffing that contributed to the loss of institutional

**Table 21. Implementers of the AP PAR 2015-2018 47 results**



<sup>155</sup>WEBER Regional PAR Monitor 2017-2018; Comparative Regional Monitoring Report of the WeBER Project, Link: <http://www.par-monitor.org/>

<sup>156</sup> Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017.

<sup>157</sup> National PAR Monitor Serbia 2017/2018 Report, December 2018, Link: <http://www.par-monitor.org/posts/national-par-monitor-serbia-2017-2018>.

<sup>158</sup>Source: <https://www.srbija.gov.rs/tekst/208780/ekspeze-predsednika-vlade-republike-srbije-aleksandra-vucica.php> .

<sup>159</sup> EC Serbia 2016 Progress Report, November 2016.



memory and momentum for reforms, and thus also limited the overall effective management of PAR (see part 3.1.).

The PAR Strategy had identified the necessity for a strong MPALSG internal organisational unit in charge of the PA system activities, organisation and work of the ministry, special organisations, public agencies and public services. **While some advances were made, MPALSG still lacks appropriate capacities needed for adequate coordination of activities related to the PAR Strategy.** MPALSG employs just over 100 staff, based in Belgrade in four separate locations, and approximately 300 staff placed on the local level. On the other hand, MPALSG has an extremely broad mandate. This mismatch between capacity and mandate strains its resources and creates a risk of inefficiencies. **Its dedicated PAR Group (established in 2015 together with the Good Governance Sector) has only three employees of whom two are dedicated solely to PAR. Overloaded with the regular overall AP PAR related tasks, there is no capacity for effective assistance to monitoring and reporting on specific interventions, e.g. related to improved service delivery.**

*The MPALSG's relations with other ministries and institutions to some extent enable it to exercise its jurisdiction regarding co-ordination, monitoring, reporting, and evaluation of PAR (I-7.2.2.).* The MPALSG is responsible for the overall coordination of PAR and for developing planning documents within its jurisdiction. The MPALSG Rulebook of July 2017<sup>160</sup> includes a PAR Group. The key PAR implementing institutions regularly report to the Group that forges the AP PAR reports (report part 4.4.). **The evaluation findings show that MPALSG frequently sees itself as "equal" to other ministries and SABs, rather than as one in charge of PAR. This at times is a problem to its exercising its jurisdiction over others especially regarding performing its role related to the progress monitoring and coordination of PAR.**<sup>161</sup> Reporting related communication is mostly done informally through collegial relationship. Another problem is the lack of capacities of the Group. Moreover, a current lack of clear hierarchy between strategic documents further aggravates the MPALSG potential for management of this horizontal process.

However, there are implementers who feed their reports within those key sixteen institutions (so, in overall there are not sixteen reporting sources but many more). **Apparently, there is no officially dedicated staff to coordinate reporting at those institutions. The key reporting sources in some of the sixteen institutions often have no leverage over other parts of their institutions, thus depending on the good faith and informal collegial relationships among civil servants to ensure the quality of reporting.**

Also, despite good collaboration in general, the monitoring and reporting processes cut across the sectors at the horizontal operational level and have been carried out without formal coordination or regular meetings. Thus, the current leverage of the PAR Group leaves limited room for effective management of monitoring and reporting. In order to enhance the functional management of PAR, deputy members of the IMPG have been identified as contact persons for AP PAR 2018-2020 for coordination purposes. Yet, these persons, as designated institutional coordinators for AP PAR, are in need of capacity development.

*The PAR Strategy prescribed the monitoring and coordination role of MPALSG and the PAR coordination structure that includes the IMPG and the PAR Council. The frequency of IMPG meetings, and their content and outputs indicate that the coordination role is either not often or not effectively enough exercised (I-7.2.3.).* **A number of findings indicate that the MPALSG in general, and its PAR Group in particular, are under-resourced for the coordination work assigned to them.** The PAR Group is in charge of performing all reporting and operational tasks, as well as taking care of the PAR coordination structure. Apart from coordination, revision and adoption of AP PAR and AP OGP, it develops and updates the indicator passports defined by the AP PAR, takes part in work related to

<sup>160</sup>Rulebook on Internal Organisation and Job Classification of the Ministry of Public Administration and Local Self-Government.

<sup>161</sup>Meeting with DEU on 6.08.2018.



the SBS for the area of PAR and public finance, and provides technical support to the PAR Council and the IMPG. The Group also co-ordinates and prepares the reports on implementation of AP PAR (including the drafting of instructions and tools for reporting), as well as the AP OGP.<sup>162</sup> **Hence, a risk of inefficient deployment of scarce resources for its monitoring and coordination role is particularly visible at the MPALSG.**

As the LPS and the two regulations have been adopted, and usage of the UIS for policy planning, implementation, co-ordination, and reporting commenced, *specific co-ordination, monitoring, reporting and evaluation norms, procedures, and mechanisms are getting in place (I-7.2.4.)*. Up to now, the 16 reporting institutions (Annex 4) have been monitoring implementation and provided the MPALSG PAR Group with data. In total, six reports were produced for the AP PAR 2015-2017 and published on the MPALSG Internet pages.<sup>163</sup> The reports' quality gradually improved. The reporting system itself, through the traffic light concept, has been functioning well. Reporting thus proved to be sustainable and the MPALSG PAR Group managed to further improve this process. From publishing the reports, it becomes clear which institution effectively implemented the PAR, and which didn't.<sup>164</sup>

Adequate evaluation practice within the overall scope of the AP implementation (apart from the AP PAR report, prepared by the MPALSG PAR Group, and reports on implementing the Optimisation Program under AP PAR measure 1.1) could not be evidenced.<sup>165</sup> In this context, the new LPS has the potential to strengthen PAR monitoring, as it requires all PAR implementers to also implement mechanisms and procedures for monitoring, evaluation and adoption of APs of strategies.

The PAR Strategy states the need to “establish a complete and efficient system for monitoring and evaluation of results of implemented activities. This implies, above all, the introduction of mandatory quarterly or semi-annual reports by all actors in charge of activities”.<sup>166</sup> Currently the MPALSG instructions for monitoring, reporting and evaluation include provisions for semi-annual and annual reports, as well as instructions for filling out specific forms. Emphasis has been placed on the brevity of information, and a focus on results rather than inputs and processes. Also, an Excel monitoring tool was created and shared. A time-consuming process of requesting, receiving, and aggregating the reports sent in from 16 reporting institutions for the semi-annual reports lasted from 5 July to 15 August and from 10 January to 1 March for annual reports. **There was no evidenced mechanism for remedying any incomplete or inaccurate reports, nor were all the supporting documents submitted, stored, or available.** With the new UIS (operational since January 2019), the planning system stakeholders are to input the content of their public policy documents and medium-term plans into the system as of 1 June 2019.

The AP PAR reporting will clearly benefit from inclusion into the UIS. **However, the AP PAR will also need an adequate document management system for collecting supporting evidence for the achieved results.** These AP PAR supporting documents are not currently readily available and apparently the UIS is not in a position to provide an adequate documents storing and retrieval system. Hence, a need has been established for a PAR AP online monitoring tool, to address the lack of document management and improve the access to information on PAR. This online monitoring tool may in future be connected to the UIS. The UIS currently already contains the AP PAR 2018-2020 matrix, as an example of an LPS-compliant model.

The UIS will ensure that all institutions of the PAR coordination structure (SABs, and CSOs) have access to updated information on the AP PAR implementation progress at quarterly and semi-annual

<sup>162</sup>Three-year 2015-2017 report on the Implementation of the PAR Strategy and its Action Plan.

<sup>163</sup><http://mduls.gov.rs/reforma-javne-uprave/>

<sup>164</sup> Thematic/Expert Focus Group on AP PAR Pillar 1 (SO 1) AP 2015: Improved organisational and functional public administration sub-systems, held in MPALSG Serbian-Korean Information Access Centre on 14 November 2018.

<sup>165</sup> Optimisation Program implementation monitoring <http://www.pracenjereformi.info/>

<sup>166</sup>Public Administration Reform Strategy, pp. 53-54.



intervals, and directly update the implementation status for specific activities within their areas of responsibility. Also, supporting documents evidencing reported results should be readily retrievable. In addition, the implementation status will be visible to the public (e.g. via the web portal), and insight into the achievement of reform objectives would be available.

So far, there were no fully-fledged evaluation efforts within the scope of the AP PAR. The PAR Strategy currently does not specify the exact frequency of evaluations, but just states that: "Following the collection and processing of data from the regular reports on performed activities, and/or the continuing monitoring process, it is necessary to prepare occasional (but regular and systemic, well-grounded) assessments of the reform implementation, more specifically, the evaluation of this complex process."<sup>167</sup> However, the AP PAR monitoring reports contain many evaluation-like analyses. These include the level of achieved results, i.e. what has been accomplished so far and, depending on the quality of indicators in the AP (outcome or output indicators), whether expectations were met and to which level, and analyses of the underlying causes for failure to meet targets, including recommendations for corrective next steps. These analyses and their usage will likely become more systematic, as the LPS stipulates that the process of evaluating the effects of public policies will be implemented through the process of reporting on the implementation of public policy documents.

*The practice of AP PAR reports feeding into the single wider planning and reporting system (I-7.2.5.) has yet to be established.* However, as noted earlier in the report (part 3.5.1 and I-6.1.5), the activities and results were reported within four different reporting and coordination systems instead of a unified system as envisaged in the LPS (AP PAR 2015-2017 measure 1.3) i.e. - the PAR Strategy coordination system (to the IMPG and on to the PAR Council), per the GAWP, per the NPAA reporting, and separately per the APIGP. **Thus, currently the AP PAR 2015-2017 reports are not feeding into the single wider planning and reporting system.** However, from January UIS has been operational, and the Report on AP PAR for 2018 was drafted within it, so the system is starting to work as integrated part as envisaged by the LPS. (I-7.2.4.). *The adequacy of staffing for the envisaged workload was limited (I-7.2.6.).* Interviews, focus group results, and results from the evaluation survey on the self-assessment of the key AP PAR implementers, show that the inadequacy of human resources was one of the key challenges. Numerous findings presented in part 5.1.2 on limited implementation capacities and part 5.2 on obstacles, indicate that HR related deficiencies were important, though not the only obstacles for more effective implementation.

*The evaluation process could not look directly into the issue of the precise level of the adequacy of budgets vis-à-vis the volume of co-ordination, monitoring, reporting, and evaluation tasks planned and carried out (I-7.2.7.).* The reasons are the same as in the case of indicators 6.1.4 and 7.1.5 and are related to missing financial information for the AP PAR 2015-2017, presented in the report Annex 14. **Nonetheless, numerous findings presented in report part 5.1.2 on limited implementation capacities and report part 5.5.2 on the different restraining forces and obstacles indicate that budget allocations were not always adequate.** As indicated earlier, the MPALSG in general, and its PAR Group in particular, are under-resourced for these tasks as the Group is in charge of facilitating all reporting, and taking care of the PAR coordination structure, among other tasks. It is unclear, if any dedicated financial resources are currently invested in creating positions specialising in coordination, monitoring, reporting, or evaluation across the PA.

**In sum, these are the key obstacles to more effective reporting, monitoring and coordination of PAR activities:**

1. Quality of AP 2015-2017 design and failure to promote its usage as a monitoring instrument;
2. Given the low frequency of IMPG meetings, the time elapsed between the occurrence of implementation bottlenecks, their reporting, and their discussion and resolution by the IMPG

<sup>167</sup>Ibid, p. 54.



was often too long; consequently, there is a risk that by the time the IMPG decides on a solution, it may no longer be relevant or possible;

3. There is no dedicated horizontal reporting structure to feed into AP reports, a lack of ownership of reporting SABs and insufficient MPALSG leverage, which have often resulted in report inputs that were of limited quality in terms of RBM monitoring;
4. IMPG agendas are not RBM-orientated, without much expectations or SAB preparation; lack of understanding among members of the purpose of IMPG meetings and uncertainty about their roles; IMPG meets less frequently than PAR Council;
5. IMPG lacks the capacity to focus on results and bottlenecks, to coordinate back to institutions and to agree and take rectifying actions;
6. In practice, there is no sequential, causal, effective and common workflow assigning clear tasks to IMPG and to PAR Council;
7. Coordination of PAR activities by the PARS structures ran parallel to coordination by the PM DU and PPS APIGP. No visible direct reporting or coordination links between these structures were found, but rather a parallelism in that the PAR Council operates independently, when needed by the GoS, without the involvement of the IMPG;
8. The agendas of the PAR Council are driven by the PM office on prioritised PAR themes (AP PAR 2015 M: 1.1., 1.4, and 4.2. or the HR and SBS self-assessment), without a critical review of PAR results and obstacles. Also, MPALSG often presides the Council meetings, rather than the PM, thus reducing the effective reach of the Council's conclusions across the SABs;
9. Adoption of final AP PAR Report by PAR Council without results-based discussion, and without being informed officially on the IMPG operational level discussions;
10. The Rules of Procedure of the IMPG and PAR Council neither explicitly stipulate nor enable an RBM-oriented discussion of the reported AP results and bottlenecks. They do not encompass a rectification function for getting implementation back on track or re-formulating intended results in light of new developments; Although the Rules of Procedure of IMPG for the AP 2018-2020 explicitly provide for the possibility for meeting in narrower groups, when there is a need to discuss specific issues, this possibility has so far not been made use of;
11. Although the PAR SG, SBS Policy Dialogue and the four SBS coordination groups generate certain coordination effects, there is no clearly visible connection between the PAR SG and the IMPG or the PAR Council;
12. SABs lack dedicated policy level reporting, monitoring, coordination and evaluation points and capacities, needed for the execution of coordination and steering measures potentially issued by the IMPG;
13. Capacities across MPALSG, and all other SABs, for Reporting, Monitoring, Coordination and Evaluation are insufficient;
14. The PAR Group at MPALSG lacks critical capacities (only two staff from a total of three are dedicated to the coordination of the PARS) for effectively exercising its mandate, given the complex coordination structure, cross sector setting, limited GoS prioritisation, low capacities of MoF, and individual and externally driven agendas.



## 5.7 R Key recommendations for EQ 7: Adequacy of implementation management and institutional and organisational structure, and capacity for coordination, monitoring, reporting, and evaluation

With support from TA for PAR, generate more specific recommendations for strengthening the PAR Strategy and the PAR SRC coordination structures, and bring them together into a single or a collaborative coordination system, including the coordination mechanism for APIGP, towards enabling timely and results-based management and monitoring, inclusive of effective steering towards outcome-level results, covering all SOs of the AP PAR. With support from TA for PAR, review current business processes for monitoring and coordination of AP PAR interventions, existing in parallel coordination structures, such as the PAR Strategy, PAR SRC, and APIGP, and generate specific recommendations for their rapid improvement in terms of effective monitoring and steering towards increased outcome level results.

(PPS, MPASLG, relevant SABs, short-term onwards).

**R # 7.2:** Strengthen the MPASLG and its PAR Group mandate and coordination leverage, as well as effective operational level reporting processes across the relevant SABs. Increase the reporting focus on outcome-level results and obstacles, while ensuring that the mandates and resources of SAB staff needed for reporting and coordination are adequate. Assign clear reporting and monitoring agendas and roles across the SABs. Explore possibilities for assigning specific coordination roles to general secretaries (or the perspective analytical units). Improve effective horizontal collaboration of the MPASLG with other SAB and address the issue of the hierarchy and coherence of public policy documents related to both design and implementation process.

(GoS, PPS, MPASLG, relevant SABs, short-term onwards).

**R # 7.3:** Reduce the period elapsing between the occurrence of bottlenecks in the AP PAR implementation and IMPG sessions, followed by PAR Council meetings. Strengthen the IMPG agenda setting towards RBM-orientated and interactive discussions.

(GoS, PAR Council, IMPG, MPASLG, other relevant SABs, short-term onwards).

**R # 7.4:** Empower the IMPG to make decisions on steering the PAR process and ensure its communication to implementing SAB, so that each SAB deals with these decisions on both the managerial and operational levels. If the IMPG is unable to come to a decision on an issue, the issue should be put on the agenda of the PAR Council for its deliberation. These need to be sequential processes, ensuring the decisions are acted upon. Have no fewer IMPG meetings than PAR Council meetings. In addition, establish clarity on what it means when the IMPG or the PAR Council adopts or issues a decision, i.e. which SAB has the responsibility to act on it. Refocus the work of the PAR coordination structure from uncritically reviewing the AP PAR results presented, to transparently managing reported obstacles and effectively steering implementation towards outcome level targets and allow for the AP PAR changes when necessary.

(GoS, PAR Council, IMPG, MPASLG, other relevant SABs, short-term onwards).

**R # 7.5:** Establish, analytical, planning and coordination units on the policy level in all relevant SABs inclusive of ensuring their mandates and needed resources as envisaged in the AP PAR.

(PPS, MPASLG, relevant SABs, mid-term).

**R # 7.6:** Include the OCCS in the regular work of the PAR Council, ensure its interactive participation during the IMPG sessions, and consider the WeBER reports' recommendations when relevant and feasible.

(GoS, PAR Council, IMPG, short-term onwards).

**R # 7.7:** Strengthen the capacities of the MPASLG PAR Group, and those of other relevant SABs, to adequately perform their reporting and monitoring mandates, inclusive of providing adequate office space and sufficient staff.





(GoS, HRMS, MPASLG, short-term onwards).

**R # 7.8:** With support from TA for PAR support strengthen the monitoring of progress and reporting on performance by developing and using an online tool for monitoring progress in implementing the PAR Strategy. Also, ensure a documentation system for storing evidence on the achieved progress as well as enable online interactive presentations of all the key AP PAR elements, open also to the public to the extent possible, and updated quarterly (linked to the Unified Information System).

(MPALSG, PPS and all relevant SAB, short-term onwards).

**R # 7.9:** Identify shortcomings of the presentation of PAR monitoring results and generate specific recommendations for improved readability and visualisation of the reports. With the support from TA for PAR TA, further develop a more structured and user-friendly presentation of the AP PAR monitoring information, focusing on outcome level progress and bottlenecks to its key target audiences – decision makers, civil society, EU institutions and other parties interested especially in the outcome level.

(MPASLG, short-term onwards).

**R # 7.10:** Further increase evaluation capacities of MPALSG and the SABs reporting on AP PAR implementation, by internalising the results of this evaluation exercise (mostly methodologically) so as to enhance collaborative learning processes and capacity building of SABs for future reporting and evaluations.

(MPASLG, all relevant SABs, medium-term onwards).



## 5.8 (Efficiency) EQ 8: The level the AP PAR 2015-2017 was cost-effective and cost-efficient

**Summary findings and conclusions for EQ 8** There have not been any findings on the question if implementation of the AP was highly cost-effective compared to alternatives. The failure to make such findings was due to (i) the absence of outcome indicators for the five SOs and 19 measures, and (ii) the unavailability of full financial data for reconciling spending per result. The costing methodology used for AP PAR 2015-2017 was limited to additional costing rather than full costing. Information on PAR financing in the budget cannot be easily identified, making it difficult to establish clear links with the financial information in PAR planning documents.

Initially, no costing methodology for the AP PAR 2015-2017 was available and salaries of civil servants were not included in the plan. Instead, only additional costs were covered. The AP PAR 2018-2020 costing is to be further developed and harmonised with an emerging new methodology, to be agreed between the MoF and the PPS. The new AP PAR charged all implementing institutions to plan the cost per which they will report and perform additional costing realistically and systematically.

Nevertheless, there seems to be a considerable positive return on the overall investment in the AP PAR 2015-2017. The cost of the AP PAR 2015-2017 implementation was reported at around EUR 41 million, plus the spent resources from the Good Governance Fund (GGF). Savings made following the rationalised, i.e. downsized PA, were reported in the amount of around EUR 180 million. Additional monetary benefits (generated by new e-services, improved inspections and construction permits, etc.) in terms of the positive impacts already amount to tens of millions of EUR with clear cumulative prospects.

### 5.8.1 JC 8.1: Extent to which AP PAR 2015-2017 was implemented cost-effectively compared to alternatives

*There have not been any findings related to the question if the implementation of the AP was highly cost-effective compared to alternatives (I-8.1.1.).* This is due to several reasons. Firstly, the design of the AP lacks outcome level indicators on the first three levels of results (single overall objective, five specific objectives, and 19 measures). Outcome indicators appear only on the level of 47 planned results (supposed outcome level objectives) of which 12 were achieved by the end of 2017. The second problem is that the **amounts spent cannot be reconciled with the amounts budgeted for these results, because the available data is incomplete** (See Annex 14). The third problem is that, in light of the first two reasons, no **alternatives could be identified during the evaluation process**. In addition, information on spent funds from the GGF is not available. Thus, an exact total amount spent on the AP PAR 2015-2017 implementation is not available.

***The costing methodology used for AP PAR 2015-2017 was not always systematic and realistic. It was also limited to additional costing rather than full costing, but came with new guidance for policy costing (I-8.1.2.).*** The 2017 SIGMA Monitoring Report for Serbia reveals that not all GoS funds for planned PAR activities can be identified in the GoS annual budget for 2017. Differences between amounts planned and amounts spent ranged from 25% to 380%, indicating unrealistic planning.<sup>168</sup> At the same time, information on PAR financing in the budget cannot be as easily identified, making it difficult to establish clear links with the PAR financial information in planning documents. Moreover, information on costing in these documents was fragmented and not all of the envisaged funding could be identified in the budget. Yet, where it is identified, inconsistencies between planned funding and actual appropriations exists.<sup>169</sup> **The final financial figures also indicate unrealistic planning, given the balances between amounts planned and amounts spent for each of the 19 measures and when aggregated on the level of the entire AP.** Annex 14 contains final

<sup>168</sup>*Ibid*, p. 16.

<sup>169</sup>*Ibid*, p. 17.



financial balance sheet data for AP PAR 2015-2017, generated based on the Annex to the AP Final Report figures. According to this balance sheet, a number of interventions include no figures for amounts planned or spent, inclusive for two out of three attained measures (measures 3.1 and 3.4) from a total of 19 measures. Moreover, the aggregated numbers per measures do not correspond to those on page two of the Final Report, with unknown amounts spent from the GGF.

The main causes for the lack of proper accounting were inadequate costing practice and financial reporting. Initially no single methodology was used for costing for the AP PAR 2015-2017. Salaries of civil servants were not included in the plan. Instead, only additional costs were covered. There was limited capacity and experience of PAR implementers with respect to formulating indicators and costing activities, as well as a lack of available costing data. Eventually, MPALSG estimated the numbers of staff in responsible institutions who will be fully engaged in implementation of reform activities. According to the data collected, at least 179 employees from four institutions alone are directly responsible for implementation. In addition, several line ministries and other state administration bodies were to be engaged in implementation. Furthermore, the number does not include two institutions that did not provide the requested data, and the equivalent cost amounts were not calculated.<sup>170</sup> Eventually, SIGMA assisted with the development of a methodology to calculate the additional financial resources needed for the implementation of the AP.<sup>171</sup>

During the development of the AP PAR 2018-2020, MPALSG attempted an improvement of costing with support from SIGMA, developed a costing methodology (SIGMA costing toolkit) and held workshops with all stakeholders. Initially, based on lessons learned, the planning process for the AP PAR 2018-2020 involved an effort to realistically estimate the needed funds with the help of a unique methodology. This methodology was based on average costs used for the preparation of the negotiation positions, and the use of the Financial Impact Assessment (FIA) Form. As part of the mandatory procedure for proposing legislative acts, these forms of the standard methodology for assessing the financial effects of the legislative act on the budget (the so-called *PFE*, i.e. FIA forms) were prepared at the level of all individual AP activities and responsible institutions.<sup>172</sup>

**However, the AP PAR 2018-2020 had all implementing institutions plan the expenditures on which they will report. The additional costing is to be performed realistically and systematically.** The SIGMA methodology did not involve inclusion of the regular staff cost or its overheads i.e. indirect costs, but only the cost of additional staff and activities. The key reason for limiting the plan to additional cost was an assessment that capacities of the MoF, MPALSG (and other PA institutions) for total costing may not be sufficient and that readiness for costing remained low across the PA institutions. Therefore, the estimation of necessary financial resources for the implementation of the AP refers only to additional costs. The estimates for necessary additional financial resources are made and presented in the AP at activity level (FIA forms), and according to the sources of funding. Where it was not possible to provide estimates, this was noted in the plan. The AP also clearly notes the activities for which no funds had been allocated, as it was considered that this document should also be the basis for identification of priorities for further donor and budget support to PAR.<sup>173</sup>

The AP 2018-2020 costing is to be further developed and harmonised through developing a new joint methodology, to be agreed between MoF and PPS.<sup>174</sup> This expected general policy costing methodology will introduce costing as part of the performance management. This issue is now regulated by the new LPS and its two regulations. The issue of costing and its link to the mid-term

<sup>170</sup> ReSPA, Methodological Guide for Costing of Government Strategies, Link: <https://www.respaweb.eu/11/library#respa-publications-2018-7>

<sup>171</sup> Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017.

<sup>172</sup> On the basis of the Article 48 of the Law on the Budget System in 2015, a Decision was made on the unified FIA Form <http://www.mfin.gov.rs/pages/article.php?id=11297>

<sup>173</sup> Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2018-2020.

<sup>174</sup> Clarification, PPS, 8.4.2019, "There is an output in IPA 2015 Project related to policy costing. It is not yet decided how this output is going to be delivered and for which sector policy costing is going to be done."



budget framework is legally required with the LPS and its Regulation on the methodology of drafting mid-term plans. In addition, for each measure in the AP, it is required to state full cost of its implementation and the effect of the measure on the budget (compared to situation when a measure is not implemented).

### 5.8.2 JC 8.2: Cost-efficiency of AP PAR 2015-2017, i.e. whether costs were proportionate to the benefits achieved

As explained above, findings related to the cost-efficiency of the 19 measures under the five SOs were difficult to obtain (I-8.2.1.). Outcome indicators exist only on the level of 47 planned results (supposed outcome-level objectives) of which 12 were achieved. Since three of the results achieved are at the same time measures, an analysis of cost-efficiency of achieving those results could be performed. However, as presented in Annex 14, actual expenditures are not yet available for all 19 measures inclusive of one (Measure 3.5.) of the three measures implemented.

Nonetheless, there seems to be a substantial positive return on the overall investment in the AP PAR 2015-2017, both in monetary terms and evidenced non-monetary positive impacts. The cost of the implementation of the AP 2015-2017 was reported at around EUR 41 million, plus the spent GGF funds (on which data is not available). Of the total amount, EUR 14.1 million, and EUR 12.1 million respectively, were spent on two measures within the first AP PAR objective. The first measure included the PA rationalisation (severance packages) and the second focused on improvement of the system for management of public policies (Annex 14 contains further details). In return, the reported savings resulting from the rationalised and downsized PA, reportedly, amounted to around EUR 180 million. Additional monetary benefits, in terms of the positive impacts, already amount to tens of millions of EUR, with clear cumulative prospects for the future. As an example of such benefits, the savings on fees by using e-services already amounts to over EUR 6 million. The new simplified regulation on family support is to bring savings in amount of around EUR 25 million over a period of five years. The annual revenue from the issuance of construction permits by LSG has increased by around EUR 8 million. Serbia has, according to the previous activity of the project ePAPER, reduced the administrative burden for the economy by 30 million euros. It is expected that Serbia reduce by 2021 the administrative burden from the initial 3.46% to below 3% of GDP for the economy. Finally, reflecting on the EU open data market trends, a perspective for the value of a new open data market in Serbia in the coming years could amount to millions of EUR (this is an indication of a potential prospects while data is not yet available).

### 5.8 R Key recommendations for EQ 8: The level the AP PAR 2015-2017 was cost-effective and cost-efficient

**R # 8.1:** With the PAR Reform TA's support improve the costing methodology (to be able to perform costing realistically and systematically) within the MTEF for the AP PAR 2018-20, as well as the quality and transparency of financial reporting covering the 15 AP measures and related activities (Produce a handbook and guidelines on policy costing).

(MoF, PPS, MPALSG, all relevant SABs, short-term onwards).

**R # 8.2:** Enable capacities and charge the PAR implementers with the responsibility to ensure reconciliation of amounts planned and amounts spent per activities and results and to make full information on PAR planning, financing, reporting etc. available.

(MoF, PPS, MPALSG, all relevant SABs, short-term onwards).



## 5.9 (Impact) EQ 9: The AP PAR 2015-2017 impacts on EU accession, government effectiveness, and different end-beneficiaries

**Summary findings and conclusions for EQ 9** The implementation of AP PAR 2015-2017 resulted in some already visible positive impacts. RS has made specific progress towards meeting relevant EU accession criteria, i.e. third criterion related to the increase of administrative capacities. SIGMA reported on the GoS' specific progress achieved towards meeting relevant accession criteria measurable by the indicators for adherence to the SIGMA Principles (across the five AP PAR SOs). On the level of impact there is an advance and target attainment per the WB WEF indicator for transparency in government's policymaking. Positive effects include full fiscal consolidation, ending the three-year fiscal crisis. As the country's economy grew, salaries and pensions of PA employees were increased. Citizens and businesses particularly benefited from the improvements of service delivery, with simplified administrative procedures for specific services needed from the PA, as well as from the open data agenda. A number of new services are now available digitally via the central online service portal.

In addition, there are improved scores under the Government Effectiveness composite indicator at the AP PAR level. There are increased scores across two other relevant impact indicators, namely the Regulatory Quality Composite Indicator (WB), and the Burden of Government Regulation Composite Indicator (WEF). Simplifying, i.e. optimising (and digitalising) administrative procedures and decreasing the regulative financial burden improved not only PA services and the business environment, but also generated additional benefits and savings. Equally, there has been significant impact of PAR on public procurement, inspections, and the delivery of construction permits.

There is likely going to be a direct impact of PAR on CSOs and citizens taking part in consultations on public policies, from the start of drafting to their implementation (the changes to the Law on Public Administration were adopted, as was the new LPS). The LSGs already accumulated additional revenues from increased land development contributions through an improved system of issuing construction permits, and the introduction of inter-municipal cooperation as a new core LSG competence that will likely lead to considerable savings in terms of the establishment of joint LSG services. However, the overall PAR results had limited communication outreach and limited visibility, both internally and externally. A more holistic and effective communication and visibility is required.

### 5.9.1 JC 9.1: Extent of the overall increase in government effectiveness and the extent to which various beneficiaries experienced real positive difference

Far-reaching positive PAR changes, i.e. impacts, attributable to a set of implemented policies with attained outcomes, positively impacting society, economy, and people, always take time. However, despite its limited effectiveness measured on the outcome-level, the implementation of the PAR Strategy (i.e. the AP PAR-2015-2017) resulted in some already visible positive effects and clear positive trends.

The EU has been committed to support Serbia in its EU accession efforts and has recognised the PAR results achieved so far. The EU is the largest provider of financial assistance to Serbia. From a total of EUR 2.5 billion in EU pre-accession funds, EUR 1 billion was provided in the period 2007-2013 and EUR 1.5 billion committed for the period 2014-2020. Support for the PAR sector in the amount of EUR 210 million was programmed for 2014-2020.<sup>175</sup> The EC 2016 Progress Report on Serbia recognised that, in the PAR area, good progress was made with the adoption of the PFM reform program, e-Government strategy, strategy on regulatory reform and policy-making, new laws on general administrative procedures, public salaries and civil servants at provincial and local government

<sup>175</sup>Source: [https://ec.europa.eu/commission/sites/beta-political/files/near\\_factograph\\_serbia\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/near_factograph_serbia_en.pdf)



levels.<sup>176</sup> The 2018 Progress Report recognised that in the area of PAR, progress was made in the area of service delivery and with the adoption of several new laws on public service salaries and employment relations, on the salaries of employees in local government and autonomous province, and on the National Academy for Public Administration. It also commended Serbia's ability to assume the obligations of EU membership, having continued to align its legislation with the EU *acquis* across the board. The report also stresses that adequate financial and human resources and sound strategic frameworks will be crucial to maintain the pace of reforms.<sup>177</sup> During the Western Balkans Summit in Sofia in May 2018, it was reiterated that on the way forward on their respective European paths, the Western Balkans countries will be required to make serious efforts on key reforms, including the public administration.<sup>178</sup>

RS has made specific progress towards meeting relevant accession criteria in terms of its third criterion related to the increase of administrative capacities. *According to the 2017 SIGMA Monitoring Report on Serbia, there was specific progress towards meeting relevant accession criteria (EC) (I-9.1.1.)* measurable by indicators and sub-indicators for SIGMA Principles (across the five AP PAR SOs). As shown in Table 17 and Annex 8, some key indicators for the SIGMA Principles showed either stability during the period of the fiscal crisis or even advances, as measured in 2017 compared to 2015: (i) the extent to which the policy and legal framework for professional and coherent public service is established and implemented (PPA 3); (ii) the extent to which mechanisms are in place to provide effective checks and balances, and controls over PA organisations (PPA 4); (iii) the extent to which the policy and legal framework for professional and coherent public service is established and implemented (PPA 6), and (iv) the extent to which the legal framework for good administration is in place and applied (PPA 5). In addition, on the level of the AP PAR SOs, there has been progress in the WB WEF index on transparency in government's policy-making.

Moreover, a set of important sub-indicators for measuring adherence to the SIGMA Principles indicated progress. The indicator on the central institutional and administrative capacity to develop, implement and monitor public procurement policy effectively and efficiently was highly rated and above the regional average.<sup>179</sup> The extent to which the scope of PAR central planning document(s) is complete, scored highly (five) in 2017, compared to 2015 baseline (four). The principle sub-indicator "coverage and scope of PAR planning documents" scored five out of five in 2017.<sup>180</sup> Finally, the MTEF strength index showed improvement. Due to the successful public procurement system reform, the Negotiating Chapter 5 on Public Procurement was opened on 13 December 2016.

The country's economy has improved in recent years. *There are already visible positive overall effects on citizens (I-9.1.5.) due to the fiscal consolidation and the end of the three-year fiscal crisis, confirmed by both the IMF and the independent Fiscal Council.* Overall growth turned positive and the economic activity expanded due to good progress in implementing reforms as shown by the macroeconomic indicators in Table 5. A low and stable inflation for the third year in a row was achieved, the fiscal deficit declined to 1.1 percent of GDP – the lowest level since 2005, while the economy grew by almost 3%, thus surpassing the 2008 level. Finally, as per the March 2018 Final AP PAR 2015-2017 Report, the PA has been downsized by 48,595 (-9.43%) regular employees with generated savings (end 2013 to end 2018) of over EUR 180 million.

Citizens and businesses particularly benefited from improved service delivery, with simplified administrative procedures for specific services, such as registering a new-born child, starting a company, declaring taxes, obtaining an ID or driving licence, or requesting a construction permit, to mention only a few. Thus, the average number of days needed to obtain a passport and ID declined

<sup>176</sup>EC Serbia 2016 Progress Report, November 2016.

<sup>177</sup> EC Serbia 2018 Progress Report, April 2018 Link: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>

<sup>178</sup>Source: [https://ec.europa.eu/commission/sites/beta-political/files/the-way-forward\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/the-way-forward_en.pdf)

<sup>179</sup>OECD/SIGMA Monitoring Report for Serbia (2017), page 170.

<sup>180</sup>*Ibid*, pp.10, 13.



from an average of 4.8 days to between one and two days, depending on the place of residence. The average number of days needed to set up a business declined from 12 days in 2015, to seven days in 2017.<sup>181</sup> The share of citizens who submitted their tax declarations using the Internet in 2017 was at 33.5% compared to 0% in 2015.<sup>182</sup> The share of companies that submitted their tax declarations using the Internet in 2017 was 100%, as compared to 0% in 2015.<sup>183</sup>

A number of new services is now available digitally via the central online service portal.<sup>184</sup> Some 320 institutions use the new information system “e-LGAP” for daily exchange of data. For now there are eight major databases possessing about 80% of all data from official records: the registry books maintained by the MPALSG, the data base of the MoI, the Tax Administration, the National Pension Insurance Fund, the National Employment Service, and the Central Registry of Mandatory Social Insurance with 22 data bases (registry books – births, deaths, marriages, civic status documents, residence permits, unemployment records, tax debt records, records of beneficiaries of the Pension Insurance Fund, data from the Central Registry of Mandatory Social Insurance). In the period from June 2017 to October 2018, 500,000 hours in waiting time were saved for the issuance of 500,000 documents.<sup>185</sup> These include over 20,000 birth registrations in all 58 Serbian maternity wards, over 230,000 health insurance IDs, over 10,000 kindergarten enrolments, etc. (data from early 2018). The Directorate for E-Government (now ITE) estimated that the implementation of e-LGAP will achieve savings for citizens of Serbia exceeding five million hours,<sup>186</sup> which they had hitherto spent in queues, as well as about one million working hours of civil servants. Thanks to this service offered via the e-portal, citizens will be exempted from payment of many fees, resulting up until the end of 2017 in savings of about RSD 750 million, or EUR 6.33 million.<sup>187</sup>

In general, 70% of citizens of Serbia confirm that the PA pursues a user-oriented service delivery (i.e. digitalisation policy) while 56% confirm their awareness of the simplified administrative procedures.<sup>188</sup> 41% of citizens are aware of the availability of e-services, of whom 35% have used the services “sometimes” or “often”, during the previous two years.<sup>189</sup>

Further impacts are expected from the GoS PAR agenda of opening available data kept by the PA through the National Open Data Portal.<sup>190</sup> The portal has been established with the migration of 48 data sets to the portal so far. The number of registered users by early 2018 was around 760,000. The portal then offered 635 services by 141 SAB (85 state bodies and organisations and 56 units of LSG).<sup>191</sup> In addition, in December 2017, an electronic payments service was initiated. In addition, an open data portal for LSG related data was launched by the PPS in December 2018. In 2015, the European Open Data Portal was launched. The cumulative total market size of the portal in the period 2016-2020 was forecasted to be between EUR 1,138 billion and 1,229 billion, or around 7.17% of the EU (2016) GDP.<sup>192</sup> Using this percentage as a benchmark, the potential gains for RS are around EUR 2.42 billion.<sup>193</sup> Although for a number of reasons this figure may be unrealistic, this benchmarking powerfully shows the potential of open data.

*Also, there are improved scores under the Government Effectiveness composite indicator (WB, WGI) (I-9.1.2.) at the AP PAR level of Overall Objective, the key AP PAR impact indicator. This composite indicator captures perceptions of the quality of public services, the quality of the civil service and*

<sup>181</sup> World Bank (2015 and 2017), *Doing Business*, the World Bank, Washington, DC.

<sup>182</sup> This indicator is about annual personal income tax (PIT) returns. Data provided by the Tax Administration, Ministry of Finance (MoF)

<sup>183</sup> This indicator is about annual corporate income tax returns. Data provided by the Tax Administration, MoF

<sup>184</sup>Source: <http://euprava.gov.rs/>

<sup>185</sup>Source: <https://www.blic.rs/biznis/vesti/digitalizacijom-do-velikih-usteda-vremena-i-novca-gradanima-i-drzavi/5zrjltg>

<sup>186</sup> Statement by Dusan Stojanovic, Director of Directorate for E-Government (now ITE), daily *Novosti*, 13 June 2017.

<sup>187</sup>Three-year 2015-2017 report on the Implementation of the PAR Strategy and its Action Plan.

<sup>188</sup> PAR Monitor Serbia 2017/18, <http://www.par-monitor.org/posts/national-par-monitor-serbia-2017-2018>

<sup>189</sup>WeBER, Exploring Public Perception of Administrative Services in the West Balkans, April 2018.

<sup>190</sup>Source: <https://data.gov.rs/sr/>

<sup>191</sup>Three-year 2015-2017 report on the Implementation of the PAR Strategy and its Action Plan.

<sup>192</sup>Source: [https://www.europeandataportal.eu/sites/default/files/edp\\_creating\\_value\\_through\\_open\\_data\\_0.pdf](https://www.europeandataportal.eu/sites/default/files/edp_creating_value_through_open_data_0.pdf)

<sup>193</sup>Source: <https://data.worldbank.org> GDP (purchasing power parity) for 2016 (est. in USD), EU: \$16.49 trillion, RS: USD 38.3 billion



the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. As the below Table 21 shows, the indicator's values, measured over the years, clearly show the 2014 crises and its prolonged effects, as well as a positive trend starting in 2017.

The table also shows increased scores across two other relevant impact indicators related to the AP PAR performance. *The Regulatory Quality composite indicator (WB) (I-9.1.3.), and the Burden of Government Regulation composite indicator (WEF) (I-9.1.4.).*<sup>194</sup> Both indicators signal improved GoS policies towards the promotion of private sector development and the development of an enabling environment for business. *Thus, businesses, local communities, LSG and tax revenues are likely to already experience positive effects (I-9.1.7.).*

**Table 22. Key impact indicators results relevant to the AP PAR 2015-2017 performance**

Indicators	2012	2013	2014	2015	2016	2017
<b>Government Effectiveness</b> , WB (percentile, higher is better)	51.18	51.18	58.17	56.73	56.35	60.58
<b>Regulatory Quality</b> , WB (percentile, higher is better)	51.18	52.13	55.77	57.21	54.81	55.29
The UN E-Government <b>Development Index</b> <sup>195</sup> (rank of 193 countries)	51	N/A	69	N/A	39	N/A
The UN <b>E-Participation Index</b> (rank, 193 countries)	60	N/A	81	N/A	17	N/A
<b>WEF GCI Index</b> <sup>196</sup> (rank and score-higher is better, 137 countries)	95	101	94	94	90	78
	3.87	3.77	3.9	3.89	3.97	4.14
<b>WEF GCI Index pillar Institutions</b> (score higher is better, 137)	3.16	3.20	3.21	3.24	3.3	3.4
<b>WEF GCI Index pillar Macroeconomic environment</b> (as above)	3.91	3.36	3.51	3.61	4.1	4.6
<b>WEF The Global Gender Gap</b> <sup>197</sup> (rank)	50	42	54	45	48	40
<b>WB Doing Business (DB)</b> <sup>198</sup> Ease of Doing Business (rank of 190)	92	86	93	91	59	47
<b>WB Doing Business (DB)</b> Dealing with Construction Permits (rank)	175	179	182	186	139	36

Simplifying, i.e. optimising (and digitalising) administrative procedures and decreasing the regulative financial burden not only improved PA services and the business environment, but generated additional benefits and savings. So far, 2,500 administrative procedures have been registered, analysed from the point of view of their optimization and recommendations for optimization prepared.<sup>199</sup> In addition, the mandatory use of stamps in commercial operations was abolished in May 2018. The benefits are particularly felt by the small and medium sized businesses. Total savings from reduced administrative burden on businesses will amount to over RSD 20 billion, reducing the burden from 3.46% of GDP in 2014 to 3% of GDP by 2021. For instance, a new regulation on family support was introduced in July 2018, eliminating 86 documents needed to apply for family aid has generated annual savings of EUR 5.74 million.<sup>200</sup> The share of businesses stating negative effects from administrative procedures in the USAID BEP Business Survey in 2017 was 52%, down from 70% in 2012.<sup>201</sup>

There are also direct benefits to citizens, businesses and the PA from reforming the issuance of construction permits, and from public procurement and inspections reforms. Serbia advanced by 172 places (from rank 182 in 2013, to rank 10 in 2018) in the WB's Doing Business rankings for the efficiency of administering construction permits. Time needed to register buildings with cadastral offices was reduced by 162 days, while 45% more construction permits were issued in 2017 than in 2015. In July 2017, 1,878 construction permits were issued, representing the highest number since

<sup>194</sup>Source: <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>195</sup>Source: <https://publicadministration.un.org/egovkb/en-us/Data/Country-Information/id/151-Serbia>

<sup>196</sup>Source: <https://tcdata360.worldbank.org/indicators/gci>

<sup>197</sup>Source: <https://www.weforum.org/reports/the-global-gender-gap-report-2017>

<sup>198</sup>Source: <http://www.doingbusiness.org/>

<sup>199</sup>AP for optimization is currently being prepared by PPS registering all the regulations that needs to be amended in order to optimize the administrative services. Source: <https://www.epapir.rs/jp.gov.rs/>

<sup>200</sup>Source: [http://www.rtv.rs/sr\\_lat/zivot/porodica/ukidanje-86-papira-za-porodiljsku-naknadu-ogromna-usteda\\_937843.html](http://www.rtv.rs/sr_lat/zivot/porodica/ukidanje-86-papira-za-porodiljsku-naknadu-ogromna-usteda_937843.html)

<sup>201</sup>USAID/Serbia Business Enabling Project Final Report, 20 February 2018.





recording. The value of infrastructure works in the first eight months of 2017 was twice that of the same period in 2016. In 2011, 43% of the surveyed private sector, perceived inspections as the greatest obstacle to doing business. Business were fined on average EUR 2,128 annually, and time spent by management on dealing with inspections amounted to 70 hours annually. In 2017, respectively, only 17% of businesses perceived inspection oversight as the greatest obstacle to doing business. Average fines per company amounted to EUR 898, and the time spent on inspection went down to 20 hours a year.<sup>202</sup> There were 4,515 newly registered sole proprietorships in the period of 2015 to 2016 and 10,092 fewer sole proprietorships closed in comparison to 2015, which is a 2.5 fold increase in registered individuals from 2015. Inspectors are seen in a positive light by 70% of businesses. In addition, businesses and inspectors reported up to a 41% increase in the efficiency of inspections against previous inspections.<sup>203</sup> Finally, in 2016 the public sector concluded 18,800 contracts, which is an increase of 85% compared to 2015, and a reduction of contracts by negotiation from 5% in 2015 to 2% in 2017.<sup>204</sup>

The fiscal consolidation enabled the 2019 GoS budget to increase the total amount for salaries of PA staff by around EUR 150 million (2018: RSD 209 billion, or EUR 1.78 billion, 2019: RSD 228 billion, or EUR 1.93 billion), i.e. an increase from 7% to 12% of the government budget. The largest PA salary increases are expected in the sectors of health and education, as well as the taxation office and customs. The state pensions have increased since November 2018 on an average of 11% from the level of 2014, when a ban on their increase was imposed. At the same time, interest paid by GoS for loans has been decreasing (2018: RSD 118 billion, or EUR 1 billion, to 2019: RSD 103 billion, or EUR 872 million) (*-9.1.6.*).<sup>205</sup>

PAR will likely have an impact on civil servants in the SABs as there is a new normative framework for human resources management in place, which includes merit based selection and employment, performance based professional development through work advancement, and a single salary matrix replacing the previous system (which had 23 different base salaries and 500 coefficients as well as 200 different bonuses). Moreover, in the period from 2015 to 2018, 10,022 civil servants participated in programs for continuous professional training of civil servants (Table 10).

The LSG units and Autonomous Province, with 111,000 PA employees (Annex 9), have benefited from a fully established civil servant system at the level of LSGs, governed by a comprehensive regulation for labour relations in the Autonomous Province (AP) and units of LSG. The program budgeting model has been implemented in 169 municipalities. Within the plan entitled "Stop the Red Tape", 188 standardised administrative procedures related to the LSG have been adopted in nine areas, based on which the LSG units will act in a uniform manner to requests by citizens and the economy across the country, and one-stop shops for PA services are being established in six LSGs. The increase in construction activity, due to simplified and faster issuance of permits, has led to LSG generating more revenue. In the first six months of 2017, local authorities collected RSD 4.9 billion in land development contributions, an increase of 19% over the same period in 2014, before the reforms. Revenue from land development contributions is the primary source of funds for building local and regional roads, pre-schools, water supply and sewerage networks.<sup>206</sup> Also, the LSGs are now benefiting from an increased number of certified auditors, while six LSG units have largely reformed their public finance management. Moreover, towards strengthening HRM capacities of LSG employees, 128 trainings were implemented for 2,368 trainees, 605 trainers were accredited,

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<sup>202</sup> BEP's 2011 and 2018 Annual Business Survey, USAID/Serbia Business Enabling Project Final Report, 20 February 2018.

<sup>203</sup> USAID/Serbia Business Enabling Project Outcome Study, 20 December 2017.

<sup>204</sup> Three-year 2015-2017 report on the Implementation of the PAR Strategy and its Action Plan.

<sup>205</sup> Law on Budget 2019. Link: <https://www.paragraf.rs/propisi/zakon-o-budzetu-republike-srbije-za-2019-godinu.html>

Law on Budget 2018. Link:

<http://mfin.gov.rs/UserFiles/File/zakoni/2017/Zakon%20o%20budzetu%202018.pdf>

<sup>206</sup> USAID/Serbia Business Enabling Project Final Report, 20 February 2018.



and an HRM network formed by the SCTM, with 272 coordinators, consisting of 133 staff from LSGs and 139 employees of SABs.

Finally, the inter-municipal cooperation, introduced recently as a new core LSG competence, will lead to significant savings through the establishment of joint services.

*Finally, directly impacting the CSOs' and citizens' (I-9.1.7.) ability to take part in the consultations on public policies, from drafting to implementation, pertinent changes to the Law on Public Administration, as well as the new Law on the Planning System, were adopted.*

With time, and more attained outcomes, an increased level of positive impact on the society, citizens, businesses, PA and CSOs will become visible. *However, so far, results achieved had limited communication outreach and limited visibility, both internally and externally (I-9.1.7.).* Due to limited resources, funds, time and efforts, results of the PAR components have not been adequately communicated, neither internally nor externally. The effort of communicating implementation of the Optimisation Program, the measurement of citizen's satisfaction with the reforms, a new internet portal on good government, and similar efforts, all had limited results. Inter/intra-SAB communication was ongoing during the process of rationalisation and during the period of the stand-by agreement with the IMF. There was also a project entitled "I am in the spotlight", and the MPALSG Sector for the LSG System conducted a public opinion poll. Within the implementation of the GIZ project "Support to PAR" awareness raising activities on the changes to the LGAP and the LPS took place.

All these individual examples were directed to certain services, but there was no effective communication of the overall PAR effort. The WB Change Management Team within the MPALSG in July 2018 finalised a Strategy for Communication and Strategy for Change Management, which is yet to be officially adopted and implemented. For now, these are project documents only. The implementation of these strategies is thus slow, especially in relation to the horizontal FR, due to a lack of commitment. Finally, as a part of the Sector Budget Support, an EU funded Project on Communication and Visibility of the PAR started in mid-2018 and is experiencing delays.

## **5.9 R Key recommendations for EQ 9: The AP PAR 2015-2017 impacts on EU accession, government effectiveness, and different end beneficiaries**

**R # 9.1:** Besides ensuring sustainability of the achieved reforms (with supportive individual policies in respect of each of the attained reform objectives that enabled the above positive impacts) there is a need to strengthen capacities to internally and externally communicate reform objectives and positive impacts, by developing and implementing an overall PAR communication and visibility policy, with the assistance of the EU funded project Support to Public Administration Reform Visibility and Communication, under the PAR Sector Reform Contract.

(MPALSG, relevant SABs, mid-term).



## 5.10 (Sustainability) EQ 10: Future PAR interventions funding and the implementers' capacities sustainability

**Summary findings and conclusions for EQ 10** GoS has the potential to secure sufficient funds for PAR. The total financing foreseen from the GoS budget noted in the AP PAR 2018-2020 is at around 50% of the total calculated cost. The remainder is expected to be mobilised from foreign donor funds. After achieving fiscal stability and establishing more dynamic rates of economic growth, the GoS has focused on intensifying the initiated system reforms to ensure a structural balance of the economy. In 2015, the Medium-Term Expenditure Framework (MTEF) was introduced for the PAR sector. Specific key factors influencing the sustainability of financing of future PAR interventions are known and addressed. These primarily include adequate allocation of sufficient financial resources in the annual budget and the MTEF.

Also, the financial dependency has decreased when compared to the period of implementation of the past AP PAR, during which over 90% of the planned funding was external. Provided sufficient effectiveness in the implementation of the AP PAR, the future inflow of supplementary donor funds for PAR interventions, i.e. SBS and bilateral, is likely to remain adequate. Overall, the MTEF and the quality of costing have improved as PAR MTEF is now to get connected to the program budgeting module within the UIS. Modules for Medium Term Plans and the APIGP are due to be launched in 1Q of 2019.

Despite the efforts to strengthen them, the PA capacities are still inadequate, especially in terms of coordination, reporting, monitoring, and evaluation functions. A specific risk for the key PAR implementers lies in missing current and upcoming opportunities for capacity building. Also, there are opportunities for filling capacity gaps. These include proper retention systems and mechanisms, and increased efforts towards institutionalising knowledge management.

### 5.10.1 JC 10.1: Sustainability of GoS budget and donor funds needed for future PAR interventions

GoS has the potential to secure sufficient funds for PAR interventions (I-10.1.1.). As a result of improvements of the AP PAR 2018-2020 in terms of costing, the key PAR planning documents provide information about additional funds needed. According to the 2017 SIGMA Monitoring Report, based on an analysis of key PAR planning documents, 41.9% of the total calculated cost of RSD 14.3 billion (approximately EUR 115.6 million) were covered by the national budget and the remaining 58.1% came from foreign donor funds. The AP PAR 2015-2017, by contrast, had envisaged that 93% of the total cost of implementation would be covered by external funding.<sup>207</sup> Importantly, the GoS pledged to contribute 50% of the funds required for the implementation of AP PAR 2018-2020 (from a total of EUR 23 million), thus not only showing its fiscal ability, now that the fiscal crises is over, but also increased ownership and commitment to the AP PAR 2018-2020 reform objectives.

Thus, the risks of a lack of overall financial sustainability of the reform processes are significantly reduced. This positive outlook is based on fiscal improvements, which the new GoS Fiscal Strategy for 2019 claims to be of a lasting character.<sup>208</sup> The GoS successfully completed a fiscal consolidation program, which was the backbone of the three-year precautionary arrangement, agreed with the IMF in 2018. After achieving fiscal stability and establishing dynamic rates of economic growth, the GoS focuses on intensifying the initiated system reforms, in order to ensure a structural balance of the economy. The medium-term macroeconomic framework was created in accordance with the efforts to preserve the results achieved, providing a concrete stimulus for investment activities and for continuing the commenced reforms. In sum, the financial situation for the implementation of AP 2018-2020 is more favourable than that during the implementation of AP 2015-2017.

<sup>207</sup> OECD/SIGMA Monitoring Report for Serbia (2017), page 16.

<sup>208</sup>Source: GoS Fiscal Strategy for 2019 with projections for 2020 and 2021, Link: <http://www.mfin.gov.rs/UserFiles/File/strategije/2019/FISKALNA%20STRATEGIJA%20ZA%202019.pdf>



Moreover, the new LPS legislative package (inclusive of two regulations, of which one concerns mid-term planning) has provided regulations and procedures for the development of sector strategies/public policy documents, including the costing of public policy documents and public-policy development in the broader sense. In addition, Article 47 of the LPS envisages a new government central information system, i.e. the Unified Information System (UIS) for public policy planning, monitoring, coordination and reporting, which has been operational since 1 January 2019.

The introduction of the Medium-Term Expenditure Framework (MTEF) for PAR in 2015 was a milestone for PFM in RS. The revised 2017-2019 PAR MTEF reflects reduced expenditures for rationalisation, i.e. severance costs (AP measure 1.1.), from 93% in 2016 to 64% in 2017 (MPALSG budget), and allocation of the balance to other PAR objectives. However, only half of the funds allocated for 2016 were actually spent, while the remainder was carried over to 2017. More recent data was not available at the timing of writing this report. **However, the drafting of a new three-year PAR MTEF, based on cost estimates, is currently in progress. The PAR MTEF provides assessments of the funding requirements and sources for implementation of the AP PAR (and PFM RP) measures in the medium term.** It includes information on allocated funds, both from the budget and donor grants and loans, for the implementation of the AP activities, for each year. **The rolling nature of the sector MTEF will allow revisions of activities and costing when re-prioritisations become necessary. Establishing such clear linkages between PAR activities and funding needs will also enable prioritisation of sectoral policy and GoS decision-making on priority areas of financing in the medium-term.**

The PAR MTEF is to be connected to the program budgeting module within the UIS, whose modules for medium-term plans and the APIGP are due in the first half of 2019. Thus, according to the MTEF, the funds planned and spent per AP PAR activity for each year are yet to be determined. In this way, a sustainable medium term macro-fiscal and budgetary framework will be ensured, by linking AP PAR objectives with the available financial resources for their implementation. **Thus, monitoring the implementation of the AP measures will be enabled by tracking and comparing the execution of planned allocations from year to year.**

*Specific key factors influencing the sustainability of financing of future PAR interventions are known and addressed (I-10.1.3.).* These factors chiefly include adequate allocation of sufficient financial resources in the annual budget and in the MTEF. There are major improvements in the GoS financial stability, although the EC's 2018 Progress Report on Serbia was concerned with the financial sustainability, due to inconsistencies between planned allocations and actual appropriations.<sup>209</sup> Financing PAR - the first AP was planned with over 90% of external funding while the second with 50% - still significantly depends on external donor funding. The largest sources of external funding - EU SBS and WB loans - are connected with the attainment two wo sets of indicators per which the disbursements are planned, as explained in report part 3.3.3. **The performance against both indicators was rather satisfactory, resulting in the disbursement of over EUR 30 million from the SBS in October 2018.** In addition, there is a new World Bank loan for IT & e-Government (USD 50 million) in the pipeline.

Further bilateral donor contributions are also to be secured. SDC is likely to contribute to the implementation of measure 1.2, while GIZ is likely to continue its support to SO 2 and SO 4, by supporting implementation and monitoring of the LGAP. *Hence, provided sufficient AP PAR effectiveness, the future inflow of donor funds for PAR interventions is likely to remain sufficient (I-10.1.2.).* Given the importance of donor coordination, MEI initiated a process of preparation of the Multiannual Planning Document for the Coordination of International Development Aid to the RS for the period 2019-2025, which started in June 2018. The purpose of this initiative is to ensure that

<sup>209</sup> EC Serbia 2018 Progress Report, April 2018 Link: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>



donor interventions are in line with national priorities, and allocations from the state budget, for the PAR implementation. So far, several stages of promising consultations have taken place.

### 5.10.2 JC 10.2: Extent to which the AP PAR 2015-2017 stakeholder institutions' existing and new capacities are sustainable (monitoring mechanisms and the LPS implementation)

Previous and current monitoring and evaluation capacities, as well as mechanisms for monitoring, remain scarce. The same is true of capacities for coordination, predictability of employment and overall implementation. However, since the LPS requires all public institutions to implement mechanisms and procedures for monitoring and evaluation (I-10.2.1.), conditions and obligations are being established for improving capacities in these areas in a sustainable way. *Thus, it is expected that the number of PAR implementing institutions with intentions to develop capacities for monitoring and coordination will gradually increase.*

The quality of reporting, coordination and RBM-oriented monitoring, with effective steering and rectification functions, are indicators for the adequacy of current systems for feedback and monitoring (discussed under EQ7), i.e. the risk management function. **The evaluation process could not evidence existence of these systems covering the entire AP PAR.** The evaluation survey shows that the current capacities for monitoring and evaluation are largely inadequate and in need of strengthening (with the exception of, and only to an extent, the APIGP). Improvements are expected with the UIS, operational since early 2019. Hence, based on the implementation of the LPS, which commenced in October 2018 (with a harmonisation period of two years), this new monitoring and risk management mechanism is expected to contribute, together with capacity building activities, to sustainable improvement of capacity (self-renewal and adaptation). The evaluation survey, covering the key implementers, show that 90% of respondents consider the implementation of the LPS to be either already underway, or to be ready on time - despite the currently missing monitoring and evaluation capacities.

Specific risks for the key PAR implementers include failure to utilise current and upcoming opportunities for capacity building. **In addition, any procrastination regarding the implementation of policies aimed at improving the salary system and de-politicisation of the public service, could hamper PA capacity improvement.** Risks also include a lack of retention of staff with marketable qualifications and staff facing particularly high workloads. Thus, it is important that proper retention systems and mechanisms are implemented alongside with further and increased efforts towards institutionalising knowledge management and transfer of knowledge.

### 5.10 R Key recommendations for EQ 10: Future PAR interventions funding and the sustainability of capacities of implementers'

**R # 10.1:** Review the current methodology for preparation of the MTEF and updating i.e. prepare improved PAR Sector MTEF for the next period, with assistance from the PAR TA's support. Also, prepare methodology and guidelines, and design and implement activities aimed at building capacities of relevant SABs to prepare MTEFs.

(MoF, MPALSG, relevant SABs, short-term).

**R # 10.2:** Utilise current and upcoming opportunities for capacity building and TA focused on filling capacity gaps and avoid putting the needed PA capacity improvement at risk by prolonging the implementation of HRM reforms.

(GoS, MPALSG, relevant SABs, medium-term onward).

**-Annexes-****Annex 1. Evaluation Matrix: Revision and consolidation of the Evaluation Questions from the ToR**

<b>OECD DAC Evaluation Criterion</b>	
<b>1. RELEVANCE</b>	
<i>Quality of the strategic framework of public administration reform according to the four 2017 SIGMA Principles of Public Administration in the area of Strategic Framework of Public Administration Reform<sup>210</sup></i>	
<b>Principle 1. The government has developed and enacted an effective public administration reform agenda which addresses key challenges</b>	
<b>EQ # 1</b>	<b><i>To what extent were and are the objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, still relevant to priority needs, inclusive of cross-cutting issues (especially gender and climate change), and to what extent have these corresponded to implementation capacities in Serbia?</i></b>
<b>Judgment Criterion 1.1</b>	Extent to which the objectives of PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, were/are SMART and still relevant to priority needs, i.e. quality of the strategic framework of public administration reform (SIGMA PAP Indicator 1.1.1).
Indicator 1.1.1	PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 are SMART in their design with objectives relevant to actual reform needs. There is a high level of coverage and scope of PAR planning documents (SIGMA PAP Sub-indicator 1.1.1.1).
Indicator 1.1.2	A high level of prioritization was applied to the design of AP PAR 2015-2017 and AP PAR 2018-2020; Alongside. There is a high level of prioritization of PAR in key horizontal <sup>211</sup> planning documents (SIGMA PAP Sub-indicator 1.1.1.2).
Indicator 1.1.3	A high level of coherence was achieved between the PARS, AP PAR 2015-2017 and AP PAR 2018-2020. There is a high level of coherence between PAR planning documents (SIGMA PAP Sub-indicator 1.1.1.3).
Indicator 1.1.4	Minimum content is present to a high degree in PAR planning documents - AP PAR 2015-2017 and AP PAR 2018-2020 (SIGMA PAP Sub-indicator 1.1.1.4).
Indicator 1.1.5	PAR planning documents- AP PAR 2015-2017 and AP PAR 2018-2020 are highly reform-oriented (SIGMA PAP Sub-indicator 1.1.1.5).
Indicator 1.1.6	The PAR Strategy and PAR AP PAR 2018-2020 adequately relate to the new Planning System Law, with no need for streamlining and harmonization of PAR documents, i.e. amended PAR Strategy and/or new/amended AP.
Indicator 1.1.7	Specific instances of relevance for cross-cutting issues (especially gender and climate change) found in the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020.
Source of Information	PARS with AP(s); PAR AP Reports; Background documents on PAR; EC Progress and OECD/SIGMA Reports;
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire.
<b>Judgment Criterion 1.2</b>	Extent to which objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 are and were aligned with and correspond to the capacities of key PAR AP PAR 2018-2020 implementing stakeholders.
Indicator 1.2.1	There is substantial alignment between the objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020.
Indicator 1.2.2	Objectives of AP PAR 2015-2017 and AP PAR 2018-2020 adequately correspond to the capacities of key implementing stakeholders for AP PAR 2018-2020. <u>(NB. some overlap with Indicators 6.1.1.-6.1.6 and 6.2.1-6.2.4 but from different perspectives)</u>
Source of Information	PARS with AP(s); PAR AP Reports; Background documents on PAR; EC Progress and OECD/SIGMA Reports;
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire.
<b>EQ # 2</b>	<b><i>How adequately have stakeholders been involved in the development of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, respectively?</i></b>

<sup>210</sup>Link: [http://www.sigmaweb.org/publications/Principles-of-Public-Administration\\_Edition-2017\\_ENG.pdf](http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf)

<sup>211</sup>Link: This evaluation does not have a plan for any closer analysis of the Government Program; the National Development plan (or Economic Reform Program); or the National Program for European integration: Under PAR documents we understand PAR Strategy and the two AP(s):



<b>Judgment Criterion 2.1</b>	The array of different stakeholders (government, national and local, think-tanks, CSOs, academia, and private sector) that took significant part in development of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, respectively.
<b>Indicator 2.1.1</b>	A wide range of different stakeholders (government- national and local, think tanks, CSOs, academia, and private sector) took part in development of the PAR Strategy. High quality of consultations related to PAR planning documents (SIGMA PAP Sub-indicator 1.1.1.6).
<b>Indicator 2.1.2</b>	A wide range of different stakeholders (government- national and local, think tanks, CSOs, academia, and private sector) took part in development of the AP PAR 2015-2017. High quality of consultations related to PAR planning documents (SIGMA PAP Sub-indicator 1.1.1.6).
<b>Indicator 2.1.3</b>	A wide range of different stakeholders (government- national and local, think tanks, CSOs, academia, and private sector) took part in development of the AP PAR 2018-2020. High quality of consultations related to PAR planning documents (SIGMA PAP Sub-indicator 1.1.1.6).
<b>Source of Information</b>	PARS with AP(s); PAR AP Reports; Background documents on PAR; EC Progress and OECD/SIGMA Reports;
<b>Data Collection Tool</b>	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire.

<b>OECD DAC Evaluation Criterion</b>	
<b>2. EFFECTIVENESS</b>	
<i>A measure of the extent to which the set objectives were attained at the intermediate-outcome and the outcome levels</i>	
<b>EQ # 3</b>	<b>To what extent were the five Specific Objectives for AP PAR 2015-2017 achieved?</b>
<b>Judgment Criterion 3.1</b>	Extent of attainment of each of the planned outcomes across the five AP PAR 2015-2017 Specific Objectives (SOs) per performance indicators based on the SIGMA Principles of Public Administration.
<b>Indicator 3.1.1</b>	High overall level of achievement of the five AP PAR 2015-2017 Specific Objectives (SOs).
<b>Indicator 3.1.2</b>	<b>(SO 1)</b> Improved organisational and functional public administration sub-systems, i.e. High rationality and coherence of the overall structure of ministries and other bodies subordinated to the central government (SIGMA PAP 4 Indicator), and High Transparency of Government policy making (SIGMA PAP 2 Indicator).
Sub-indicator 3.1.2.1	Extent of attainment of outcome level results under <b>SO 1.1.</b> Extent of implementation of organisational and functional restructuring of PA. Increased number of bodies reporting to the Council of Ministers, to the Prime Minister or to the Parliament (SIGMA PAP 4 Indicator).
Sub-indicator 3.1.2.2	Extent of attainment of outcome level results under <b>SO 1.2.</b> Extent of improvement in decentralization and deconcentration tasks of PA.
Sub-indicator 3.1.2.3	Extent of attainment of outcome level results under <b>SO 1.3.</b> Extent of improvements to the Government's policy management system (planning, analysis, creation, adoption, monitoring and evaluation, and coordination).
Sub-indicator 3.1.2.4	Extent of attainment of outcome level results under <b>SO 1.4.</b> Extent to which strong coordination mechanisms have been established and harmonious development and operation of E-Government has been enabled.
<b>Indicator 3.1.3</b>	<b>(SO 2)</b> A coherent public civil service system has been established that is merit-based and with improved human resources management, i.e. Extent to which the policy and legal framework for a professional and coherent public service is established and implemented (SIGMA PAP 3 Indicator), Extent to which the institutional set-up enables consistent HRM practices across the public service (SIGMA PAP 3 Indicator), Extent to which the remuneration system of public servants is fair and transparent and applied in practice (SIGMA PAP 3 Indicator).
Sub-indicator 3.1.3.1	Extent of attainment of outcome level results under <b>SO 2.1.</b> Extent of establishment of coordinated employment and salaries system in public administration.
Sub-indicator 3.1.3.2	Extent of attainment of outcome level results under <b>SO 2.2.</b> Extents of improvement in the HRM function in state administration.
Sub-indicator 3.1.3.3	Extent of attainment of outcome level results under <b>SO 2.3.</b> Extent of development and coordination of basic HRM functions for a broader system of public administration.



Indicator <b>3.1.4</b>	<b>(SO 3)</b> Improved public finances and procurement management; i.e. Increased MTBF strength index (SIGMA PAP 6 Indicator).
Sub-indicator 3.1.4.1	Extent of attainment of outcome level results under <b>SO 3.1.</b> Extent to which the Public Finances Reform Program has been prepared/adopted.
Sub-indicator 3.1.4.2	Extent of attainment of outcome level results under <b>SO 3.2.</b> Extent of improvement to the budget planning and preparation process.
Sub-indicator 3.1.4.3	Extent of attainment of outcome level results under <b>SO 3.3.</b> Extent of improvement to the financial management system and control of the use of public resources and internal audit
Sub-indicator 3.1.4.4	Extent of attainment of outcome level results under <b>SO 3.4.</b> Extent of functional improvement to budget inspection.
Sub-indicator 3.1.4.5	Extent of attainment of outcome level results under <b>SO 3.5.</b> Extent of improvement to the public procurement system.
Indicator <b>3.1.5</b>	<b>(SO 4)</b> Increased legal certainty and improved business environment and quality of service provision, i.e. Greater extent to which citizen-oriented policy for service delivery is in place and applied (SIGMA PAP 5 Indicator), Greater extent to which the legal framework for good administration is in place and applied (SIGMA PAP 5 Indicator), Greater extent to which the policy development process makes the best use of analytical tools (SIGMA PAP 2 Indicator).
Sub-indicator 3.1.5.1	Extent of attainment of outcome level results under <b>SO 4.1.</b> Extent of improvement of the legislative process as a part of a wider system of Government public policy management.
Sub-indicator 3.1.5.2	Extent of attainment of outcome level results under <b>SO 4.2.</b> Extent of improvement in administrative procedures and operation of conduct of state administration bodies and bodies and organizations of PA in deciding on the rights, obligations, and legal interests of members of the public and other entities in accordance with principles of good governance.
Sub-indicator 3.1.5.3	Extent of attainment of outcome level results under <b>SO 4.3.</b> Extent of reforms to inspection oversight and efforts to ensure greater protection of public interest while reducing administrative costs of inspection oversight and increasing legal security for inspectees/inspectors.
Sub-indicator 3.1.5.4	Extent of attainment of outcome level results under <b>SO 4.4.</b> Extent of introduction and promotion of mechanisms that ensure the quality of service delivery.
Indicator <b>3.1.6</b>	<b>(SO 5)</b> Increased public participation and accountability of public administration, i.e. Greater extent to which an integrity and anti-corruption system of the public service is in place and applied in practice. (SIGMA PAP 3 Indicator), Increased transparency of Government policy making (SIGMA PAP 2 Indicator), Greater extent to which mechanisms are in place to provide effective checks and balances, and controls over public organizations (SIGMA PAP 4 Indicator).
Sub-indicator 3.1.6.1	Extent of attainment of outcome-level results under <b>SO 5.1.</b> Extent of improvement in conditions for public participation in public administration with increased availability of information on the work of public administration and public finances.
Sub-indicator 3.1.6.2	Extent of attainment of outcome level results under <b>SO 5.2.</b> Extent to which integrity and ethical standards of employees in public administration have been strengthened and corruption has been reduced through strengthened of prevention mechanisms.
Sub-indicator 3.1.6.3	Extent of attainment of outcome level results under <b>SO 5.3.</b> Extent to which mechanisms of external and internal public administration control have been strengthened.
Indicator <b>3.1.7</b>	Extent to which the AP PAR 2015-2017 was excessively ambitious and not implementable and the specific factors behind this, i.e. the extent of objectives carried over into the AP PAR 2018-2020.
Source of Information	PAR AP Reports; EC Progress and OECD/SIGMA Reports;
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.

<b>EQ # 4</b>	<b><i>Which unexpected positive and negative (if any) changes have occurred, inclusive of those related to any cross-cutting issues (especially gender and climate change), across the five AP PAR 2015-2017 Specific Objectives(SOs), and how do these differ?</i></b>
<b>Judgment Criterion 4.1</b>	The ranges of different unexpected positive and negative (if any) changes that have occurred, inclusive of those related to any cross-cutting issues (especially gender and climate change)





Indicator 4.1.1	Number of examples of positive and/or negative changes related to the four interventions under SO 1.
Indicator 4.1.2	Number of examples of positive and/or negative changes related to the three interventions under SO 2.
Indicator 4.1.3	Number of examples of positive and/or negative changes related to the five interventions under SO 3.
Indicator 4.1.4	Number of examples of positive and/or negative changes related to the four interventions under SO 4.
Indicator 4.1.5	Number of examples of positive and/or negative changes related to the three interventions under SO 5.
Indicator 4.1.6	Number of common examples of positive and/or negative changes related to many interventions under most SOs.
Indicator 4.1.7	Number of examples of positive and/or negative changes related to cross-cutting issues (especially gender and climate change).
Source of Information	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.

<b>EQ # 5</b>	<b><i>What were the most influential driving forces and success factors alongside any specific actions by stakeholders/implementers, and what were the restraining forces and stakeholder actions (or inactions) that reduced effectiveness?</i></b>
<b>Judgment Criterion 5.1</b>	The range of different driving forces and success factors, alongside specific actions by stakeholders/implementers, which promoted effectiveness.
Indicator 5.1.1	Number of examples of different driving forces, success factors, and specific stakeholder/implementer actions related to the four interventions under <b>SO 1</b> .
Indicator 5.1.2	Number of examples of different driving forces, success factors, and specific stakeholder/implementer actions related to the three interventions under <b>SO 2</b> .
Indicator 5.1.3	Number of examples of different driving forces, success factors, and specific stakeholder/implementer actions related to the five interventions under <b>SO 3</b> .
Indicator 5.1.4	Number of examples of different driving forces, success factors, and specific stakeholder/implementer actions related to the four interventions under <b>SO 4</b> .
Indicator 5.1.5	Number of examples of different driving forces, success factors, and specific stakeholder/implementer actions related to the three interventions under <b>SO 5</b> .
Indicator 5.1.6	Number of common examples of driving forces, success factors, and specific stakeholder/implementer actions related to the interventions under most SOs.
Source of Information	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.
<b>Judgment Criterion 5.2</b>	The range of different restraining forces and obstacles, alongside specific inactions by stakeholders/implementers, which reduced effectiveness.
Indicator 5.2.1	Number of examples of different restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the four interventions under <b>SO 1</b> .
Indicator 5.2.2	Number of examples of different restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the three interventions under <b>SO 2</b> .
Indicator 5.2.3	Number of examples of different restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the five interventions under <b>SO 3</b> .
Indicator 5.2.4	Number of examples of different restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the four interventions under <b>SO 4</b> .
Indicator 5.2.5	Number of examples of different restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the three interventions under <b>SO 5</b> .
Indicator 5.2.6	Number of common examples of restraining forces, obstacles, and specific instances of stakeholder/implementer inaction related to the interventions under most SOs.
Source of Information	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.

**OECD DAC Evaluation Criterion****3. EFFICIENCY**

*Measures timely attainment of results; adequacy of implementation management; and ratio of outputs to inputs compared to alternatives*

<b>EQ # 6</b>	<b><i>Were the AP PAR 2015-2017 objectives achieved on time, what were the major factors/causes influencing any delays, and how were these dealt with?</i></b>
<b>Judgment Criterion 6.1</b>	Timeliness of attainment of all outcomes across the five AP PAR 2015-2017 Specific Objectives.
Indicator 6.1.1	Even timeliness of implementation across the five AP PAR 2015-2017 Specific Objectives.
Indicator 6.1.2	Implementation delays and their causes/factors.
Indicator 6.1.3	Adequacy of staffing vis-à-vis envisaged workload, inclusive of the level of staff turnover and new hire.
Indicator 6.1.4	Adequacy of budgets vis-à-vis the volume of tasks carried out.
Indicator 6.1.5	Implementation of activities coordinated and monitored within an overall supervision system.
Indicator 6.1.6	Financial procedures allowed adequate and timely procurement of assets and resources.
<b>Source of Information</b>	PAR AP; PAR AP Reports; Key informant interviews with stakeholder institutions; Focus Group discussions with experts and professionals from PA and other institutions e.g. CSOs; Survey and SWOT data and information.
<b>Data Collection Tool</b>	Document and report analysis; Data analysis; Semi-structured Interviews; Focus Group Discussions; SWOT Analysis; Survey/Questionnaire.
<b>Judgment Criterion 6.2</b>	Extent to which delays were adequately dealt with given their nature and extent.
Indicator 6.2.1	Resources employed to deal with delays and risk management.
Indicator 6.2.2	Key barriers to effectively dealing with delays.
Indicator 6.2.3	Key capacities/actions/mechanisms for effectively dealing with delays.
Indicator 6.2.4	Level of stakeholder collaboration towards effectively dealing with delays.
<b>Source of Information</b>	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
<b>Data Collection Tool</b>	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.

<b>EQ # 7</b>	<b><i>How adequate was management of implementation of AP PAR 2015-2017 and the institutional and organisational structure and capacity for coordination, monitoring, reporting, and evaluation of the implementation process?</i></b>
<b>Judgment Criterion 7.1</b>	Adequacy of the overall institutional and organisational structure for managing implementation of AP PAR 2015-2017.
Indicator 7.1.1	There was adequate institutional and organisational structure for managing PAR implementation.
Indicator 7.1.2	Specific steering and control mechanisms are in place for managing implementation inclusive of rectification function.
Indicator 7.1.3	The PAR Inter-ministerial group was highly effective in the given setup in terms of good functioning for coordination and monitoring.
Indicator 7.1.4	There was a major increase in implementation capacities across interventions under the five SOs.
Indicator 7.1.5	Budgets were highly adequate vis-à-vis the volume of implementation tasks planned, carried out and results attained.
Indicator 7.1.6	How adequately has other stakeholders (e.g. think tanks and CSOs) been involved in monitoring AP PAR 2015-2017?
<b>Source of Information</b>	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
<b>Data Collection Tool</b>	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.
<b>Judgment Criterion 7.2</b>	The MPALSG's capacity for coordination, monitoring, reporting, and evaluation of the AP PAR 2015-2017 implementation process.
Indicator 7.2.1	Sufficient extent of the policy and political level support and interest in PAR.
Indicator 7.2.2	The MPALSG's relations with other ministries and institutions enables exercise of its jurisdiction regarding coordination, monitoring, reporting, and evaluation of PAR.



Indicator 7.2.3	Effectiveness of coordination, monitoring, reporting and evaluation within an overall inter-ministerial coordination is high.
Indicator 7.2.4	Specific coordination, monitoring, reporting and evaluation norms, procedures, and mechanisms are in place.
Indicator 7.2.5	There is established practice of AP PAR reports feeding into the wider planning/reporting system.
Indicator 7.2.6	Adequacy of staffing vis-à-vis envisaged workload is high.
Indicator 7.2.7	Adequacy of budgets vis-à-vis the volume of coordination, monitoring, reporting, and evaluation tasks planned and carried out is high.
Source of Information	PAR AP Reports; EC Progress and OECD/SIGMA Reports; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; Focus Group Discussions; Survey/Questionnaire; and SWOT Analysis.

<b>EQ # 8</b>	<b><i>Was the AP PAR 2015-2017 implemented in a highly cost-effective way compared to alternatives, with cost-efficient activities and costs proportionate to the benefits achieved?</i></b>
<b>Judgment Criterion 8.1</b>	Extent to which AP PAR 2015-2017 was implemented cost-effectively compared to alternatives.
Indicator 8.1.1	Implementation was highly cost-effective compared to alternatives.
Indicator 8.1.2	There was an appropriate AP PAR 2015-2017 costing methodology (additional cost/full costing) with available guidance for policy costing.
Source of Information	EC Progress and OECD/SIGMA Reports; Other surveys and monitoring tools data; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; and Cost-effectiveness analysis.
<b>Judgment Criterion 8.2</b>	Cost-efficiency of AP PAR 2015-2017, i.e. whether costs were proportionate to the benefits achieved.
Indicator 8.2.1	Cost-efficiency of the 19 measures under the five SOs of AP PAR 2015-2017 was proportionate.
Indicator 8.2.2	There was a high level of the cost-efficiency of activities versus the achieved outcome and impact level results/benefits.
Indicator 8.2.3	Comparison with international or domestic cost-efficiency benchmarking is favourable.
Source of Information	EC Progress and OECD/SIGMA Reports; Other surveys and monitoring tools data; Other studies and reports.
Data Collection Tool	Documents and reports analysis; Semi-structured Interviews; and Cost-effectiveness analysis.

<b>OECD DAC Evaluation Criterion</b>	
<b>4. IMPACT</b>	
<i>Far-reaching positive and negative changes produced to date by PARS</i>	
<b>EQ # 9</b>	<b><i>What has happened as a result of the AP PAR 2015-2017 implementation in terms of the progress made towards meeting EU accession criteria, increased Government effectiveness, and real difference for different beneficiaries?</i></b>
<b>Judgment Criterion 9.1</b>	Extent of an overall increase in Government effectiveness and the extent to which various beneficiaries experienced real positive difference as a result of the AP PAR 2015-2017 implementation.
Indicator 9.1.1	Specific progress was achieved towards meeting relevant accession criteria (EC). (Perhaps also measurable by SIGMA Public Administration Capacities indicators)
Indicator 9.1.2	There is an increased score under the Government Effectiveness composite indicator (WB).
Indicator 9.1.3	There is an increased score under the Regulatory Quality composite indicator (WB).
Indicator 9.1.4	There is an increased score under the Burden of Government Regulation composite indicator (WEF).
Indicator 9.1.5	There are already visible positive overall effects on citizens.
Indicator 9.1.6	There are a number of civil servants and state and public institutions that have already experienced tangible positive effects, specifically civil servants at the central and local level, such as ministries and other state administration bodies, and employees in public services like schools and hospitals.
Indicator 9.1.7	There are a number of other different beneficiaries (e.g. businesses and NGOs) that have already experienced tangible positive effects.



<b>Indicator 9.1.8</b>	Communication/outreach ensures that the results of PAR reform (outcomes and impacts) are visible both internally and externally.
<b>Source of Information</b>	Official statistics; AP(s) Reports. EC Serbia 2018 Progress Report; OECD/SIGMA Monitoring Report for Serbia, 2017; Worldwide Governance Indicators (WGI)- TBD; Global Competitiveness Index- TBD; PAR international indicators and surveys; Other surveys and monitoring tools data; Other studies and reports.
<b>Data Collection Tool</b>	Documents and reports analysis; Survey/Questionnaire; Focus Group Discussions; and Semi-structured Interviews.

**OECD DAC Evaluation Criterion  
5. SUSTAINABILITY**

*Measuring whether PAR interventions are financially sustainable, as well as stakeholder institutions' newly acquired capacities*

<b>EQ # 10</b>	<b><i>To what extent are future PAR interventions sustainable in terms of funding and to what extent are the AP PAR 2015-2017 stakeholder institutions existing and new capacities are sustainable?</i></b>
<b>Judgment Criterion 10.1</b>	Sustainability of GS budget and donor funds needed for future PAR interventions.
<b>Indicator 10.1.1</b>	There is GS future budgetary potential to secure funds for PAR interventions at a sufficient level.
<b>Indicator 10.1.2</b>	Future inflow of potentially needed supplementary donor funds for PAR interventions will remain at sufficient level.
<b>Indicator 10.1.3</b>	Specific key factors influencing the sustainability of financing of future PAR interventions are known and addressed.
<b>Source of Information</b>	PAR AP Reports; Background documents on PAR; EC Serbia 2018 Progress Report; OECD/SIGMA Monitoring Report for Serbia, 2017; Other studies and reports.
<b>Data Collection Tool</b>	Documents and reports analysis; Survey/Questionnaire; Focus Group Discussions; Semi-structured Interviews; and SWOT Analysis.
<b>Judgment Criterion 10.2</b>	Extent to which the AP PAR 2015-2017 stakeholder institutions existing and new capacities are sustainable.
<b>Indicator 10.2.1</b>	Increased number of specific stakeholder institutions that have designed and built into their plans and systems for the necessary feedback and monitoring mechanisms, also for the implementation of the new Planning System Law and its requirement for all public institutions to implement mechanisms and procedures for monitoring, and evaluation.
<b>Source of Information</b>	PAR AP Reports; Background documents on PAR; EC Serbia 2018 Progress Report; OECD/SIGMA Monitoring Report for Serbia, 2017; Other studies and reports.
<b>Data Collection Tool</b>	Documents and reports analysis; Survey/Questionnaire; Focus Group Discussions; Semi-structured Interviews; and SWOT Analysis.

**Annex 2. List of performed interviews during the inception and implementation phase****Inception Phase**

#	Name	Institution	Position	Subject	Date
1.	Thomas Kerscher Jelena Spaic	Support to PAR under the PAR Sector Budget Contract	Key Expert/Acting TL Coordinator	ToR Briefing. Collaboration on drafting the Inception Report. Documents acquisition.	01.08.2018.
2.	Ljiljana Uzelac	MPALSG	Head of PAR Unit	ToR Briefing. Collaboration on drafting the Inception Report.	02.08.2018.
3.	Ljiljana Uzelac	MPALSG	Head of PAR Unit	Collaboration on evaluation questions and List of Stakeholders. Documents acquisition.	06.08.2018.
4.	Danka Bogetic Duska Subotic	EUR Delegation	Program Manager	ToR Briefing. Expectations of the evaluation process. Context analysis. Documents acquisition.	06.08.2018.
5.	Ljiljana Uzelac	MPALSG	Head of PAR Unit	Brainstorming on PAR Evaluation Matrix and Stakeholders Analysis. Further documents acquisition.	27.08.2018.
6.	Danka Bogetic Duska Subotic	EU Delegation	PAR Program Manager	Acquiring input on first draft Evaluation Matrix and Stakeholders List and further evaluation process.	04.09.2018.
7.	Kori Udovicki	CEVES (Think tank)	President; Former DPM and MPALSG Minister	Overall PAR docs and process and challenges regarding the evaluation theme.	04.09.2018.
8.	Milena Lazarevic	CEP (Think tank)	Program Manager; Former Advisor to the MPALSG Minister	PARS and PAR AP PAR 2015-17 design. Context. Stakeholders. Challenges.	07.09.2018.
9.	Bojana Tosic Sanja Mesanovic Ivana Vukasinovic	GoS Secretariat for Public Policies	Director; Deputy Director; Assistant Director	Policy Dialogue, UIS, and AP(s) implementation.	10.09.2018.
10.	Tamara Stojcevic	GoS General Secretariat	Deputy Director	Policy Dialogue, Centre of Government coordination, and AP(s) implementation	10.09.2018.
11.	Martins Krievins	SIGMA /GOPA	Expert/Coordinator	PARS and PAR AP PAR 2015-17 design. Context. Stakeholders. Challenges. Evaluation outputs.	10.09.2018
12.	Ljiljana Uzelac	MPALSG	Head of PAR Unit	Collecting comments on Final Draft Inception Report	17.09.2018.
13.	Darko Radojicic	GoS Secretariat for Legislature	Ass. Director, Head of Sector for Regulations Preparations	Policy Dialogue, Centre of Government	18.09.2018.
14.	Ivana Vukasinovic, Sanja Mesanovic	GoS Secretariat for Public Policies	Assistant Director Sector for Planning Support, Public Policy Coordination and Monitoring; Deputy Director	Policy Dialogue, UIS, and AP(s) implementation.	19.09.2018.



15.	Zarko Stepanovic	Office for Cooperation with Civil Society	Director	AP PAR and CSOs. Discuss Draft Inception Report and the workshop.	19.09.2018.
16.	Mladen Lazic	MoF	Head of the Group for preparation of projects financed from EU funds and development assistance	AP PAR. Discuss Draft Inception Report and the workshop.	19.09.2018.
17.	Drazen Maravic	National Academy for Public Administration	Director	AP PAR. Discuss Draft Inception Report and the workshop.	20.09.2018.
18.	Milovan Filimonovic	UNDP	Expert	AP PAR and PFM program. Discuss Draft Inception Report and the workshop.	20.09.2018.
19.	Marija Kujacic	Office for IT and E-Government	Head of Department for standardization, certification and development guidelines	AP PAR and E-Government. Discuss Draft Inception Report and the workshop.	19.09.2018.
20.	Nikola Tarbuk	SCTM	Deputy Director	AP PAR and LSG. Discuss Draft Inception Report and the workshop.	21.09.2018
21.	Alexandra Hilbig, Dragana Curcija Gligorijevic Nikola Djuric	GIZ PAR Project	Project Leader, Senior Project Manager, Project Manager	PAR collaboration. Discuss Draft Inception Report and the workshop.	21.09.2018.
22.	Dragana Jankovic	HMRS	Assistant Director	AP PAR and human resource management.	26.09.2018.
23.	Ljiljana Uzelac	MPALSG	Head of PAR Unit	ERG preparation	26.09.2018.
24.	Milena Lazarevic	CEP (Think tank)	Program Manager; Former Advisor to the MPALSG Minister	Inception Report, comments on Evaluation Matrix and Surveys	01.10.2018.

### Implementation Phase

	Name	Institution	Position	Subject	Date
1.	Martiens Krievens	SIGMA	Expert	Indicators within Evaluation Matrix	16.10.2018
2.	Ljiljana Uzelac Marija Petrovic	MPALSG	Head of PAR Unit	Indicators within Evaluation Matrix	19.10.2018.
3.	Ljiljana Uzelac Marija Petrovic	MPALSG	Head of PAR Unit	Indicators within Evaluation Matrix	25.10.2018.
4.	Jasmina Benmansur	MPALSG	Assistant Minister	PAR Strategy and process for the AP 2014	30.10.2018.
5.	Dobrosav Milovanovic	Law Faculty	Professor	PAR Strategy	30.10.2018.
6.	Danka Bogetic	EU Delegation	Program Manager	PARS and Planning System	31.10.2018.
7.	Bojana Tosic	PPS	Director	Law on Planning, and policy coordination	02.11.2018.
8.	Martins Krievins	GOPA PAR	Expert	Further inputs for EM Indicators	13.11.2018.
9.	Dobrosav Milovanovic	Law Faculty	Professor	PARS and Pillar 4	13.11.2018.
10.	Petar Vasilev	SDC	Manager	PARS and PFM	19.11.2018.
11.	E-Gov assessment team:	GOPA	Senior Policy analysis expert	PARS and E-Government Strategy	23.11.2018.



	<b>Djordje Vukotic Marko Pesic Pedja Mitrovic</b>		Junior Policy analysis expert Junior Assessment expert		
12.	<b>Milena Radomirovic Edi Majstorovic Marija Lukic</b>	SCTM	Planning Advisor and Exchange 5 Project Manager Advisor for Administration and Human Resources Project Manager "Improving administrative efficiency and effectiveness at the local level"	SCTM work on PAR	28.11.2018.
13.	<b>Vidosava Dzagic</b>	Chamber of Commerce Belgrade	Advisor	SCTM work on PAR	28.11.2018.
14.	<b>Sasa Movic Dusanka Jovanovic</b>	MPALSG	Assistant Minister	PARS and AP, Local Issues	30.11.2018.
15.	<b>Mladen Lazic</b>	MF	Advisor	SO 3 and PFM	30.11.2018.
16.	<b>Marija Oros Jankovic</b>	MEI	Department for planning, programming, monitoring and reporting on EU funds and development assistance	PARS and donor coordination	04.12.2018.
17.	<b>Milena Lazarevic</b>	CEP	Program Manager	PARS	04.12.2018.
18.	<b>Nenad Sarkocevic</b>	Administrative Inspection	Director	PARS and Administrative Inspection	05.12.2018.
19.	<b>Marko Paunovic</b>	IMF	Economist	IMF Arrangement	05.12.2018.
20.	<b>Svetlana Jovanovic</b>	Delivery Unit	Senior Advisor	Delivery Unit and IT services	05.12.2018.
21.	<b>Milovan Filimonovic</b>	UNDP	Public Finance Expert	Specific Objective 3 – Public finances	07.12.2018.
22.	<b>Tamara Brankovic Tea Tepavac</b>	CRTA	Policy Lab Coordinator Senior Researcher	Transparency and integrity	07.12.2018.
23.	<b>Dusko Pejovic Iva Vasilic Nada Mirkovic Ivica Gavrilovic</b>	SAI	President Chief of Cabinet	State audit and internal control	10.12.2018.
24.	<b>Ana Sarenac Tijana Kolundzija Gordana Lazic Rasovic</b>	Delivery Unit PAR Group	Coordinator	PAR	10.12.2018.
25.	<b>Sandra Nedeljko Nedeljkovic</b>	Public Investment Management Office	Deputy Director	PAR	12.12.2018.
26.	<b>Nikola Djuric Milica Milosevic</b>	GIZ PAR	Project Managers	PAR and AP PAR	12.12.2018.
27.	<b>Danka Bogetic Duska Subotic</b>	DEU	Program Manager Project Manager	PFM	13.12.2018.



	<b>Vladan Petrovic</b>		Project Manager		
<b>28.</b>	<b>Farida Alioui</b>	Particip	Consultant	PARS	20.12.2018.
<b>29.</b>	<b>Srdjan Svircev</b>	WB	PAR Expert	AP 2015	11.01.2019.
<b>30.</b>	<b>Sanja Putnik Natasa Radulovic Mila Stankovic</b>	MPALSG, European Integration and International Cooperation	Assistant Minister Projects Implementation Group Projects Preparation Department	AP 2015, coordination	24.01.2019.
<b>31.</b>	<b>Aleksandar Panovski</b>	WB Change Management Team	Team Leader	Optimisation	11.02.2019.





### Annex 3. List of reviewed documents

*Public Administration Reform Strategy in the Republic of Serbia*, ("Official Gazette of RS", no. 9 of 30 January 2014, 42 of 23 April 2014 - correction, 54 of 13 July 2018). Link: <http://mduls.gov.rs/reforma-javne-uprave/>

Decision to change the strategy. Link: N/A

*Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017*. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Instructions for Compiling the Indicator Passport* for the Action Plan for the Implementation of the PAR Strategy for the period 2015-2017. Link: Online as part of AP - <http://mduls.gov.rs/reforma-javne-uprave/>

*Six-month report on conducted activities* from the Action Plan for implementing Public Administration Reform Strategy in the Republic of Serbia from 2015-2017. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*2015 Annual Report on the implementation of the Action Plan of Republic of Serbia Public Administration Reform Strategy* for the period 2015-2017. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*2016 Semi Annual Status Activities Report* on the implementation of the Action Plan of Republic of Serbia Public Administration Reform Strategy for the period 2015-2017. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Annual Report for 2016 on Implementation of the Action Plan of the Public Administration Reform Strategy in the Republic of Serbia, 2015-2017 and Annex of the 2016 Annual Report on Implementation of the Action Plan of the Public Administration Reform Strategy in the Republic of Serbia, 2015-2017* Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Two and a half Year 2015-2017 1/2 report on the Implementation of the PAR Strategy and its Action plan*. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan*. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2018-2020*. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

*Instructions for Compiling the Indicator Passport* for the Action Plan for the Implementation of the PAR Strategy for the period 2018-2020. Link: Online as part of AP - <http://mduls.gov.rs/reforma-javne-uprave/>

Law on the Planning System of the Republic of Serbia, Official Gazette No 30/2018

Two bylaws within the Planning System of the Republic of Serbia, October 2018, Link: N/A.

PAR Costing Table, April 2017, Link: N/A

Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2014-2016. Link: N/A

Decision of establishment of the Working group for the PARS, January 2013. Link: N/A

Amendment of decision of the Working group for the PARS, August 2013. Link: N/A

Conclusion of the public hearings for the PARS, May 2013. Link: N/A

Decision of establishment of the Working group for the draft AP 2015-2017, October 2014. Link: N/A

Decision of establishment of the Working group for the implementation AP 2015-2017, February 2015. Link: N/A

Amendment of decision of establishment of the Working group for the implementation 2015-2017, February 2015. Link: N/A

Decision of establishment of the Working group for the AP 2018-2020, September 2017. Link: N/A

Decision of civil society organization representatives into the Working group for AP 2018-2020, June 2017. Link: N/A

Operational Plan for Development of the Program for e-Government Development 2019-2021. Link: N/A

Instructions for annual reporting for the Action Plan for the implementation of the Public Administration Reform Strategy in the Republic of Serbia, for the period 2015 -2017. Link: N/A.

Action Plan for Implementation of Government Plan, November 2017. Link: N/A

Report on the Implementation of the AP for Government Plan: WG 1: Connection of Serbia with Europe and the World. October 2018.



Report on the Implementation of the AP for Government Plan: WG 2: Creating Economic Opportunities for all. October 2018.

Report on the Implementation of the AP for Government Plan: WG 3: Providing better public services. October 2018.

Report on the Implementation of the AP for Government Plan: WG 4: Protection of Human Rights and Security. October 2018.

Plan of priority activities for reduction of administrative burdens in the Republic of Serbia 2016-2018. ("Stop Bureaucracy"), Link: N/A

OECD/SIGMA *Monitoring Report for Serbia* (2017). Link: <http://sigmaweb.org/publications/public-governance-monitoring-reports.htm>

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OECD/SIGMA (2016). Overview of the coordination structure for the Public Administration Reform Strategy. December 2016; Link: N/A

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Vági, P. and K. Kasemets (2017), "Functioning of the Centres of Government in the Western Balkans", SIGMA Papers, No. 53, OECD Publishing, Paris. Link: [https://www.oecd-ilibrary.org/governance/functioning-of-the-centres-of-government-in-the-western-balkans\\_2bad1e9c-en](https://www.oecd-ilibrary.org/governance/functioning-of-the-centres-of-government-in-the-western-balkans_2bad1e9c-en)

OECD/SIGMA Toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies (2018), Guidance for SIGMA partners, SIGMA PAPER No. 57. Link with Annexes: <http://sigmaweb.org/publications/strategy-toolkit.htm>

Managerial accountability in the Serbian state administration, draft, SIGMA, March 2017. Link: N/A

SIGMA comments on the Public Administration Reform Strategy. Link: N/A

SIGMA Opinion of the Action Plan for implementation of the Public Administration Reform Strategy of the Republic of Serbia for the period 2014-2016. Link: N/A.

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SIGMA, Draft The Manual for Planning, Developing and Monitoring Strategic Documents and Their Action Plans (the Manual), Kosovo May 2018. Link: N/A

Sigma Methodology for policy development, drafting and monitoring of strategic planning documents

EC Serbia 2016 Progress Report, November 2018. Link: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>

EC Serbia 2016 Progress Report, November 2016. Link: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2016/20161109\\_report\\_serbia.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_serbia.pdf)

EC Serbia 2015 Progress Report, November 2015. Link: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2015/20151110\\_report\\_serbia.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2015/20151110_report_serbia.pdf)

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**Annex 4. List of AP PAR 2015-2017 and AP PAR 2018-2020 key reporting sources**

#	Organization /Address	Name/Surname of Relevant Person	Position	Telephone	Email	Relation/role to the PAR/AP/Pillar (SO) Interest in PAR/Intervention (SO)
1.	MPALGS Bircaninova 6	<b>Natalija Pavlovic Sinikovic</b>	Assistant MPALSG Minister for PAR	011 33 45 532	natalija.pavlovic@mduls.gov.rs	Head of sector in charge with PAR Was in Project Group for PARS (Then in Ministry of Culture)
2.	Ministry of Finance Kneza Miloša 20	<b>Verica Ignjatovic</b>	Assistant Minister, Department for International Cooperation and European Integration	011 364 2632	verica.ignjatovic@mfin.gov.rs	MoF - institutions in charge of reform of public finance - important part of PAR In Project group for drafting AP 18
3.	Public Policy Secretariat (PPS) Vlajkovičeva 10	<b>Bojana Tosic</b>	Director	065 34 30 668	bojana.tosic@rsjp.gov.rs	High inters for PAR/AP - Pillar 1 and 5 / Previous Deputy Director of PPS In Project group for drafting AP 15
4.	National Academy for Public Administration (NAPA) Bulevar Mihaila Pupina 2, east entrance	<b>Drazen Maravic</b>	Director	011 311 7143	drazen.maravic@napa.gov.rs	Reporting according to Passport Indicators - Pillar 2 (AP 15) (AP18) In Project group for drafting AP 18
5.	General Secretariat of the Government, Nemanjina 11	<b>Tamara Stojcevic</b>	Deputy General Secretary	011 363 3335	stojcevic@gov.rs tamara.stojcevic@gov.rs	Important for Pillar 5 / and as control risk management and coordination / Was in Project Group for PARS In Project group for drafting AP 18
6.	ITE Nemanjina 11	<b>Marija Kujacic</b>	Head of Department for standardization, certification and development guidelines	011 7359 400	marija.kujacic@ite.gov.rs	Previous Deputy of the Directorate for e-Government
7.	Ministry of the Interior Bulevar Mihaila Pupina 2	<b>Jelena Bankovic</b>	Advisor	011 3148364	jelena.bankovic@mup.gov.rs	Reporting according to Passport Indicators Pillar 1 (AP 18)
8.	National Geodetic Institute Bulevar Vojvode Misica 39	<b>Sasa Djurovic</b>	Head of the National Geospatial Data Infrastructure Department	011 2650 538 011 715 2649	sdjurovic@rgz.gov.rs	Institution in charge for activity within AP 18 In Project group for drafting AP 18
9.	PPO – Public Procurement Department Nemanjina 22-26	<b>Stefan Otasevic</b>	Independent Advisor	011 2888 712	stefan.otasevic@ujn.gov.rs	Institutions in charge for results within Pillar 3 (AP 15, AP 18) In Project group for drafting AP 18
10.	Commissioner for Information of Public Interest and Personal Data Protection Bulevar kralja Aleksandra 15	<b>Rodoljub Sabic</b>	Commissioner	011 3408 900	office@poverenik.rs	Activities within Pillar 5



11.	OCCS Bulevar Mihaila Pupina 2, east entrance	<b>Milena Banovic</b>	Head of the Department for Planning and Creation of an Enabling Environment for the Development	011 3113 859	milena.banovic@ civilnodrustvo.go v.rs	Important for Pillar 5 / Cross cutting - relations with NGO Member of Inter-ministerial Project Group for AP 15 In Project group for drafting AP 18
12.	Ministry of Justice Nemanjina 22-26	<b>Nataša Mandic</b>	Department for Human resources	011 7858 000	natasa.mandic@ mpravde.gov.rs	Reporting according to Passport Indicators - Pillar 5 (AP 15) Deputy member of Inter- ministerial Project Group for AP 15
13.	Anti-Corruption Agency (ACAS) Carice Milice 1	<b>Marijana Obradovic</b>	Assistant Director	011 41 49 100	marijana.obrado vic@acas.rs	Reporting according to Passport Indicators - Pillar 5 (AP 15) (AP 18) In Project group for drafting AP 18
14.	SAI Makenzijeva 41	<b>Nada Mirkovic</b>	Senior Advisor	011 306 0050	nada.mirkovic@ dri.rs	Reporting according to Passport Indicators, Pillar 5 (AP 18) In Project group for drafting AP 18
15.	Ministry of Labour, Employment, Veteran and Social Affairs Nemanjina 22-26	<b>Dobrina Djukovic</b>	Head of the Human Resources Management Department	011 361 7396	dobrinadj@minr zs.gov.rs	Institutions in charge for results within Pillar (AP 18) Deputy member of Inter- ministerial Project Group for AP 15
16.	Ombudsman Deligradska 16	<b>Mina Rolovic – Jocic</b>	Assistant Secretary	011 2068 100	zastitnik@zastitn ik.rs mina.rolovic- jocic@zastitnik.r s	Reporting according to Passport Indicators - Pillar 5 (AP 18)



## Annex 5: Adopted and upcoming legislation related to the implementation of the AP PAR 2015 – 2017<sup>212</sup>

	Measure	Adopted Legislation and Year of Adoption	Upcoming Legislation
	<b>SO1 Improvement of organisational and functional Public Administration subsystems</b>		
1	M 1.1. Implementation of organisational and functional restructuring of Public Administration until 2017 of factually based measures for rightsizing of PA...	Law on Determining the Maximum Number of Employee in the Public Sector (2015) Amended Decree on classification of posts and criteria for job descriptions for civil servants (2016) The amendments to the Law on Financing of Local Self-Governments (2016) The amendments to the Law on Determining the Maximum Number of Employee in the Public Sector (2018)	Amend the Law on State Administration in order to standardize and define typologies of organisational forms and administrative tasks (coherent fields of work in administration), and delegation of authority to lower rank managers Amend the Decree on principles of internal organisation and systematisation of posts in ministries, special organisations and services of the Government Draft Law on Central Register for Citizens
2	M 1.2. Improvement of decentralization and deconcentration tasks of Public Administration ...	Amendments to the Law on Local Self-Government (2018)	New amendments to the Law on Local Self-Government Preparation and adoption of a reform of LSG program document
3	M 1.3. Improvement of the system for management of public policies of the Government.	The Strategy and the AP for Regulatory Reform and Improved Policy Management System for the period 2016-2020 (2016) Law on the Planning System of the Republic of Serbia (2018) The AP for implementation of the Government Program (classified document) (2017) Two accompanying regulations with methodologies (Regulation on policy management, regulatory and policy impact assessment, and the content of individual policy documents and the Regulation on mid-term planning) (2018)	Action Plan for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System for the period 2019-2020
4	M 1.4. Establishment of strong coordination mechanisms which shall enable the harmonious development and operation of electronic government, as well as the completion of the legal framework and procedures for development of electronic government	Strategy for E-Government Development for the RS for the period 2015-2018 with the AP for 2015-2016 (2015) Law on E-Government (2018) The Law on electronic document, electronic identification and trust services in electronic commerce (2017) The Law on Population registry	The Program for Development of E-Government 2019-2021 The Law on Meta-Register (not Law – but bylaw)
	<b>SO2 Establishing a coordinated public-service system based on merits and promotion of human resource management</b>		
5	M 2.1. Establishment of coordinated system of work relations and wages in public administration on the basis of transparency and fairness principles	Law on Salary System in the Public Sector (2016) The Law on Salaries of Civil Servants and Employees of AP and Units of LSG; (2017) The law on salaries of employees in public agencies and other organizations established by the Republic of Serbia, autonomous province or local self-government unit (2018) The Catalogues of Work Posts in public services and other public sector organisations (2017) Amending the Law on Public Agencies (2018)	
6	M 2.2. Improvement of the function of human resource management in state administration until the end of 2017 with a strategic approach, with introduction of new tools and strengthening of the HRM capacities	Amendments on Law on Civil Servants (2017) Amendments to the Law on State Administration (2018) Amendments on Law on Civil Servants (2018)	
7	M 2.3. Development and coordination of basic human resources management functions for a broader system of public administration by the	The Law on the Public Administration Academy (2017) The Law on employees in autonomous provinces and local self-government units (2016) Strategy for professional development of employees in local unit's self-government in the Republic of Serbia and Action Plan for Implementation of the Strategy for the period 2015 -2016 (2015)	

<sup>212</sup> Table last updated 29.03.2019.





	end of 2017 of the sustainable system for professional development of the employees in public administration	Decree on criteria for classification of job posts and criteria for job descriptions public servants in AP and LSG (2016) Decree on conducting internal and open competitions for filling of posts in AP and LSG Bylaws for implementation of the Law on the National PA Academy (2018) Adoption of a general act on the program of vocational training of trainees. (2018)	
<b>SO3 Improvement of public finances and procurement management</b>			
8	M 3.1. Preparation of the Public Finances Reform Program	Public Finance Reform Program 2016-2020 (PFM) (2015)	The new AP for the PFM 2019-2021 Changes and amendments to the Law on Public Property
9	M 3.2. Improvement of Budget Planning and Preparation Process	Decree was adopted on the content, method of preparation and evaluation, as well as monitoring and reporting on implementation of capital projects;	Rulebooks on requirements, manner and procedures of capital maintenance, depending on type of capital project; Rulebook on content of integrated data base of capital projects; Rulebook on contents, deadlines and procedure for submission of investment documentation; Rulebook on detailed requirements, manner, criteria and benchmarks for capital projects evaluation and selection; the Rulebook on detailed requirements, manner, criteria and benchmarks for ranking of capital projects.
10	M 3.3. Improvement of the Financial Management System and Control of Use of Public Resources and Internal Audit	Strategy for Development of Public Internal Financial Control in the Republic of Serbia 2017-2020 (PIFC) (2017)	
11	M 3.4. Functional improvement of budget inspection work	Decree was adopted on the work, competences and insignia of the budget inspectorate (2017) Amendments have been made to the Budget System Law relevant to the work of the Budget Inspection in order to clearly differentiate the work of the budget inspection and that of internal audit. (2017)	Adopt methodology of work and a by-law on work, competences, and insignia of the budget inspection
12	M 3.5. Improvement of the public procurement system	Strategy for Development of Public Procurement in the Republic of Serbia for the period 2014 – 2018 (2014)	Develop and adopt bylaws resulting from the new Public Procurement Law harmonised with the EU directives
<b>SO4 Increase of legal security and improvement of the business environment and the quality of public services provision</b>			
13	M 4.1. Improvement of the legislative process as a part of a wider system of Government public policies management	The Strategy and the AP for Regulatory Reform and Improved Policy Management System for the period 2016-2020 (2016) Law on The Planning System of the Republic of Serbia (2018)	
14	M 4.2. Improvement of administrative procedures and provision of conduct of state administration bodies and bodies...	Law on General Administrative Procedure	Draft and adopt the Decree on Single Administrative Point
15	M 4.3. Reform of the inspection supervision and ensuring better public interest protection, with reducing administrative costs...	Law on Inspection Supervision (2015) The amendments to the Law on Inspection Supervision (2018)	
16	M 4.4. Introduction and promotion of mechanisms which ensure the public service quality		
<b>SO5 Increase of citizen participation , transparency, improvement of ethical standards and responsibilities in performance of public administration activities</b>			
17	M 5.1. Improvement of conditions for participation of public in work of public administration with increase of availability of information on work of public administration and public finances	AP for implementation of the Open Government Partnership 2014-2015 (2014) AP for implementation of the Open Government Partnership 2016-2017 (2016)	Draft and adopt the new Law on referendum and Popular Initiative in order to improve mechanisms for effective expression by citizens
18	M 5.2. Strengthening of integrity and ethical standards of employees in public administration and reducing corruption through strengthening of prevention mechanisms		
19	M 5.3 Strengthening of mechanisms of external and internal public administration control		Amendments to the Law on Ombudsman New Law on the Anti-Corruption Agency



European Union



Republic of Serbia

			Amendments to the Law on Free Access to Information of Public Significance the law amending the Law on State Audit Institution Amend the Anti-Discrimination Law
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## Annex 6. Continuity and coherence of PAR Strategy and AP PAR 2015-2017 and AP PAR 2018-2020 objectives, and the sub-strategies.

PAR Strategy	AP PAR 2015-2017	AP PAR 2018-2020	Changes	Sub-strategies
<b>SO1.</b> Improvement of Organisational and Functional Sub-systems of PA	<b>SO1.</b> Improvement of Organisational and Functional Public Administration Subsystems	<b>SO1.</b> Improvement of Organisational and Functional Public Administration Subsystems	PARS-APs <b>SOs</b> continuity; A measure moved from <b>AP 2015 SO4.</b>	1. Regulatory 2. E-Government
1.1.Organisational and Functional Restructuring of Authorities, Organizations and other Bodies Discharging Public Administration Operations	1.1.Implementation of organisational and functional restructuring of Public Administration until 2017 of factually based measures for rightsizing of Public Administration in terms of number and suitability of institutions, number of employees, work processes and organisational structures ...	1.1.Organisational and functional restructuring of the public administration by implementing by 2020 evidence-based measures for optimisation of the public administration with respect to the work processes, organisational structures, the number and effectiveness of institutions and number of employees	Continuity.	
1.2.Enhancement of Decentralization and De-Concentration of PA Activities	1.2. Improvement of decentralization and deconcentration tasks of Public Administration by improvement of analytical and strategic framework by the end of 2017	1.2. Improved functioning of the local self-Government and decentralisation and deconcentration of state administration through defining of the strategic framework...	Continuity.	
1.3.Improvement of Strategic Planning System and Coordination of Public Policies	1.3. Improvement of the system for management of public policies of the GS (planning, analysis, creation, adoption, monitoring and evaluation and coordination) by establishment of legal and institutional framework for integrated strategic management...	1.3. Improvement of the system for management of public policies of the Government by establishing by the end of 2020 the legal and institutional framework for integrated strategic management and adoption of mid-term work plans of state administration bodies harmonised with the strategic priorities of the Government and the programming budget	The AP 15 4.1. Measure is moved here to AP 2018 and merged.	<b>Strategy for Regulatory Reform and Improved Policy Management System for the period 2016-2020:</b>
General goal: Establishing an efficient and effective public policy management system and the legislative process based on data and facts (evidence-based policies) and other principles of good regulatory practice. SO 1: Improving public policy management system; SO 2: Improving the legislative process and the quality of regulations; SO 3: Simplification of administrative procedures and establishment system for continuous measurement and monitoring of administrative costs of the economy and citizens; SO 4: Improving the role of citizens and the economy in the public management system policies, regulation and quality improvement of administrative procedures				
1.4.Development of E-Government	1.4. Establishment of strong coordination mechanisms which shall enable the harmonious	1.4. Establishing solid coordination mechanisms enabling harmonised development and	Continuity.	<b>Strategy for E-Government Development for the RS for the period 2015-2018:</b>



	development and operation of e-government, as well as the completion of the legal framework and procedures for development of E-Government	functioning of E-Government, and finalising the legal framework and procedures for development of E-Government		
<p>The overall objectives of the Strategy are: - increasing the satisfaction of users with public services; - reducing the burden of administration for businesses and citizens; - increasing the efficiency of public administration through the use of information and communication technologies; - national and cross-border interoperability (especially with EU countries)</p> <p>SO 1: Establishing the institutional and reinforcement of the legal framework for ensuring coordinated management by development of the electronic administration.</p> <p>SO 2: Establishing interoperability between state administration organization, organs of the autonomous provinces and units of local self-government.</p> <p>SO 3: Establishment of basic electronic registers related to other information systems of state authorities, autonomous province and units of self-government;</p> <p>SO 4: Establishing new electronic services on the national E-Government portal and other portals</p> <p>SO 5: Training of employees in the state administration for ICT use;</p> <p>SO 6: Establishing the open administration</p>				
<b>SO2.</b> Establishment of Aligned Public and Civil Service system Based on Merits and Development of HRM;	<b>SO2.</b> Establishing a Coordinated Public-Service System Based on Merits and Promotion of Human Resource Management	<b>SO2.</b> Establishing a Coherent Merit-Based Civil Service System and Improve Human Resources Management	PARS-APs <b>SOs</b> continuity; One new measure	1. LSG Professional Development
2.1. Introduction of Aligned System of Employment and Salaries of PA Civil Servants and Employees	2.1. Establishment of coordinated system of work relations and wages in public administration on the basis of transparency and fairness principles	2.1. Establishing a coherent system of labour relations and salaries in the public administration based on transparency and fairness	Continuity.	
2.2. Development and Enhancement of HRM System in PA	2.2. Improvement of the function of human resource management in state administration until the end of 2017 with a strategic approach, with introduction of new tools and strengthening of the HRM capacities	2.2. Establishing the HRM function in the public administration and improving the HRM function in state administration and local self-government by introducing new instruments and strengthening HRM capacities	Continuity.	
	2.3. Development and coordination of basic human resources management functions for a broader system of public administration by the end of 2017 of	2.3. Development of professional development system in public administration	New Measure, in name not in PARS.	<b>Strategy for professional development of employees in local units' self-government in the Republic of Serbia:</b>



	the sustainable system for professional development of the employees in public administration			
<p>The overall objective of the Strategy is to establish a coherent, permanent and sustainable system of professional development employed in units of local self-government, which will contribute to increasing the level of knowledge and skills of employees in units of local self-government necessary for the realization of basic postulates of modern local self-government.</p> <p>SO 1: Determining the roles and obligations related to the conduct of professional development training of the ministry responsible for local self-government, other ministries and local self-government units, establishment of relevant procedures and body / function for performing professional training;</p> <p>SO 2: Establishment of vocational training programs and compulsory elements of the program of professional development, conditions which should be fulfilled and the manner of approval of the entities authorised to implement the established programs of professional training and implementation of annual training programs for employees in LSG;</p> <p>SO 3: - Capacity building of the ministry responsible for local self-government, other ministries and units local self-government, in accordance with established obligations and procedures, for quality and efficient performance of jobs at all stages of the process of professional development of employees in local self-government units.</p>				
<b>SO 3.</b> Improvement of Public Finance and Public Procurement Management;	<b>SO3.</b> Improvement of Public Finances and Procurement Management	<b>SO3.</b> Improvement of Public Finances and Procurement Management	PARS-APs <b>SOs</b> continuity; Two new measures	1. PIFC Strategy 2. Public Procurement 3. PFM RP
3.1. Improvement of Budget Planning and Preparation Process	3.2. Improvement of Budget Planning and Preparation Process	3.2. Improvement of Budget Planning and Preparation Process	Continuity.	
3.2. Enhancement of Management and Control of Revenue and Internal Audit	3.3.Improvement of the Financial Management System and Control of Use of Public Resources and Internal Audit	3.3. Improvement of the Financial Management and Control System of Use of Public Resources and Internal Audit	Continuity.	
3.3. Enhancement of Public Procurement System	3.5. Improvement of the public procurement system	3.5. Improvement of the public procurement system	Continuity.	<b>Strategy for Internal Financial Control Development in the Public Sector for the period 2017 – 2020:</b>
<p>A general objective of the PIFC Strategy is to improve the public administration in the Republic of Serbia by strengthening accountability in the public sector.</p> <p>The strategic goals, which comprise the principles of the COSO framework, as defined in the PIFC Strategy are focused on further development of internal financial control:</p> <ol style="list-style-type: none"> <li>1. Further development of the role of the Ministry of Finance – the CHU in the area of coordination, monitoring, education and informing of executives and staff engaged in the PIFC process.</li> <li>2. Raising awareness on financial management and control as an integral part of the management process with an emphasis on managerial accountability, risk management and quality assessment.</li> <li>3. Further development of internal audit in terms of professionalism and scope of the work, more efficient use of available resources and development of the quality assessment system.</li> </ol>				
	3.1. Preparation of the Public Finances Reform Program	3.1. Improving the (framework for) sustainability of public finance by reforming and developing public property management	New Measure in name not in PARS.	<b>Strategy for Development of Public Procurement in the Republic of Serbia for the period 2014 – 2018:</b>
<p>Strategic objectives of public procurement reform are as follows:</p> <ol style="list-style-type: none"> <li>1) To build and develop a uniform public procurement system in the Republic of Serbia;</li> <li>2) To strengthen competition in the public procurement market;</li> </ol>				



- 3) To reduce irregularities in the public procurement system;
- 4) To increase cost-effectiveness and efficiency of public procurements; and
- 5) To promote and encourage the environmental and social aspects, participation of SMEs and innovation in public procurements;
- 6) To fully harmonize Serbian regulations with EU Directives and other EU legislation in the field of public procurements and to fully implement them in practice.

	3.4. Functional improvement of budget inspection work	3.4. Functional improvement of budget inspection work	New Measure, not in PARS.	<b>PFM Reform Program 2016-2020:</b>
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Overall key objectives: - to underpin fiscal and macroeconomic stability, - to develop sound system of public finances and practices, - to increase efficiency in the management of public resources, - to improve efficiency in service delivery, - to increase transparency of public funds and accountability.

SO 1: Sustainable Medium Term Macro-fiscal and Budgetary Framework;

SO 2: Planning and Budgeting of Public Expenditures;

SO 3: Efficient and Effective Budget Execution;

So 4: Effective Financial Control;

So 5: Accounting, Monitoring and Financial Reporting;

So 6: External Scrutiny of Public Finances.

<b>SO 4.</b> Enhancement of legal Certainty and Improvement of Business Environment and Quality of PA Services;	<b>SO4.</b> Increase of legal security and improvement of the business environment and the quality of public services provision	<b>SO4.</b> Increasing Legal Certainty and Improvement of the Business Environment and Quality of Public Services Provision	PARS-APs SOs continuity; One new measure; In AP 18 one measure changed <b>SO</b>	/
4.1. Enhancement of Regulatory Processes	4.1. Improvement of the Legislative Process as a part of a Wider System of Government Public Policies Management		This Measure is moved in AP 18 to <b>SO1</b> , Measure 1.3.	
4.2. Enhancement of Administrative Procedures	4.2. Improvement of administrative procedures and provision of conduct of state administration bodies and organizations of public administration in deciding on rights, obligations and legal interests of citizens and other entities ...	4.1. Improving administrative procedures and ensuring that procedures before state administration bodies and public administration bodies and organisations when deciding on rights, obligations and legal interests of citizens and other entities ...	Continuity.	
4.3. Inspection Control Reform	4.3. Reform of the inspection supervision and ensuring better public interest protection, with reducing administrative costs of inspection supervision and increase of legal security of subjects	4.2. Reform of the inspection supervision and ensuring better protection of public interest, while reducing administrative costs of inspection supervision and increasing legal certainty of	Continuity.	



	of the inspection supervision	subjects of inspection supervision		
	4.4. Introduction and promotion of mechanisms which ensure the public service quality	4.3. Introduction and promotion of mechanisms which ensure quality of public services	New Measure, not in PARS.	
SO 5. Increased Transparency, Enhancement of Ethical Standards ...	SO5. Increase of Citizen Participation, Transparency, Improvement of Ethical Standards and Responsibilities in Performance of PA Activities	SO5. Increasing Citizens' Participation, Transparency, Improving Ethical Standards and Accountability in Performing Public Administration Tasks	PARS-APs SOs continuity.	1. First OGP 2014-2016
5.1. Improvement of Conditions for Participation of Interested Members of Public in Work of the PA	5.1. Improvement of conditions for participation of public in work of PA with increase of availability of information on work of public administration and public finances	5.1. Improving conditions for participation of interested public in the work of PA with increased access to information on the work of public administration and public finance	Continuity.	<b>First AP OGP 2014-2016:</b>
<p>Theme 1: Improve the consultative process with the civil sector at national and local levels when adopting public policy documents;</p> <p>Theme 2: Improve the consultative process with the civil sector at the local level when adopting public policy document;</p> <p>Theme 3: Increase the role of citizens in the public policy management system;</p> <p>Theme 4: Increase the role of citizens in the public policy management system;</p> <p>Theme 5: Improving Access to Information of Public Importance</p> <p>Theme 6: Improving Access to Information of Public Importance</p> <p>Theme 7: Development of an Open Data Portal;</p> <p>Theme 8: Create conditions for introducing the concept of open data by means of a by-law passed pursuant to the Law on E-Government;</p> <p>Theme 9: Government integrity –fighting corruption;</p> <p>Theme 10: Improve procedures governing public calls for applications for the allocation of public funds at all levels of government, including evaluation issues and available remedies;</p> <p>Theme 11: Improve procedures governing public calls for applications for the allocation of public funds at all levels of government, including evaluation issues and available remedies;</p> <p>Theme 12: Improve the legal framework in the field of e-business;</p> <p>Theme 13: Improve the quality of services provided by the public administration to citizens and businesses and reduce administrative costs for businesses and citizens.</p>				
5.2. Strengthening of Ethical Standards of Employees in PA and Suppressing Corruption	5.2. Strengthening of integrity and ethical standards of employees in PA and reducing corruption through strengthening of prevention mechanisms	5.2. Strengthening of integrity and ethical standards of employees in PA and reducing corruption through strengthening of prevention mechanisms	Continuity.	
This is SO 6 in PARS.	5.3. Strengthening of mechanisms of external and internal public	5.3. Strengthening of mechanisms of external and	Continuity.	



European Union

External Evaluation of Serbian Public Administration Reform Strategy

**Final Report 21042019**



Republic of Serbia

	administration control	internal public administration control		
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## Annex 7. List of implementation timelines for the measures of PAR 2015-2017 and AP PAR 2018-2020

AP 2015-2017	AP 2015-2017 Duration	AP 2018-2020	AP 2018-2020 Duration
SO1: Improvement of Organisational and Functional Public Administration Subsystems		SO1: Improvement of Organisational and Functional Public Administration Subsystems	
1.1. Implementation of organisational and functional restructuring of Public Administration until 2017 of factually based measures for rightsizing of Public Administration in terms of number and suitability of institutions, number of employees, work processes and organisational structures with the creation of strong analytical basis for these processes	2015 – 2017	1.1. Organisational and functional restructuring of the public administration by implementing by 2020 evidence-based measures for optimisation of the public administration with respect to the work processes, organisational structures, the number and effectiveness of institutions and number of employees	2018
1.2. Improvement of decentralization and deconcentration tasks of Public Administration by improvement of analytical and strategic framework by the end of 2017	2015 – 2017	1.2. Improved functioning of the local self-Government and decentralisation and deconcentration of state administration through defining of the strategic framework and strengthening of capacities of towns and municipalities to efficiently deliver public tasks and procedures, establish inter-municipal cooperation, and implement principles of good administration.	2018 – 2020
1.3. Improvement of the system for management of public policies of the Government (planning, analysis, creation, adoption, monitoring and evaluation and coordination) by establishment of legal and institutional framework for integrated strategic management until the end of 2017 and adoption of medium-term SAB work plans aligned with strategic priorities of the Government and with the program budget	2015 – 2017	1.3. Improvement of the system for management of public policies of the Government by establishing by the end of 2020 the legal and institutional framework for integrated strategic management and adoption of mid-term work plans of state administration bodies harmonised with the strategic priorities of the Government and the programming budget	2018 – 2020
1.4. Establishment of strong coordination mechanisms which shall enable the harmonious development and operation of electronic government, as well as the completion of the legal framework and procedures for development of electronic government	2015 – 2016 (one activity for promotion through 2017)	1.4. Establishing solid coordination mechanisms enabling harmonised development and functioning of E-Government, and finalising the legal framework and procedures for development of E-Government	2018 – 2020
SO2: Establishing a Coordinated Public-Service System Based on Merits and Promotion of Human Resource Management		SO2: Establishing a Coherent Merit-Based Civil Service System and Improve Human Resources Management	
2.1. Establishment of coordinated system of work relations and wages in public administration on the basis of transparency and fairness principles	2015 – 2016 (one activity for promotion through 2017)	2.1. Establishing a coherent system of labour relations and salaries in the public administration based on transparency and fairness	2018 – 2020
2.2. Improvement of the function of human resource management in state administration until the end of 2017 with a strategic approach, with introduction of new tools and strengthening of the HRM capacities	2015 – 2017	2.2. Establishing the HRM function in the public administration and improving the HRM function in state administration and local self-government by introducing new instruments and strengthening HRM capacities	2018 – 2020
2.3. Development and coordination of basic human resources management functions for a broader system of public administration by	2015 – 2017	2.3. Development of professional development system in public administration	2018 – 2020



the end of 2017 of the sustainable system for professional development of the employees in public administration			
SO3: Improvement of Public Finances and Procurement Management		SO3: Improvement of Public Finances and Procurement Management	
3.2. Improvement of Budget Planning and Preparation Process	2015-2016	3.2. Improvement of Budget Planning and Preparation Process	2018 – 2020
3.3.Improvement of the Financial Management System and Control of Use of Public Resources and Internal Audit	2015-2016	3.3. Improvement of the Financial Management and Control System of Use of Public Resources and Internal Audit	2018 – 2020
3.5. Improvement of the public procurement system	2015-2016	3.5. Improvement of the public procurement system	2018 – 2020
3.1. Preparation of the Public Finances Reform Program	2015	3.1. Improving the (framework for) sustainability of public finance by reforming and developing public property management	2018 – 2020
3.4. Functional improvement of budget inspection work	2015-2017	3.4. Functional improvement of budget inspection work	2018 – 2020
SO4: Increase of legal security and improvement of the business environment and the quality of public services provision		SO4: Increasing Legal Certainty and Improvement the Business Environment and Quality of Public Services Provision	
4.1. Improvement of the Legislative Process as a part of a Wider System of Government Public Policies Management	2015-2017		
4.2. Improvement of administrative procedures and provision of conduct of state administration bodies and bodies and organizations of public administration in deciding on rights, obligations and legal interests of citizens and other entities in accordance with principles of good governance	2015-2017	4.1. Improving administrative procedures and ensuring that procedures before state administration bodies and public administration bodies and organisations when deciding on rights, obligations and legal interests of citizens and other entities are in accordance with principles of good administration	2018 – 2020
4.3. Reform of the inspection supervision and ensuring better public interest protection, with reducing administrative costs of inspection supervision and increase of legal security of subjects of the inspection supervision	2015-2017	4.2. Reform of the inspection supervision and ensuring better protection of public interest, while reducing administrative costs of inspection supervision and increasing legal certainty of subjects of inspection supervision	2018 – 2020
4.4. Introduction and promotion of mechanisms which ensure the public service quality	2016-2017	4.3. Introduction and promotion of mechanisms which ensure quality of public services	2018 – 2020
SO5: Increase of Citizen Participation, Transparency, Improvement of Ethical Standards and Responsibilities in Performance of PA Activities		SO5: Increasing Citizens' Participation, Transparency, Improving Ethical Standards and Accountability in Performing PA	
5.1. Improvement of conditions for participation of public in work of public administration with increase of availability of information on work of public administration and public finances	2015-2017	5.1. Improving conditions for participation of interested public in the work of public administration with increased access to information on the work of public administration and public finance	2018-2019
5.2. Strengthening of integrity and ethical standards of employees in public administration and reducing corruption through strengthening of prevention mechanisms	2015-2017	5.2. Strengthening of integrity and ethical standards of employees in public administration and reducing corruption through strengthening of prevention mechanisms	2018-2020
5.3. Strengthening of mechanisms of external and internal public administration control	2015-2016	5.3. Strengthening of mechanisms of external and internal public administration control	2018-2020



## Annex 8. AP PAR 2015-2017 Final Report Performance Traffic Lights

### AP PAR 2015-2017 Final Report Performance Traffic Lights V.6

**Overall Objective (OO):** Public administration (PA) improvement per Principles of the European Administrative Space/ services to citizens and business/ economic stability/living standard.

Indicator, Baseline Value-BV, Target Value-TV, and Achieved Values-AV:	
Performance Key:	Target Attained: <b>G.</b> Target Not Attained: <b>R.</b>
Government Effectiveness Indicator (the World Bank) – percentile ranking (0-100) <sup>213</sup> BV (2013): 51.18 TV (2018 for 2017): 53-55 AV (2014): 58.17 AV (2015): 56.73 AV (2016): 56.25 AV (2017): 60.85	

#### Specific Objectives (SO):

<b>SO 1:</b> Improved organisational and functional public administration sub-systems	<b>SO 2:</b> Established a coherent public civil service system which is merit-based and improved HRM management	<b>SO 3:</b> Improved public finances and procurement management	<b>SO 4:</b> Increased legal certainty and improving the business environment and the quality of service provision	<b>SO 5:</b> Increased citizens participation and accountability in performing the tasks of PA
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#### Indicators, Baseline Values-BV, Target Values, and Achieved Values-AVs for each SO:

Performance Key:	Target Attained	G.	Target Not Attained:	R.
<b>SIGMA PPA 4<sup>214</sup>R.</b> BV (2014): 2 TV(2017): 3 AV (2017): 2	<b>SIGMA PPA 3<sup>215</sup>G.</b> BV (2014): 4 TV(2017): 4 AV (2017): 4	<b>SIGMA PPA 6<sup>216</sup>G.</b> BV (2014): 2 TV (2017): 3 AV (2017): 4	<b>SIGMA PPA 5<sup>217</sup>R.</b> BV (2014): 4 TV(2017): 5 AV (2017): 4	<b>SIGMA PPA 3<sup>218</sup>R.</b> BV (2014): 3 TV(2017): 4 AV (2017): 3
Bodies Report to Gov.	Profess. Public Service	MT Budget Framework	Service Delivery Citizen	Integrity in Pub. Service
<b>WEF PPA 2<sup>219</sup>G.</b> BV(2014-15): 3,6 TV(2017-18): 3,8 AV (2017-18): 3,9	<b>SIGMA PPA 3<sup>220</sup>R.</b> BV (2014): 2 TV (2017): 3 AV (2017): 2		<b>SIGMA PPA 5<sup>221</sup> G.</b> BV (2014): 2 TV(2017): 3 AV (2017): 4	<b>WEF PPA 2<sup>222</sup>G.</b> BV(2014-15): 3,6 TV(2017-18): 3,8 AV (2017-18): 3,9
Policies Transparency	HRM Public Service		Good PA Legal Frame	Policies Transparency
	<b>SIGMA PPA 3<sup>223</sup> R.</b> BV (2014): 4 TV (2017): 5 AV (2017): 4		<b>SIGMA PPA 2<sup>224</sup>R.</b> BV (2014): 3 TV(2017): 4 AV (2017): 3	<b>SIGMA PPA 4<sup>225</sup>G.</b> BV (2014): 4 TV(2017): 4 AV (2017): 4
	Fair Pays System		Policy analytical tools	Control Mechanisms

#### Measures (M):

##### Measures and results/outcomes under each SO:

<b>SO 1:</b> Improved organisational and functional public administration sub-systems	<b>SO 2:</b> Established a coherent public civil service system which is merit-based and improved human resources management	<b>SO 3:</b> Improved public finances and procurement management	<b>SO 4:</b> Increased legal certainty and improving the business environment and the quality of service provision	<b>SO 5:</b> Increased citizens participation and accountability in performing the tasks of public administration
Performance Key:	<b>G Green:</b> Done > 90%	<b>Y Yellow:</b> Done >50%	<b>R Red:</b> Done < 50%	

<sup>213</sup> <http://info.worldbank.org/governance/wgi/#home>

<sup>214</sup> SIGMA Principle 4: Number of bodies which report to the Government, the Prime Minister, or the National Assembly. Link: Baseline Measurement Report – The Serbia, SIGMA 2015, <http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-Serbia.pdf>

<sup>215</sup> Ibid. SIGMA Principle 3: Extent to which the policy and legal framework for professional and coherent public service is established and implemented.

<sup>216</sup> Ibid. SIGMA MTBF strength index.

<sup>217</sup> Ibid. SIGMA Principle 5: Extent to which citizens-oriented policy for service delivery is in place and is applied.

<sup>218</sup> Ibid. SIGMA Principle 3: Extent to which integrity systems and anti-corruption systems are established and implemented in the PA

<sup>219</sup> WEF Transparency in Government's policy making, <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>220</sup> SIGMA Principle 3 Extent to which the institutional setup enables consistent HRM practices across the public service, <http://www.sigmaxweb.org/publications/>

<sup>221</sup> Ibid. SIGMA Principle 5: Extent to which legal framework for good administration is in place and applied.

<sup>222</sup> WEF Transparency in Government's policy making, <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>223</sup> SIGMA Principle 3: Extent to which the remuneration system of civil service is fair and transparent and applied in practice, <http://www.sigmaxweb.org/publications/>

<sup>224</sup> Ibid. SIGMA Principle 2: Extent to which policy development processes make best use of analytical tools.

<sup>225</sup> Ibid. SIGMA Principle 4: Extent to which mechanisms are in place to provide effective checks and balances, and controls over PA organizations.



<p><b>M1:</b> Implemented PA organisational &amp; functional restructuring <b>6 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 111 Rationalization</li> <li>Y 112 Optimization (FR)</li> <li>R 113 Optimization implementation</li> <li>Y 114 Optimization Communication</li> <li>R 115 Linking to Performance</li> <li>R 116 PA e-Registers</li> </ul>	<p><b>M1:</b> Established PA system of work relations &amp; wages in PA. <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>R 211 HRM Policy Paper: Harmonized labour legal rights, Merit based HR, Depolarization-delay</li> <li>R 212 Transparent and Fair Solitaries System-delay</li> </ul>	<p><b>M1:</b> Prepared Public Finances Reform Program. <b>1 Result/Outcome:</b></p> <ul style="list-style-type: none"> <li>G 311 Prepared/Adopted PFM RP</li> </ul>	<p><b>M1:</b> Improved legislative process &amp; Government public policies management <b>1 Result/Outcome:</b></p> <ul style="list-style-type: none"> <li>Y 411 Regulatory Strategy/RIA</li> </ul>	<p><b>M1:</b> Improved public participation in PA &amp; information on PA &amp; public finances <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 511 All PA.LSG Data/Info on Internet Harmonized</li> <li>Y 512 Citizens/CSO Consultations Law/Policy</li> </ul>
<p><b>M2:</b> Improved PA tasks of decentralization &amp; deconcentration <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 121 Decentralization Framework</li> <li>R 122 LSG Finance Framework</li> </ul>	<p><b>M2:</b> Improved HRM function in PA <b>4 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>R 221 HRM Recruitment, Prevent further Depoliticisation/CSL per Policy Paper</li> <li>R 222 Institutional-Policy Framework for HRM PA Clear division policy vs. implementation</li> <li>Y 223 HR Competences, Turnover and Vacancies-CSL delays</li> <li>R 224 HR/M Capacities</li> </ul>	<p><b>M2:</b> Improved Budget Planning and Preparation Process <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 321 Multiyear Planning and PBB PA/LSG</li> <li>Y 322 Capital Projects</li> </ul>	<p><b>M2:</b> Improved admin procedures &amp; SA/PA conduct regarding citizens' rights, obligations and legal interests. <b>4.Res./Outcomes</b></p> <ul style="list-style-type: none"> <li>Y 421 LGAP and Coordination</li> <li>Y 422 Use of IT System E-Gov Portal, E-LGAP</li> <li>Y 423 LGAP HR/org Needs</li> <li>Y 424 PA Response to Citizens</li> </ul>	<p><b>M2:</b> Strengthened Integrity &amp; ethical standards in PA and reducing corruption <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>R 521 PA Employee Ethical Standards and Integrity</li> <li>G 522 Improved Protection Whistle-blowers</li> </ul>
<p><b>M3:</b> Improved management of public policies. <b>3.Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 131 New Policy Management System</li> <li>Y 132 MT &amp; Annual Planning on GoS Priorities</li> <li>Y 133 Policies/Laws Management System Transparency</li> </ul>	<p><b>M3:</b> Developed/coordinated basic HRM functions for broader system of PA. <b>4 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 231 Basis for training system in PA orgs</li> <li>G 232 HRM normative framework for PA/LSG</li> <li>G 233 LSG HRM capacities</li> <li>G 234 LSG Training System/Council</li> </ul>	<p><b>M3:</b> Improved PIFC and Internal Audit. <b>3 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>G 331 PIFC Strategy Adopted</li> <li>R 332 FMC on Central Level Awareness</li> <li>R 333 IA Function with Budget Users</li> </ul>	<p><b>M3:</b> Reformed inspection, supervision &amp; reduced administrative costs &amp; increased legal security <b>3 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>Y 431 New Inspections Framework and Outreach</li> <li>Y 432 Inspections Coordination</li> <li>Y 433 New Inspection Supervision System</li> </ul>	<p><b>M3:</b> Strengthened mechanisms of external/internal PA control <b>2 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>R 531 Control Mechanism Varia</li> <li>G 532 Administrative Inspectorate Capacities</li> </ul>
<p><b>M4:</b> Established coord. mechanisms for E-Government. <b>3 Results/Outcomes:</b></p> <ul style="list-style-type: none"> <li>G 141 E-Gov legal frame, development, management and coordination</li> <li>Y 142 PA/LSG Interoperability of IS</li> <li>G 143 Promotion of New E-services using registers</li> </ul>		<p><b>M4:</b> Improved budget inspection work. <b>1 Result/Outcome:</b></p> <ul style="list-style-type: none"> <li>G 341 Budget Inspection Capacities</li> </ul> <p><b>M5:</b> Improved public procurement system. <b>1 Result/Outcome:</b></p> <ul style="list-style-type: none"> <li>G 351 PP System Improved</li> </ul>	<p><b>M4:</b> Introduced mechanisms which ensure the public service quality. <b>1 Result/Outcome:</b></p> <ul style="list-style-type: none"> <li>R 441 Public Services Quality Management System Development</li> </ul>	



## Annex 9. Employed in Serbian Public Administration and cumulative % changes per CROSO for the period from August 2014 to June 2018

Source: CROSO 18 September 2018. <sup>226</sup>	Employed in Serbian Public Administration and cumulative % changes										
	Aug 2013	Jun 2014		Jan 2016		Jan 2017		Jan 2018		Jun 2018	
<b>Public Sector (A+B)</b>	<b>557,868</b>	<b>551,724</b>	<b>-1.1%</b>	<b>539,441</b>	<b>-3.3%</b>	<b>532,041</b>	<b>-4.6%</b>	<b>529,624</b>	<b>-5.1%</b>	<b>533,364</b>	<b>-4.4%</b>
<b>Public Sector (A+B+D)</b>	<b>569,384</b>	<b>563,690</b>	<b>-1%</b>	<b>551,243</b>	<b>-3.2%</b>	<b>544,020</b>	<b>-4.4%</b>	<b>541,709</b>	<b>-4.9%</b>	<b>545,572</b>	<b>-4.2%</b>
<b>Public Sector permanent + fixed (A+B+D)</b>	<b>556,495</b>	<b>551,523</b>	<b>-0.9%</b>	<b>534,741</b>	<b>-3.9%</b>	<b>525,896</b>	<b>-5.5%</b>	<b>523,273</b>	<b>-6%</b>	<b>523,004</b>	<b>-6%</b>
<b>Public Sector permanent (A+B+D)</b>	<b>526,381</b>	<b>520,481</b>	<b>-1.1%</b>	<b>498,846</b>	<b>-5.2%</b>	<b>487,337</b>	<b>-7.4%</b>	<b>482,811</b>	<b>-8.3%</b>	<b>481,407</b>	<b>-8.5%</b>
<b>Public Sector (A+B+C+D)</b>	<b>757,231</b>	<b>744,060</b>	<b>-1.7%</b>	<b>705,316</b>	<b>-6.8%</b>	<b>686,831</b>	<b>-9.3%</b>	<b>680,942</b>	<b>-10.1%</b>	<b>685,016</b>	<b>-9.5%</b>
Permanent	698,201	683,754	-2.1%	633,823	-9.2%	612,926	-12.2%	604,193	-13.5%	602,834	-13.7%
Fixed term	40,470	41,297	-2%	48,514	+19.9%	49,833	+23.1%	53,917	+33.2%	55,564	+37.3%
Temporary/Contracts	18,560	19,009	+2.4%	22,979	+23.8%	24,072	+30%	22,832	+23%	26,618	+43.4%
<b>A. Ministries</b>	<b>413,133</b>	<b>409,728</b>	<b>-0.8%</b>	<b>399,564</b>	<b>-3.3%</b>	<b>393,506</b>	<b>-4.7%</b>	<b>391,836</b>	<b>-5.1%</b>	<b>393,375</b>	<b>-4.8%</b>
Permanent	390,267	385,353	-1.3%	371,531	-4.8%	363,361	-6.9%	359,898	-7.8%	359,395	-7.9%
Fixed term	16,280	17,598	+8.1%	19,259	+18.3%	20,826	+28%	21,423	+31.6%	22,209	+36.4%
Temporary/Contracts	6,586	6,777	+2.9%	8,774	+33.2%	9,319	+41.5%	10,515	+59.7%	11,771	+78.7%
<b>A1. MPALSG (incl. in A)</b>	<b>408</b>	<b>413</b>	<b>+1.2%</b>	<b>413</b>	<b>+1.2%</b>	<b>397</b>	<b>-2.7%</b>	<b>393</b>	<b>-3.7%</b>	<b>422</b>	<b>+3.4%</b>
Permanent	369	385	+4.3%	372	-0.8%	346	-6.2%	334	-9.5%	357	-3.2%
Fixed term	19	19	0%	28	+47.4%	37	+94.7%	40	+110.1%	40	+110.1%
Temporary/Contracts	20	9	-55%	13	+35%	14	-30%	19	-5%	25	+25%
<b>A2. Education<sup>227</sup> (incl. in A)</b>	<b>131,851</b>	<b>131,906</b>	<b>-0.04%</b>	<b>130,737</b>	<b>-0.8%</b>	<b>130,332</b>	<b>-1.1%</b>	<b>130,557</b>	<b>-1%</b>	<b>130,515</b>	<b>-1%</b>
Perman. and Fixed term	131,304	131,304	0%	129,694	-1.2%	129,144	-1.6%	129,144	-1.6%	129,144	-1.6%
Temporary/Contracts	547	602	+10%	1,043	+90.1%	1,188	+118.1%	1,413	+158.3%	1,371	+150.6%
<b>A3. Health (incl. in A)</b>	<b>130,252</b>	<b>128,273</b>	<b>-1.5%</b>	<b>123,248</b>	<b>-5.4%</b>	<b>120,026</b>	<b>-7.8%</b>	<b>117,594</b>	<b>-9.7%</b>	<b>119,682</b>	<b>-8.1%</b>
Permanent	120,498	117,956	-2.1%	111,515	-7.4%	107,429	-10.8%	105,981	-12%	105,856	-12.1%
Fixed term	9,166	9,711	+5.9%	10,745	+17.2%	11,569	+26.2%	11,613	+26.7%	12,177	+32.8%
Temporary/Contracts	588	606	+3.1%	988	+68%	1,028	+74.8%	1,196	+103.4%	1,649	+180.4%
<b>B. Local</b>	<b>144,735</b>	<b>141,996</b>	<b>-1.9%</b>	<b>139,877</b>	<b>-3.4%</b>	<b>138,535</b>	<b>-4.3%</b>	<b>137,788</b>	<b>-4.8%</b>	<b>139,989</b>	<b>-3.3%</b>
Permanent	125,557	124,581	-0.8%	117,355	-6.5%	113,941	-9.2%	112,668	-10.3%	111,810	-10.9
Fixed term	13,183	12,283	-6.8%	15,243	+15.6%	16,541	+25.5%	17,821	+35.2%	18,077	+37.1%
Temporary/Contracts	5,995	5,132	-14.4%	7,279	+21.4%	8,053	+34.3%	7,299	+21.7%	10,102	+68.5%
<b>B1. LPE (incl. in B)</b>	<b>67,247</b>	<b>65,562</b>	<b>-2.5%</b>	<b>62,009</b>	<b>-7.8%</b>	<b>61,730</b>	<b>-8.2%</b>	<b>60,725</b>	<b>-9.7%</b>	<b>62,040</b>	<b>-7.7%</b>
Permanent	59,806	59,976	-0.3%	54,454	-8.9%	53,208	-11%	53,864	-9.9%	53,446	-10.6%
Fixed term	4,861	3,499	-28%	4,720	-2.9%	4,959	+2%	4,978	+2.4%	5,458	+12.3%
Temporary/Contracts	2,580	2,087	-19.1%	2,835	+9.9%	3,563	+38.1%	1,883	-27%	3,136	+21.5%
<b>C. Public Enterprises</b>	<b>187,847</b>	<b>180,370</b>	<b>-3.9%</b>	<b>154,073</b>	<b>-18%</b>	<b>142,811</b>	<b>-24%</b>	<b>139,233</b>	<b>-25.9%</b>	<b>139,444</b>	<b>-25.8%</b>
Permanent	171,820	163,273	-5%	134,977	-21.4%	125,589	-27%	121,382	-29.4%	121,427	-29.3%
Fixed term	10,356	10,255	-1%	12,619	+21.8%	11,274	+8.9%	13,455	+29.9%	13,967	+34.9%
Temporary/Contracts	5,671	6,842	+20.7%	6,477	+14.2%	5,948	+4.9%	4,396	-22.4%	4,050	-28.5%
<b>D. Rest of Gen Gov</b>	<b>11,516</b>	<b>11,966</b>	<b>+3.9%</b>	<b>11,802</b>	<b>+2.5%</b>	<b>11,979</b>	<b>+4%</b>	<b>12,085</b>	<b>+4.9%</b>	<b>12,208</b>	<b>+6%</b>
Permanent	10,557	10,547	-0.1%	9,960	-5.6%	10,035	-4.9%	10,245	-2.9%	10,202	-3.4%
Fixed term	651	1,161	+78.3%	1,393	+114%	1,192	+83.1%	1,218	-87.1%	1,311	+101.4%
Temporary/Contracts	308	258	-16.2%	449	+45.8%	752	+144.1%	622	+102%	695	+125.6%

<sup>226</sup>Ministry of Finance, October 2018, CROSO- Central Registry of Compulsory Social Security, Register of Employees in Public sector of Treasury Administration Link: <http://www.croso.gov.rs/cir/index.php>

<sup>227</sup> Approximation of data for education sector is based on financial data of Register of Employees of Treasury Administration.

**Annex 10. Challenges and obstacles per each AP PAR measure**

SOs	Measure #
	Challenges, restraining forces, and obstacles <sup>228</sup>
	All 19 Measures
All SOs (1-5.1.6.)	<ul style="list-style-type: none"> <li>• 1. PAR Strategy design was one of the first stumbling obstacles with its definition of PA, whether or not including some of all parts of PA (army/police for example).<sup>229</sup> Also, the planning is too ambitious, because ideas and agendas are being pushed, but realization based on existing capacities is lacking.<sup>230</sup></li> <li>• 2. The PAR process is somewhat contradictory, in one hand trying to build capacity and manage such a reform, while at the same time there is a freeze on employment. In addition, there is a great departure of personnel into the private sector after investing in them, and after learning of the job in the sectors for international cooperation and projects – but SAB cannot easily hire new employees per the need.<sup>231</sup> Also, there is a frequent change of -senior civil servants in institutions that need to implement and manage the implementation of AP.<sup>232</sup> Personification of the lack of PA capacity is one person in the MPALSG PAR Group (now 2) who runs the AP PAR, the only with such job description. One other person is the only one dealing with the OGP - at the state level.<sup>233</sup></li> </ul> <p>3. Challenging external and internal context (see parts 3.1 and 3.2 and Table 6).</p> <p>4. The 2014 EU news on PAR prominent role in the EU accession process of RS (see parts 3.3).</p> <p>5. The AP PAR 2015-2017 was excessively ambitious (see part 5.3.1.6.).</p> <p>6. Inadequate PAR coordination and limited effectiveness in terms of monitoring and steering (see part 4.5.).</p> <p>7. Expectations through SAA Special Group for PAR and SBS Policy Dialogue (see part 3.3).</p> <p>8. Novelty of the 2014 Principles, 2017 Principles, and SIGMA PAR performance framework (see part 3.3).</p> <p>9. The GoS PAR between the EU accession and PAR demands, and fiscal consolidation priorities leaving many other AP objectives out. On one hand a need to commit and accelerate the PAR, take over new obligations, competences and tasks, and on the other hand, to reduce costs and the number of PA employees (see part 3).</p> <p>10. Prioritised fiscal consolidation has resulted in directing recourses and efforts towards coordinating the process of rationalisation, severance payments, and mitigating the negative effects of rationalisation (see part 3).</p> <p>11. Insufficient PA capacities: adequate HR, retention, overly ambitious and difficult planning, communication, management, coordination, resistance to change (see part 3, and 5.3.1.6.).</p> <p>12. Election pauses in 2016 and 2017: the GoS changes, changing competences i.e. frequent post-election SAB reorganization, and delayed legislation (see part 3.1).</p> <p>13. Insufficient and/or delayed funding.</p> <ul style="list-style-type: none"> <li>• 14. Lack of sufficient political support across the SOs, and limited managerial ownership and accountability (delegation of responsibility to lower levels). The system is still politicised due to the situation with the temporary PA manager's statuses, the large part of management structure instead of professionalization is placed in the status of officials.<sup>234</sup> Also, Full PAR implantation will not happen until it is in the hands of the PM. Example from France, the SA is located in the MoF. Every serious reform rests on funds. PAR essentially arises and has direct effects on finances, and MoF has limited capacities.<sup>235</sup></li> </ul>

<sup>228</sup> Information generated from the AP PAR reporting, evaluation interviews, focus groups, and surveys.

<sup>229</sup> Meeting with General Secretariat on 10.09. 2018.

<sup>230</sup> Meeting with RSL on 18.09.2018.

<sup>231</sup> Meeting with PPS on 10.09.2018.

<sup>232</sup> Survey questionnaire # 5: Evaluation in accordance with specific objective 3 from AP PAR 2015-2017 Improving Public Finance Management and Public Procurement.

<sup>233</sup> Thematic Focus Groups Pillar 5 (SO 5) AP 2015: Increased citizens' participation and public administration accountability held at the MPALSG Serbia-Korea Info November 2018.

<sup>234</sup> Meeting with NAPA on 20.09.2018.

<sup>235</sup> Meeting with ex MPALSG Assistant Minister on 02 November 2018.



	<p>15. While the GoS clearly committed to ensuring improved citizen-oriented service delivery and reducing administrative burdens, limited effectiveness of the intra SAB coordination at times results in gaps and duplications leading to fiscal and HR pressures.</p> <ul style="list-style-type: none"> <li>• 16. The MPALSG see themselves as equal to other ministries, which is a problem to exercise their jurisdiction regarding the PAR.<sup>236</sup></li> <li>• 17. Lack of institutionalized across the SAB Strategic planning. There is no time to learn how to plan for the long-term, because of the operation where the demands for ad hoc activities are emphasized. AP is a combination of an operative that is urgent and important in relation to what the concept is more long lasting.<sup>237</sup></li> </ul>
SO 1: Org. & Functional. PA sub-systems (1-5.2.1.)	<b>Measure: 1.1. Implemented PA organisational &amp; functional restructuring</b>
	<ul style="list-style-type: none"> <li>• Process complexity and delayed funding, RS and EC IPA 2014 contract signed 29 June 2015. The WB Loan signed only in May 2016. Frequent MPALSG management changes and insufficient middle management staff enabled to make decisions. Delayed development of AP due to the long consultations in all sectors covered by the FR, Delayed PAR Council adoption of all Action Plan for horizontal functional review (APHFR), and FR implementation due to low SAB propensity. Unclear structures needed in order to create conditions for the FR implementation. Besides civil servants support also needed the one by the policy level. The central level has no mechanisms to ensure better compliance with ministries and organisational forms. There is no one from which it would be possible to monitor the changes in the organisational structure and the number of employees at all levels of government.<sup>238</sup></li> </ul> <p>Election pauses, delay of Performance Management Framework, and delayed adoption of Feasibility Study for establishing the electronic registers of PA organizations/employees and delayed funds provision. Working group established and prepared the Law (<u>passed end 2018</u>) and other technical details. The GoS IT office behind the registry effort.<sup>239</sup></p>
	<b>Measure: 1.2. Improved PA- decentralisation &amp; deconcentration</b>
	<p>Priority was fiscal consolidation. Delayed to the GoS prioritization i.e. due to the fiscal crisis the priority was on fiscal consolidation and rationalisation, and it was assumed that the Decentralisation Strategy should propose a different organisation of tasks of all levels of government, which would require additional funds that need prioritisation. Delayed securing of funding, and lengthy process of LSG selection for PFM (property management) support, 18 projects in 48 LSGs selection <u>completed end 2018</u>. SAB and different levels of government competences reallocation. There is a lack both a full operational level of coordination and political one. Coordination of PAR with budgetary processes should be closer, but it is good that there is still space for these things to be strengthened. The uncoordinated policies of the central are shattering at the back of the local. On the one hand, we have a freeze on employment, and on the other hand, we have a decentralization of functions - thus a task of simultaneously implementing policies that are mutually opposing.<sup>240</sup></p>
	<b>Measure: 1.3. Improved management of public policies</b>
<p>Election pauses and legislative delay. The LPS adopted in April 2018 and two regulations also adopted in January and February 2019 (2 years harmonization period). Work with MoF on linking strategic management and budget preparation mostly done by end 2018. Delayed UIS <u>is now</u> operational. For now there are no ISDACON informational system links foreseen for now with UIS, but there are links of content regarding connection between measures from PPD and NPAA and NAD. . UIS Connectivity process not in the LPS decrees. Delayed MPALSG Decree on the Principles of Internal Organisation and Systematisation. Delays with changes to the Budget System Law related to the PPS role of identifying priority areas for financing in preparing the Fiscal Strategy. SAB variably sufficient administrative and implementation capacities. Limited SAB harmonisation of priorities.</p>	
<b>Measure: 1.4. Established coordination mechanisms for E-Government</b>	

<sup>236</sup> Meeting with DEU on 06.08.2018.

<sup>237</sup> Meeting with MPALSG on 30 November 2018.

<sup>238</sup> Survey questionnaire# 3: Assessment in accordance with specific objective 1 from AP PAR 2015-2017 / Improvement of organisational and functional sub-systems of public administration

<sup>239</sup> Underlined details indicate the occurrences after the AP PAR Final Report

<sup>240</sup> Thematic/Expert Focus Group on AP PAR Pillar 1 (SO 1) AP 2015: Improved organisational and functional public administration sub-systems, held in MPALSG Serbian-Korean Information Access Centre on 14 November 2018.



	<p>Election pauses delays. <u>On 20 December 2018 the GoS adopted draft Law on e-register</u> of Citizens. Incomplete legislative framework. Once enacted the law is likely to have delayed implementation to 1 September 2020 given the need for the data organization into the newly established registry with data from 5 different databases in 11 categories. Limited coordination and complexness of interoperability of registries (linking the registry of residence and the business registry with registry of spatial units and the address registry), to enable electronic exchange of data from official records towards more efficient provision of services to citizens and businesses. Lack of financial resources. The MPALSG and the Prime Minister's Delivery Unit limited collaboration in terms of service delivery performance due to the lack of resources and capacities.</p>
SO 2: Civil service, HRM (1-5.2.2.)	<p><b>Measure: 2.1. Established PA system of work relations and wages in PA</b></p> <p>Legislative delay due to an ambitious, complex and demanding intra- SAB and trade unions consultations in the context of regulating the salary system, e.g. the work on the Catalogue of Work Posts and Ranks in PA, the basis for evaluation and comparability. Also, was not GoS priority as much as the rationalisation. Nonetheless, the HRM Concept Paper done and <u>adopted by the PAR Council on 14 February 2018</u>. Another delay to 1 January 2020 of the Law on Salaries in the PA implementation due to a need for further analysis towards ensured continuation of achieved fiscal stability.</p>
	<p><b>Measure: 2.2. Improved HRM function in PA</b></p> <p>Election pause delays, and was not the GoS priority as much as the rationalisation. Also, adequate MPALSG HR capacities and questionable political and regular members support for de-politicization of the system of employment and HRM. The process of filling temporary posts remains non-transparent and closed. Instead of depoliticising the system, there has been an increase in the number of civil servants acting on the position. Nonetheless, earlier delayed Amendments to the Civil Service Law adopted December 2018. In addition to the preparation of the policy and normative framework, there was no substantial changes yet. Still no new MPALSG unit to take over the HRMS tasks, towards more clear roles of MPALSG and HRMS. Missing funds for the HRM information system update.</p>
	<p><b>Measure: 2.3. HRM functions for broader system of PA</b></p> <p>Election pauses and legislative delays. Also, adequate HR capacities to simultaneously and coherently implement the set of reforms in the field of professional development in PA. Delay in establishing system of general training due to delayed draft bylaws related to Law on NAPA, and the CSL amendments (<u>adopted end 2018</u>), etc. Delays in adopting the bylaws and procedures for accreditation of professional development providers in PA, limited funding and limited offices and technical capacities. Uneven competences of employees of NAPA.</p>
	<p><b>Measure: 3.1. Preparing PFM RP</b></p> <ul style="list-style-type: none"> <li>Short PEFA-imposed deadline, per the EC recommendations, and PEFA delays. Adequate HR capacities of MoF and SAB capacities to formulate indicators and costing of activities. There is a lack of reference to the capital investments in the PAR Strategy. Some of the reforms are rushed by EC – for example PFM RP as condition for SBS. Because of it - PFM did not incorporate all the requirements that came from the European Integration process (screening reports was not done - there are certain things from chapter 17 for the economic policy that should have been inserted into the first head of the PFM).<sup>241</sup></li> </ul>
	<p><b>Measure: 3.2. Improved Budget Planning and Preparation Process</b></p> <p>Delays with the LPS adoption (<u>adopted April 2018</u>) and the UIS (the PPS policy coordinated planning and reporting system) procurement process (<u>solved during 2017</u>). Delayed, due legal and complexity issues, integration and improvement of the existing budget execution software with the new Budget Information System for budget preparation, and with the new UIS (<u>solved during 2018</u>). Delayed funding: The WB Loan signed only in May 2016.</p>
SO 3: PFM & procurement (1-5.2.3.)	<p><b>Measure: 3.3. Improved PIFC and Internal Audit</b></p> <p>Adequate MoF CHU HR capacities. Frequent changes and insufficient number of trained senior civil servants. Most of the staff engaged on organising training and IA certification program. A particular problem is the lack of the ability of the CHU to perform analytical work and collect data on which it can advise the Government on the necessary reforms. The MoF Assistant Minister post in charge of the CHU vacant for months. The PIFC Strategy delays due a need to harmonise it with the PFM RP, PAR Strategy, Chapter 32 Negotiations Position, and so on. Furthermore, needed changes to the Budget System Law related to the IA shortcomings: independence, quality of strategic and annual plans, number and quality of conducted audits, number of auditors, adequate HR, low salaries, inadequately systematised ranks relative to the scope and complexity of the work, and private sector competition. Annual FMC and IA reporting by PA bodies still overambitious. Also, lack of capacity in line ministries, failure to appoint senior civil servants in a merit-based system, the turnover of people in governing positions in the institutions that were supposed to implement the AP is unsatisfactory. Limited analytical capacity of the Parliamentary Committee on Finance, Budget and Control inclusive of SAI reports examination. Not regularly</p>

<sup>241</sup>Meeting with UNDP expert on 07 December 2018.





	<p>published monthly profiles of planned expenditure and revenue, and compare actual outcomes versus the profile, explaining significant differences at budget beneficiary level. NARS not releasing Annual Financial Statement containing analysis of significant variations in expenditure at the budget beneficiary level. Missing resources for the PIFC Strategy 2017-2020 timely implementation.</p>
	<b>Measure: 3.4. Improved Budget Inspection work</b>
	Fiscal consolidation. Adequate Budget Inspection HR capacities and large workload related to the new system for the citizens' reports submitting.
	<b>Measure: 3.5. Improved public procurement system</b>
	Elections pause and delayed funding: The WB Loan signed only in May 2016. Challenges related to the delayed Introduction of e-procurement system, PPO's institutional capacity, preventing and suppressing corruption in public procurement procedures and harmonisation regulations with the EU directives. Delayed adoption of bylaws and model documents needed for implementation of regulations. Public procurement functions are not yet clearly allocated, and the Commission does not have the necessary resources and does not have a permanent staff. Still overall dominant focus on procedural details rather than to outcomes, and monitoring and advisory functions.
	<b>Measure: 4.1. Improved legislative process &amp; Government public policies management</b>
	Election and legislative delays, i.e. adoption of the LPS (April 2018) and the bylaws (adopted on 31.1. and 7 February 2019) a challenge for further policy management and coordination reforms implementation and their linking with the budget framework and thus the legislative process as a whole. The policy-making process limited use of analytical instruments such as RIA in terms of scope and quality.
	<b>Measure: 4.2. Improved admin procedures &amp; SA/PA conduct regarding citizens' rights</b>
	Election delays and complexity challenges, and difficult institutional and general low coordination capacities. High LGAP implementation cost, HR, and time to SAB. Variable exchange electronic data availability, organization and update. Some data not in electronic form, not structured adequately or standardised. Challenging harmonisation, monitoring, and supervision task by the Coordinating Body (4 employees), and inter-SAB coordination and understanding of the new concept of single administrative point. Not all planned laws harmonized. Some new laws adopted without LGAP harmonisation. Limited MPALSG capacities and cooperation with the Delivery Unit on monitoring performance in service delivery. Missing common road map for interoperability based on Stop to Bureaucracy Action Plan. LSG units are burdened with the additional competencies without always having matching capacities.
	<b>Measure: 4.3. Reformed inspection supervision</b>
	Delay and challenges related to funding and the harmonisation of a large number (78) of special laws with the Law on Inspection Supervision. Delayed e-inspector hardware and software public procurement procedure due to additionally needed assessments. Also, sue Assessment of Capacities of National Inspection Services with recommendations for improvement. Lack of i.e. delayed funding for e-learning application. Insufficient funds for adequately equipping the inspections with needed HR and technical means. There is also a hiring problem in terms of the available right cadre on the job market. <sup>242</sup>
	<b>Measure: 4.4. Introduced mechanisms which ensure the public service quality</b>
	Priority was fiscal consolidation and elections pauses. Lack of SAB capacities, limited PA employees' motivation to change manners of performing tasks, limited management support and implementation involvement. Implementation yet to be seen with visibility project and communication component. Also, need for sequencing, in order to perform satisfaction surveys a number of FR needs complete implementation. PAR reform is poorly communicated both internally and externally. Internally, it was somehow communicated during the process of rationalization under the agreement was with the IMF. <sup>243</sup>
	<b>General for SO 5</b>
<b>SO 4: Legal certainty, business environment.... (I-5.2.4.) (I-5.2.4.)</b>	
<b>SO 5: Citizens participation and PA accountability (-/-)</b>	Continuity of initiatives under SO 5 undermined with the elections and postelection SAB reorganisations as well as individual SAB cherry picking from the agenda in relation to what is likely to be popular in media. There is often some SAB resistance to change and further openness due to a lack of proper communication and policy level leadership. Certain good mechanisms are in place, but not consistently adhered to by SAB, like the decisions by the control independent bodies- lack of implementation across the PA also supported by limited application of the principle of the division of powers (with effective judiciary and parliamentary oversight of the executive). Most of mechanisms and norms are now in place (although three laws wait for amendments to be adopted), and certain progress has been made, however all the SAB are yet to fully shift from sporadic public consultations to the

<sup>242</sup>Meeting with Administrative Inspection on 05 December 2018.

<sup>243</sup>Meeting with MPALSG on 06.08.2018.



	<p>practice of a systemic and transparent CSO and citizens consultations from inception to implementation of laws and policies.</p> <p>Only 16% of surveyed CSO perceived GoS decision-making as transparent, 23% of civil society organisations agree formal consultation procedures in GoS policy making and legislative drafting are consistently applied, while only 12% confirm existence of early involvement, equally to the regular provision of feedback to consultees. Moreover, CSO perception also show shortcomings in the application of free access to information of public importance. The public authorities should record more information to enable the CSO insight. Only 24% of CSO approve current scope of information while only 11% believes that legally prescribed exceptions to the public character of information are adequately applied.<sup>244</sup></p> <p>Financial management and control has not been established in all institutions, there are not enough of internal auditors, the recommendations of the Commissioner and the Ombudsman do not always apply, and the number of administrative inspectors is insufficient to control the work, while the quality management is not fully in place. Needed AP for reduction of backlogs in administrative courts, and closer monitoring of the liability of the state cases.</p> <ul style="list-style-type: none"> <li>• Some CSO are backing from the participating in the reform processes (for example in working groups) because they do not want to sporadically participate without substantive role in the process.<sup>245</sup></li> </ul>
	<p><b>Measure: 5.1. Improved public participation in PA&amp; information on PA &amp; public finances</b></p>
	<p>Election pauses and legislative delay; Due (during 2018 finalized draft) amendments to the Law on Free Access to Information of Public Interest. Other activities are conditional on enacting this law. In addition, insufficient capacities for LSG monitoring mechanism for OGP activity of publishing execution of civic budgets reports. Limited motivation of SAB employees and management in supporting this measure.</p>
	<p><b>Measure: 5.2. Strengthened Integrity &amp; ethical standards in PA and reducing corruption</b></p>
	<p>Election pauses, legislative delay and lack of GoS prioritisation. Still due Law on the ACA and introduction of misdemeanour offence for senior civil servants of PA bodies if they fail to develop and adopt their integrity plans, so the extend deadline for the development of integrity plans.</p>
	<p><b>Measure: 5.3. Strengthened mechanisms of external control</b></p>
	<p>Election pauses, legislative delay and lack of GoS prioritisation. Delay with finalizing draft and adopting amendments to the Law on Ombudsman in line with the 2014 NARS conclusion towards strengthening the capacities of the Ombudsman Office. Also, delays with ensuring adequate premises, by adopting the relevant act of GoS, for this and the offices of Commissioner for Equality, and the State Audit Institution.</p>

<sup>244</sup> PAR Monitor Serbia 2017/18, <http://www.par-monitor.org/posts/national-par-monitor-serbia-2017-2018>

<sup>245</sup> Meeting with CRTA on 04.10.2018.

**Annex 11. Detailed causes of delays per the "red" results and activities v.4**

AP PAR 2015-2017 Key, less than 50% <sup>246</sup> , not implemented or achieved measures, planned results, and activities <sup>247</sup> As reported for the period by the end of 2017, Updated November 2018.	Reported and evidenced challenges, delays and causes <sup>248</sup>
<b>Total with "Red":</b> 14 measures (of 17), 25 results (of 47), and 57 activities (of 223) Of which 3 activities are either not allocated or reported on, these are: 1.2.2.2., 1.2.2.4., and 5.3.1.8.	
<p><b>Measure 1.1.</b> Organisational and functional restructuring of the public administration by implementing until 2017</p> <p><b>Projected risks:</b> Switching to a linear approach to rationalization due to a lack of understanding and capacity Previous rationalization was linear (2009), this time the approach was different (Law on maximum number) – so there was linear reduce of salaries not linear reducing the number of employees. Materialised? Yes, government priority but complexity, funding delays, and election caused delays.</p>	<p>Underestimated process complexity so delayed AP, delayed EC funds, delayed CPAR adoption of all AP HFR, Presidential April 2017 elections and forming the new government.</p> <p>Challenging duality: It was ambitiously planned to cover for the entire PARS, to accelerate reforms- take over new obligations, competences and tasks, and at the same time to perform rationalization- reduce costs and the number of PA employees not only towards the optimisation program but as the function of fiscal consolidation. At the end it became clear that the two parallel undertakings were unrealistic thus delays and continuation of the effort within AP 2018-20.</p>
<p><b>Result 1.1.1.</b> Improved organisational forms, their mutual relations, and a rationalised number of organizations and employees in the PA</p> <p><b>Activity 6:</b> Abolishment and merger of existing organisations</p>	<p>Underestimated time needed for consultations and the interactive and consensual process. Also normative and political considerations.</p>
<p><b>Result 1.1.2.</b> Pre-conditions created for comprehensive optimization of selected organisational PA subsystems (conducted functional reviews – FR)</p> <p><b>Activity 6:</b> Drafting recommendations to conduct FRs in other sub-systems of PA (previously not covered by the review) and adjusting the methodology to those systems.</p>	<p>Delays in signing of the financial agreement between the RS and EC for IPA 2014 (29 June 2015 signed). Thus the WB-lead timeframe modifications and AP revisions.</p>
<p><b>Result 1.1.3.</b> Conducted comprehensive optimisation of selected PA subsystems</p> <p><b>Activity 1:</b> Implementation of AP and adoption/amendment of relevant regulations</p> <p><b>Activity 2:</b> Monitoring the implementation of recommendations and adoption of the report of the PAR Council relevant to conducting of the FR's</p>	<p>Delayed development of AP due to the long consultations in all sectors covered by the FR, Delayed PAR Council adoption of all APHFR</p>
<p><b>Result 1.1.4.</b> The professional and general public support for the process of optimizing the PA</p> <p><b>Activity 3:</b> Workshops for change management in PA bodies</p> <p><b>Activity 4:</b> Awareness raising activities about changes resulting to optimisation</p>	<p>Since activities have been restructured within the Project, workshops are planned to begin during the autumn of 2017, since they are conditional on the finalisation of action plans.</p>
<p><b>Result 1.1.5.</b> Performance management framework established within the PA</p> <p><b>Activity 1:</b> Development of the Performance Management Study</p> <p><b>Activity 2:</b> Development of plan for implementation of recommendations</p> <p><b>Activity 3:</b> Preparations, consultations and adoption of changes to relevant regulations</p>	<p>The deadline for the adoption of this document has been postponed due to presidential elections and forming of the new Government. DEU priority.</p>
<p><b>Result 1.1.6.</b> Establishing the electronic registers of PA organizations/employees</p> <p><b>Activity 1:</b> Undertaking the feasibility study for the registry development and the PAR Council adoption</p> <p><b>Activity 2:</b> Preparation of technical specifications and tender documents for procurement of software tool for the registry</p> <p><b>Activity 3:</b> Drafting and submission of the proposed law regulating the establishment of the registry</p> <p><b>Activity 4:</b> Drafting and adoption of bylaws for law implementation (more detailed regulation of the method for maintenance of the registry, etc.)</p> <p><b>Activity 5:</b> Establishing registers along with delivery of training for entry, updating, and use of data from the registers.</p>	<p>Delayed adoption of Feasibility Study and delayed funds provision. SIGMA involved. Working group established and preparing the Law and other technical details. IT office behind the registry effort.</p>
<p><b>Measure 1.2.</b> Improved decentralisation and deconcentration of tasks of state administration by improving the analytical and strategic framework until the end of 2017</p> <p><b>Projected risks:</b> Early parliamentary elections, government re-composition and different distribution of jurisdiction of organisational units Materialised? Yes, not government priority.</p>	<p>Delayed to the GoS prioritization i.e. due to the fiscal crises the priority was on fiscal consolidation and rationalisation, and it was assumed that the Decentralisation Strategy should propose a different organisation of tasks of all levels of government, which would require additional funds that need prioritisation. Delayed securing of funding, and lengthy process of LSG selection for PFM support.</p>
<p><b>Result 1.2.1.</b> Framework is established for decentralisation policy in the Republic of Serbia</p> <p><b>Activity 4:</b> PAR Council adopting the policy paper on Decentralisation Strategy</p> <p><b>Activity 6:</b> Drafting, consultations, and adoption of the Decentralisation Strategy</p>	<p>Delayed drafting of the Strategy of program document for reform of LSG due to election</p>

<sup>246</sup>Inclusive of some that were marked as done more than 50 but less than 80% yet with new evidenced as close to done in the period between the end of the reporting period, end of 2017 and end October 2018.

<sup>247</sup>Extracted from the Annex 1 Implementation of the Action plan 2015 – 2017 Contribution of Responsible Institutions.

Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>248</sup> Reasons for deviation from plan or measures taken to address the problem per the evaluation findings (per interviews, focus groups and surveys) and the Annex 1 Implementation of the Action plan 2015 – 2017 Contribution of Responsible Institutions.

Link: <http://mduls.gov.rs/reforma-javne-uprave/>



<b>Activity 7:</b> Drafting, consultations, and adoption of the Action Plan	campaigns from end 2015 do mid-2016 and again in 2017. CPAR to act soon.
<b>Result 1.2.2</b> Improved framework for ensuring sustainability of public finance at local level <b>Activity 3:</b> Implementation of the grant scheme/support package for improved management of public assets at local level, Exchange 5 (Comp.1), started in April 2017	Delay with securing the funds, Exchange 5, underestimated time for the preparation and public call for selection of LSGs. <u>Update December 2018:</u> approved 18 projects in the field of property management at the local level. The projects will be implemented within Component 1 of the Program and will include 48 local self-government units (18 coordinators and 30 partners) as well as a few other users (PUC, development agency, CSOs).
<b>Measure 1.3.</b> Improving the Government policy management system: planning, analysis, policy making, adoption, monitoring and evaluation	A slow down due to the 2016 and 2017 elections. <u>Update:</u> The two LPS regulations adopted on 31.1. and 7.2. 2019. enabled increased transparency of the policy management system (2 years harmonization period). <u>Update:</u> Work with MF on linking strategic management and budget preparation are done. Delayed UIS is now operational in terms of insertion and reporting on PPDs. There are no ISDACON informational system links foreseen for now with UIS. Links are created with PIRV and BIS.. <u>Update:</u> UIS has been operational in terms of insertion and reporting on PPDs connectivity process not in the LPS regulation. Delayed MPALSG driven Decree on the principles of internal organisation and systematisation. Changes to the Budget System Law that foreseen that the PPS identifies priority areas for financing in preparing the Fiscal Strategy are not adopted. <u>Update:</u> The GoS WP published, the bylaws fully prepared and soon to be adopted
<b>Projected risks:</b> Strategic planning still unregulated, still planning ad hoc and absence of medium-term planning. Lack of financial resources. Materialised? Not much.	
<b>Result 1.3.1.</b> Established Uniform policy management system ensuring preparation of policy documents harmonized with adopted standards <b>Activity 2:</b> Legal basis for the adoption of the methodology for public policy <b>Activity 3:</b> Draft/adopt public policies management methodology and the manual <b>Activity 4:</b> Linking policy management with the drafting and implementation of program budget (amending relevant regulations)	<u>The LPS adopted and in force since October 2018.</u> The two bylaws also adopted. One policy management, regulatory and policy impact assessment, policy documents and another on mid-term planning. A slow down due to the 2016 / 2017 elections. PPS identified priority areas for financing in preparing the Fiscal Strategy. Due amendments to the Budget System Law, and Fiscal Strategy to be integrated in all other strategies. <u>Update:</u> Consultations with the MoF on linking of strategic management and budget preparation and execution now done.
<b>Result 1.3.2.</b> Mid-term and annual planning in SA bodies is based on Government priorities and the program budget and implementation is regularly monitored <b>Activity 3:</b> Improving capacities of PA bodies for planning through establishing a model for organisation of study and analytical tasks, change of integral organisation and systematisation in SA <b>Activity 6:</b> Improving the IT structure (UIS) which is to include: the AP for implementation of the Government Program, link the existing program budgeting and budget execution system, and the system ISDACON and the NPAA <b>Activity 7:</b> Developing mid-term work plans for PA bodies harmonised with the strategic priorities of the Government and the program budget	Delayed new strategic posts in ministries secretaries Due MPALSG driven Decree on the principles of internal organisation and systematisation of posts in ministries, special organisations and services of the government and other regulations prescribing the tasks of state administration. <u>Update:</u> UIS has been operational in terms of insertion and reporting on PPDs.
<b>Result 1.3.3.</b> Increased transparency of the policy management system <b>Activity 1:</b> Introducing the obligation to publish the annual Government work plan and the annual Government report on the web portal of government and/or the webpages of the Government (changing the relevant regulations) <b>Activity 2:</b> Introducing the obligation for state administration bodies to periodically report to the Government on implementing regulations and policy documents and achieved impacts (changing the relevant regulations)	<u>Update:</u> The WP published, the bylaws fully prepared and soon to be adopted, delay due to the 2016/2017 elections and additional consultations
<b>Measure 1.4.</b> Establishing solid coordination mechanisms enabling harmonised development and functioning of E-Gov, and finalising the legal framework and procedures for development of E-Gov <b>Projected risks:</b> Lack of: financial resources, MTBF, stability of the financial framework, political will, complete legislative framework, adequate cooperation with the MF. Government priority, so there is no risk materialized (beside elections and delays).	A slowdown due to 2016 elections and Government change. <u>Update:</u> GoS adopted Law on e-register of citizens at the Gov. session – 20 <sup>th</sup> of December 2018.
<b>Result 1.4.2.</b> Interoperable communication established among different IS services of PA bodies and units of LSG based on using established basic E-Government registers <b>Activity 4:</b> Establishing the e-register of citizens, including drafting and adoption of proposed relevant laws <b>Activity 5:</b> Opening the address registry for all applications	<u>Update:</u> GoS adopted Law on e-register of citizens at the Gov. session – 20 <sup>th</sup> of December 2018. Elections and Government change and legislative delay.
<b>Measure 2.1.</b> Establishing a coherent system of labour relations and salaries in the public administration based on transparency and fairness	



<p><b>Projected risks:</b> Pressures to exclude certain subsystems of the harmonized system of labour relations, i.e. the single salary system and not well-executed evaluation of work positions and, consequently, the coefficients. Materialised to some extent.</p>	<p>Delays due to long consultations within state administration bodies and with trade unions and other stakeholders in the context of regulating the salary system. Also, not a priority in contrast to rationalisation. <u>Updates:</u> HRM concept done and adopted by PAR Council at 14 February 2018 another delay of the start date of Law on salaries (starting not on 1 January 2019 but on 1 February 2020)</p>
<p><b>Result 2.1.1.</b> Harmonized labour-legal status of employees in PA, in order to strengthen the principles of depoliticisation and professionalization of the merit-based system <b>Activity 2:</b> Drafting and adoption of policy paper (HRM concept document) for the establishing of the public servants system with criteria for employment and promotion based on transparency and merit, with recommendations for improvement across the PA</p>	<p>HRM Paper not a priority in contrast to rationalisation. This needed for competences and the changes to the Law on Civil Servant. DEU priority. <u>Update:</u> HRM concept done and adopted by PAR Council at 14 February 2018.</p>
<p><b>Result 2.1.2.</b> Established transparent and fair salary system in the PA <b>Activity 3.</b> Preparation and adoption of bylaws (decree on coefficients, decree on compensations for expenditures and other remunerations) <b>Activity 4:</b> Monitoring the new salary system law and measuring its effects</p>	<p><u>Update:</u> Due to the change of the concept of regulating PA salaries and changes made in the system law on salaries, implementation of the system and the sector laws were postponed until 1 January 2019 i.e. 2020, since the need for implementation of legal solutions for complexity of obligations resulting from the adopted legal solutions.</p>
<p><b>Measure 2.2.</b> Improvement of the HRM function in state administration by the end of 2017 through a strategic approach, along with introduction of new instruments and strengthening of capacities for HRM <b>Projected risks:</b> Limited political support for de-politicization of the system of employment and HRM Materialised to some extent.</p>	<p><u>Update:</u> The Law on Changes and Amendments to the Civil Service Law delayed due to April 2016 Parliamentary Elections. Then adopted December 2018. Low MPALSG HR capacities, prioritised fiscal consolidation focused on rationalisation, severance payments etc. No new MPALSG unit to take over HRMS tasks.</p>
<p><b>Result 2.2.1</b> Basic improvements of key elements of HRM in order to prevent further politicisation of the recruitment process, prevent turnover of quality staff and attract quality candidates <b>Activity 2:</b> Preparation and finalisation of proposed changes to the Civil Service Law <b>Activity 3:</b> Implementing HRM procedures in accordance with changed legal solutions</p>	<p>The Law on Changes and Amendments to the Civil Service Law submitted for the adoption procedure in 2015, not adopted due to the extraordinary parliamentary elections and the dissolution of the NARS Both activities done (GIZ PAR). <u>Update:</u> Adopted 9 December 2018.</p>
<p><b>Result 2.2.2</b> Consolidated institutional framework for development of PA HRM functions <b>Activity 1:</b> Integrating the function of HRM policy making and implementation through changes of regulations on the civil service system according to Civil Service Law, establishing a separate organisational units within the MPALSG which will take over the tasks of the HRMS <b>Activity 2:</b> Amending the Rulebook on internal organisation and systematisation of posts in the MPALSG and taking over employees and assets of the HRMS by the MPALSG <b>Activity 3:</b> Developing the model of organisational structure for HRM units in PA bodies and job descriptions for employees in such units</p>	<p>No new MPALSG unit to take over HRMS tasks (gave up!) so to remain its important professional support to all SA bodies due to its acquired institutional experience and knowledge, and greater influence how HR are managed. However new systematization was done with new sectors such as GG. <u>Update:</u> Adopted Amendments to the Civil Service Law</p>
<p><b>Result 2.2.3.</b> Policy framework is established for strategic HRM and instruments are improved for strategic HRM in PA- staff retention policy <b>Activity 6:</b> Drafting and agreeing proposed changes and amendments to the Civil Service Law to introduce new elements to the system in line with the policy paper (HRM Analysis)and activities 1-3, with public consultations <b>Activity 8.</b> Developing and implementing the staff retention policy <b>Activity 9.</b> Conducting transparent competition procedure for all civil service posts in appointed positions in state administration</p>	<p><u>Update:</u> Adopted Amendments to the Civil Service Law. Changes to the Civil Service Law which imply the implementation of the Competences Framework are adopted, secondary legislation for introduction of the system of competencies is also adopted, and the analysis of the situation in the field of HRM with recommendations for staff retention,</p>
<p><b>Result 2.2.4.</b> Improved capacities for strategic management of human resources <b>Activity 1:</b> Strengthening internal communications (web platform, government, etc.) in PA and networking of all actors in strategic HRM <b>Activity 2:</b> Designing and implementing training programs for senior civil servants in SA <b>Activity 3.</b> Designing and implementing training programs for SA staff employed in HRM</p>	<p><u>Update:</u> Adopted Amendments to the Civil Service Law Delay in amending the Civil Service Law Presidential April 2017 elections and forming the new government</p>
<p><b>Measure 2.3.</b> Development and harmonisation of basic HRM functions for the PA system by the end of 2017 with sustainable professional development system for PA employees <b>Projected risks:</b> Lack of: HR, finances, suitability of professional development programs to individual public administration bodies. Materialised? Yes, further risk for NAPA – financial resources, organisational aspects (premises and equipping them) and further strengthening of the capacities.</p>	<p>Lack of HR and staff professional capacity to simultaneously and coherently implement the set of PA HRD reform processes. Delay in establishing system of general training due to delayed draft bylaws related to Law on NAPA, CSL, etc.</p>
<p><b>Result 2.3.1.</b> The basis is established for the system of general training of public servants in PA bodies and organizations <b>Activity 5:</b> Bylaws for the Law on the NAPA the Law amending the Civil Service Law, and the Law amending the Law on Employees in AP and LSG. These will regulate training needs assessment; design, development, adoption and delivery of professional training programs; evaluation of professional training programs; verification of delivered professional training programs; maintaining records of professional training programs; and other quality management standards. <b>Activity 7:</b>Develop and implement the training program for staff employed in HRM units in SA for new methodological approach to technical development / training</p>	<p>All bylaws for NAPA have been adopted, with the exception of the Tariffs for Continuous Training Services, which are being developed.</p>
<p><b>Measure 3.2.</b>Improved budget planning and preparation process</p>	<p>Legal issues over the budget preparation software.</p>



<p><b>Projected risks:</b> Insufficient involvement of the policy decision/political level in the process of creation of the program budget. Materialised? Not.</p>	<p>A challenge of integrating and improving the existing budget execution software with the new BIS system for budget preparation, and additionally with the new UIS for policy planning and reporting system. <b>Solved!</b></p>
<p><b>Result 3.2.1.</b> Operationally and methodologically improved planning and preparation of multi-annual program budgeting at all levels of government <b>Activity 5:</b> Developing the project proposal for establishing of functional software for public financial management linking planning, execution, and control</p>	<p>Unresolved legal relations with respect to ownership of the program code for the budget preparation software. Ongoing work on establishing communication between the budget preparation software and budget execution ISIB– budget execution IS. Now works <b>Solved!</b></p>
<p><b>Measure 3.3.</b> Improving the system of financial management and control in the use of public funds and internal audit <b>Projected risks:</b> Frequent changes of senior civil servants of the highest level and low number of trained senior civil servants. Materialised? To some degree.</p>	<p>Delay with PIFC due to the harmonisation need with the PFMRP, the PAR Strategy, and the negotiating Position for Chapter 32, opened on 14 December 2015. Also, PIFC identified new deadlines for: 1. Rulebook on FMC in order to improve the control environment for strengthening of managerial accountability in users of public funds, 2: Introduction of the irregularities management function within FMC, 3: Improvement of the function of IA and for ensuring functional independence of internal auditors by adopting regulations on continued professional development of internal auditors (</p>
<p><b>Result 3.3.2.</b> Improved system of financial management and control (FMC) <b>Activity 2:</b> Improving the legislative framework and the Rulebook on PIFC in order to improve the control environment and managerial accountability <b>Activity 4:</b> Improving coordination and implementing operational tasks of harmonisation of regulations and rulebooks regulating the PIFC by the CHU <b>Activity 5:</b> Defining the term irregularity in the Rulebook on PIFC and establishing an adequate framework for irregularities management by users of public funds</p> <p><b>Result 3.3.3.</b> Improved capacities and functionality of the IA system <b>Activity 2:</b> Updating and improving the legislative framework and Rulebook on IA in order to improve the function of IA and ensure functional independence of internal auditors <b>Activity 3:</b> Reallocation of administrative and logistical tasks related to organising training on IA to the service of the Government in charge of training and professional development <b>Activity 4:</b> Improving coordination and implementing operational tasks related to harmonisation of regulations and rulebooks regulating the field of IA by the CHU</p>	<p>The adopted RS 2017–2020 PIFC Strategy identified new deadlines for: 1. Improvement of the Rulebook on FMC in order to improve the control environment for strengthening of managerial accountability in users of public funds, 2: improvement in the introduction of the irregularities management function within FMC, 3: for improvement of the function of IA and for ensuring functional independence of internal auditors by adopting regulations on continued professional development of internal auditors (UNDP/SIDA Project).</p>
<p><b>Measure 4.1.</b> Improving the legislative process within the broader Government policy management system <b>Projected risks:</b> Lack of: transparency, legal security, and the adoption of regulations without analysed effects. All the legislative changes have in focus improving the transparency but still waiting to see implementation. PPS is controlling that all the legislative have an analysis of effects. Materialised? To some degree.</p>	<p>Further delay with adoption of the LPS by the NARS and the PAR delay in the field of policy management and coordination and their linking with the budget framework and thus the legislative process as a whole were avoided. <b>Update:</b> PS adopted 28.4.18. and applies as of October 29, 2018. Accompanying regulations have been adopted in January/February 2019.</p>
<p><b>Result 4.1.1.</b> Improved and transparent process for drafting and implementing regulations in a manner ensuring inter-sector coordination, public participation. In addition, affect assessment, monitoring, evaluation and reporting on regulation implementation. <b>Activity 1:</b> Prescribing the method of establishment of WG for drafting of regulations, their functioning and responsibility (<b>changes to the Decree on principles of internal organisation and systematisation of posts</b>)</p>	<p>Legislative delay. The plan for amending the decree was changed in the course of drafting the Law on Changes and Amendments of the Law on State Administration, which will among other things regulate the issue of public participation in the preparation of laws (<b>Update:</b> adopted) and other policy instruments, in which it is planned to adopt a rulebook with guidelines for public participation in the preparation of said acts. <b>Update:</b> law amended June 2018 yet the rulebook 2019 postponed</p>
<p><b>Measure 4.2.</b> Improving administrative procedures and ensuring procedures before SA and PA bodies in deciding on rights, obligations and legal interests of citizens and other entities in line with principles of good government (LGAP) <b>Projected risks:</b> Elections and new government, and resistance to changes and difficult procedures for adoption. Not GoS priority. Materialised? To some extent.</p>	<p>Complexity of the process i.e. data update level and exchange, imposed costs to harmonisation, low HR. Legislative delays due to elections and likely non- prioritisation. Difficult institutional coordination. Low coordination capacities. Some new laws adopted without LGAP harmonisation.</p>
<p><b>Result 4.2.4.</b> PA is applying principles of good administration in its work, and especially ensures response to the needs of citizens in policy planning and implementation. <b>Activity 2:</b> The SA bodies improved and established internal procedures, more efficient acting and decision -making on rights, obligations and legal interests of citizens, including addressing complaints by citizens and records of complaints, according to recommendations of the Ombudsman <b>Activity 3:</b> The SA bodies establish organisational structures for relations with the Ombudsman and the Commissioner for Equality <b>Activity 4:</b> Promoting the Code of good government in PA bodies and organisations <b>Activity 5:</b> Strengthening two -way channels of communication between citizens and the PA: Preparing plans for regular surveys of public opinion on public services and introducing the obligation to take into consideration the results of surveys in making decisions on strategic and operational plans of SA bodies</p>	<p>The LGAP is adopted. Yet to adopt draft Law on Amendments to the Law on the Ombudsman and the draft Law on Amendments to the Law on Free Access to Information of Public Importance, which drafts are now done (<b>Update</b>). The amendments to the law will more closely regulate the organisational structures for the relations with independent state bodies, the reporting mechanism, etc. The new LGAP implementation implies costs for the administration bodies, and time needed to organise working processes in a manner which enables exchange of data, especially since not all registries (official records of administration bodies) are publicly available or regularly updated, that often they are not maintained in electronic format, and that HR capacities in administration bodies often are not sufficient or poorly organised. Since this is a system-wide solution, the greatest challenges are institutional coordination and understanding of the new concept, which links it together, changes of individual regulations, adjustments, organisation and updating of electronic records and databases and linking of bodies and institutions via the e Government Portal. Capacities for monitoring and supervision over the implementation</p>



<b>Activity 7:</b> Conducting an analysis of modalities for broadening of practices established in SAB related to actions taken based on recommendations of the Ombudsman and Commissioner for Equality, so that they include the broader PA system, and monitoring	of LGAP are not sufficient (4 employees), and it is planned to strengthen the unit dealing with the implementation of LGAP, but also needed capacities in the line ministries as they should report on their administrative fields.
<b>Measure 4.3.</b> Reform of inspection supervision and ensuring better protection of public interest, while reducing the administrative costs of inspection supervision and increasing legal certainty for supervised entities	Delay due to a lengthy harmonisation process of 78 special laws with the new Law on Inspection Supervision. Also, lack of funding.
<b>Projected risks:</b> Failure to adopt bylaws in the legal time limit. Materialised. Yes.	
<b>Result 4.3.3</b> Increased capacities of inspection services to implement the new inspection Developing and implementing the e-inspector application, guidelines, and training courses for use (training of trainers)	The activity has not been fully implemented due to lack of funding. Video material from conducted training courses is available at the website of the Coordinating Commission (inspektor.gov.rs), in order to bridge the period until potentially developing the application.
<b>Activity 4:</b> Ensuring technical and communications infrastructure and equipment and conditions for the work of individual inspection services (continually)	The activity was not implemented in 2017, but its implementation is planned for 2018 through the public procurement procedure for Assessment of Capacities of national inspection services with recommendations for improvement.
<b>Activity 7. 7.</b> Developing and implementing the e-learning application, guidelines, and training courses for training of trainers	
<b>Activity 8.</b> Introduction and implementation of international standards for inspections and restructuring individual inspection services supervision system	<b>Measure 4.4.</b> Introducing and promoting mechanisms ensuring quality of public services <b>Projected risks:</b> Low employees' motivation to change manners of performing tasks, low management support and implementation involvement. Materialised. Yes, regarding the low public sector employee's motivation, but there is management support for this activity, implementation yet to be seen with visibility project and communication component.
<b>Result 4.4.1</b> Conditions are provided to establish a quality management system for public services in public administration	The beginning of implementation of planned activities is conditional on the finalisation of functional reviews in a number of selected PA subsystems as the basis for beginning of these activities. Since the reviews have been finalised within the project with the Swiss Agency for Development and Cooperation the Ministry has defined the satisfaction surveys, requirements and expectations of key stakeholders with respect to quality of public services as one of the tasks of the project.
<b>Activity 1:</b> Satisfaction surveys, requirements and expectations regarding the quality of public services (key stakeholders: citizens, civil society, businesses, PA employees)	
<b>Activity 2:</b> Gap analysis in the field of quality management for public services and developing recommendations for building the system according to the Principles of PA	
<b>Activity 3.</b> Gradual introduction of quality management in public services	<b>Measure 5.1.</b> Improving conditions for participation of interested public in the work of public administration with increased access to information on the work of public administration and public finance <b>Projected risks:</b> The absence of PA culture of openness and transparency, not traditional participatory political culture, developing PA and CSO partnership. Materialised? To some extent. There is progress, but still more to be done.
<b>Result 5.1.2.</b> CSO's and citizens involved in the policy development, implementation, and monitoring at national and local level	Legislative delays due to the 2016/2017 elections, with the finalisation of systemic laws and strategic documents. No adequate mechanism and capacity for monitoring the OGP implementation of at local level.
<b>Activity 2:</b> Amendments to the Law on Free Access to Information of Public Interest which would raise the level of pro-active publications and updating of information available to the public	Update: soon amendments expected. Legislative delay. Due amendments to the Law on Free Access to Information of Public Interest. Other activities are conditional on passing this law.
<b>Activity 4:</b> Preparation and adoption of bylaw regulating in more detail the manner of cooperation between state administration and associations and other CSO's	
<b>Activity 6:</b> Finalizing the legal and institutional framework for cooperation between state administration bodies and CSO in line with the Strategy and AP and Strategy for Developing an Incentive Environment for Civil Society in Serbia 2016 – 2020	
<b>Measure 5.2.</b> Strengthening integrity and ethical standards of PA employees and reducing corruption by strengthening preventive mechanisms	Delayed adoption of draft Law on the Anti-Corruption Agency, thus PA bodies senior civil servants not obliged to develop and adopt their integrity plans, hence extended deadline for the development of integrity plans. Also, The Law on Employees in AP and LSG, which came into effect on 1 December 2016, prescribed that the employer shall adopt the code of conduct for employees within one year of the Law coming into effect (by 1 December 2017)
<b>Projected risks:</b> Low protection of whistle-blowers, insufficient political support, inadequate implementation of regulations Materialised? Yes, not all prioritised.	
<b>Result 5.2.1.</b> Improving mechanisms for ensuring ethical standards and integrity of PA employees	The Law on Employees in AP and LSG, which came into effect on 1 December 2016, prescribed that the employer shall adopt the code of conduct for employees within one year of the Law coming into effect (by 1 December 2017)
<b>NB:</b> Done in 2017: Analysis of the legal framework for preventing corruption and conflict of interest of civil servants in the RS	The Agency monitors the implementation of integrity plans, but since the deadline for finalisation of plans was postponed to 31 October 2017, public authorities have started implementing the measures and activities from integrity plans only after this deadline. As the deadline for finalisation of integrity plans in the second cycle practically coincided with the expiration of this Action Plan, the PA bodies and organisations were not able to report on implementation of plans since they have only just started implementation.
<b>Activity 3:</b> Harmonising the Code of Conduct of Civil Servants and the Code of Conduct of Employees in LSG with the study recommendations	
<b>Activity 5:</b> legal regulation of prevention of conflict of interest of employees in PA and LSG on the basis of results of the feasibility study	
<b>Activity 7.</b> Monitoring implementation of integrity plans per reporting	
<b>Measure 5.3.</b> Strengthening mechanisms of external and internal control in public administration <b>Projected risks:</b> The lack of timely regulation adoption related to a more precise determination of competences Materialised? Yes, not all prioritised.	Not prioritized PAR objective in contrast to rationalization. In addition, the elections in April 2016 and April 2017 had a significant impact on timely implementation.



<p><b>Result 5.3.1</b> Improved legal framework and work conditions for PA bodies which perform external control of administration</p> <p><b>Activity 1:</b> Preparation, consultations, and determining the proposed changes and amendments to the Law on Ombudsman in line with the 2014 NARS conclusion.</p> <p><b>Activity 2:</b> Ensuring premises to resolve the accommodation of Ombudsman (by adopting the relevant act of Government)</p> <p><b>Activity 3:</b> Ensuring premises to resolve the accommodation of Commissioner for Equality (by adopting the relevant act of Government)</p> <p><b>Activity 4:</b> Ensuring premises to resolve the accommodation of SAI (by adopting the relevant act of Government)</p>	<p>Not prioritized PAR objective in contrast to rationalization. In addition, the elections in April 2016 and April 2017 had a significant impact on delaying this Activity.</p> <p>Not passed amendments to the Law on Ombudsman.</p>
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**Annex 12. List of AP PAR Reports, IMPG and PAR Council meetings**

Date	Coordination body AP 2015-2017 – Agenda and Conclusions
<b>28. August 2014.</b>	<b>1<sup>st</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>• Agenda for this meeting was: Adoption of the Rules of procedure of PAR Council; Presentation of the AP PAR for the period 2014-2016; Presentation of the activity plan related to the preparation of a normative framework for salary reform in public administration; Information on the schedule of activities for the preparation of the AGIP; Information about project - Functional analysis and optimization of public administration; Adoption of the decision of the establishment of the Collegium of State Secretaries</li> <li>• Adopted: Rules of procedure of PAR Council and Decision of the establishment of the Collegium of State Secretaries</li> </ul>	
<b>31. October 2014.</b>	<b>2<sup>nd</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>• Agenda for this meeting was: Adoption of the meeting minutes from the 1<sup>st</sup> PAR Council; Adoption of the opinion of baseline for the first phase of optimization of PA – rationalization of PA in 2015; Information about the course of work on the Draft Law on Salaries; Adoption of the decision for appointing the secretary of the PAR Council; Decision on the establishment of a working group for coordination and monitoring the implementation of long-term fiscal consolidation measures.</li> <li>• Adopted: Meeting minutes from the 1<sup>st</sup> PAR Council; Decision on the establishment of a working group for coordination and monitoring the implementation of long-term fiscal consolidation measures and opinion of baseline for the first phase of optimization of PA – rationalization of PA in 2015</li> </ul>	
<b>12. February 2015.</b>	<b>3<sup>rd</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>• Agenda for this meeting was: Adoption of the meeting minutes from the 2<sup>nd</sup> PAR Council; Information about optimization support project - EU funded project (WB implementer in collaboration with MPALSG); Adoption of the Proposal on the need to adopt a draft law that will regulate the reduction of the number of employees in the public administration (baseline); Presentation of the AP PAR 2015-2017.</li> <li>• Adopted: Meeting minutes from the 2<sup>nd</sup> PAR Council; Proposal on the need to adopt a draft law that will regulate the reduction of the number of employees in the public administration (baseline)</li> </ul>	
<b>14. May 2015.</b>	<b>4<sup>th</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>• Agenda for this meeting was: Adoption of the meeting minutes from the 3<sup>rd</sup> PAR Council; Draft Law on Determining the Maximum Number of Employee in the Public Sector - open issues before the realization of the official opinions of the ministries; The statements by the Ministries whether they are in line with the number of employee reductions proposed in Table 1 (Table "Employees in the Public Administration of Serbia for indefinite, rationalization of 2015") into the 2015 budget; (a) If they are: - by which all measures are planned to fit; - by which they plan to reduce the number of employees precisely, because later, the lesser part of the savings will be realized in 2015; (b) If they are not: - how much they plan to further reduce the number of employees to fit in; - by which exact dynamics</li> <li>• Adopted: Meeting minutes from the 3<sup>rd</sup> PAR Council</li> </ul>	
<b>29. June 2015.</b>	<b>1<sup>st</sup> IMPG meeting</b>
<ul style="list-style-type: none"> <li>• Agenda for this meeting was: Adoption of the Rules of Procedure of the Inter-Ministerial Project Group; Information on the implementation of the AP PAR and the procedure for reporting and</li> </ul>	



<p>monitoring; Information from MPALSG on current activities in the area of PAR from the scope of MPALSG.</p> <ul style="list-style-type: none"> <li>The Rules of Procedure of the Inter-Ministerial Project Group was not adopted due to technical deficiencies.</li> <li>IMPG consists from members (secretaries of ministries and its deputies) and included CSO members.</li> </ul>	
<b>August 2015.</b>	<b>1<sup>st</sup>AP PAR 2015-2017 Report (first six-month Jan-Jun 2015)</b>
<b>07. October 2015.</b>	<b>2<sup>nd</sup> IMPG meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the meeting minutes from the 1<sup>st</sup> IMPG meeting; Adoption of the Rules of Procedure of the Inter-Ministerial Project Group; Information on the first six-month report on the conducted activities of AP PAR 2015-2017 and its adoption; Discussion on the implementation of the Law on Determining the Maximum Number of Employee in the Public Sector.</li> <li>Adopted: Meeting minutes from the 1<sup>st</sup> IMPG meeting; Rules of Procedure of the IMPG; first six-month report on the conducted activities of AP PAR.</li> </ul>	
<b>15. December 2015.</b>	<b>3<sup>rd</sup> IMPG meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the meeting minutes from the 2<sup>nd</sup> IMPG meeting; Information and discussion on the Program for results for modernization and optimization of public administration.</li> <li>Adopted: Meeting minutes from the 2<sup>nd</sup> IMPG meeting.</li> </ul>	
<b>17. December 2015.</b>	<b>5<sup>th</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the meeting minutes from the 4<sup>th</sup> PAR Council; Information on the first six-month report on the conducted activities of AP PAR 2015-2017 and its adoption and the Report on the Implementation of the AP for Implementation of the OGP for 2014 and 2015 and its adoption; Information on the realization of functional analyses within optimization support project (EU funded project - WB implementer in collaboration with MPALSG); Information and discussion on the Program for results for modernization and optimization of public administration.</li> <li>Adopted: Meeting minutes from the 4<sup>th</sup> PAR Council; first six-month report on the conducted activities of AP PAR 2015-2017.</li> </ul>	
<b>February 2016.</b>	<b>2<sup>nd</sup>AP PAR 2015-2017 Report (Annual 2015)</b>
<b>06. April 2016.</b>	<b>4<sup>th</sup> IMPG meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the meeting minutes from the 3<sup>rd</sup> IMPG meeting; Adoption of the Annual Report on the Implementation of the AP PAR 2015-2017; Information on activities in the process of rationalization in 2015; Discussion of the existing problems in the payment of severance pays and cash benefits in the rationalization process (implementation of the provisions of the Law on Determining the Maximum Number of Employee in the Public Sector).</li> <li>Adopted: Meeting minutes from the 3<sup>rd</sup> IMPG meeting; Annual Report on the Implementation of the AP PAR 2015-2017; Proposal for a conclusion in order to better communicate and propose contact persons in MPALSG in charge of the rationalization process and the procedure for payment of severance pays and cash benefits.</li> </ul>	
<b>July 2016.</b>	<b>3<sup>rd</sup>AP PAR 2015-2017 Report (six-month Jan-Jun 2016)</b>
<b>26. December 2016.</b>	<b>6<sup>th</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the Rules of procedure of PAR Council; Decision of the establishment of the Collegium of State Secretaries; Decision for appointing the secretary of the</li> </ul>	



<p>PAR Council; Adoption 2015 Annual Report on the Implementation of the AP PAR 2015-2017; Adoption of the six-month report on the conducted activities of AP PAR 2015-2017 for the first half of 2016; Information from MPALSG on the process of the rationalization (1st and 2nd wave of rationalization); Adoption of the opinion of the baseline and key steps for change management in PA; Presentation of the Change Management Support Team (CMST) and presentation of their role in further work in the field of reorganization / optimization; Information on the topic of individual indicators for SBS: - Information on the preparation of a strategic document for the management of human resources in the state administration; - Information related to the preparation and adoption of the AP for implementation of the recommendations of horizontal functional analysis "State Administration plus" for the period 2017-2018; - Information regarding the preparation and adoption of the AP for implementation of the recommendations of the vertical functional analysis of the Ministry of Finance.</p> <ul style="list-style-type: none"> <li>Adopted: Rules of procedure of PAR Council; Decision of the establishment of the Collegium of State Secretaries; Decision for appointing the secretary of the PAR Council; Report from MPALSG on the process of the rationalization (1st and 2nd wave of rationalization); Opinion of the baseline and key steps for change management in PA;</li> </ul>	
<b>February 2017.</b>	<b>4<sup>th</sup> AP PAR 2015-2017 Report (Annual 2016)</b>
<b>27. March 2017.</b>	<b>7<sup>th</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption 2015 Annual Report on the Implementation of the AP PAR 2015-2017; Adoption of the six-month report on the conducted activities of AP PAR 2015-2017 for the first half of 2016; Adoption 2016 Annual Report on the Implementation of the AP PAR 2015-2017; Information on the activities of the Change Management Support Team (CMST); Information on modernization and optimization of public administration - Results program; Information on further steps in the rationalization process; Information on the activities of standardization of the procedure of local self-government towards the citizens and the economy through the development of the model of administrative procedures at the local level.</li> <li>Adopted: 2015 Annual Report on the Implementation of the AP PAR 2015-2017; Six-month report on the conducted activities of AP PAR 2015-2017 for the first half of 2016;</li> </ul>	
<b>10. May 2017.</b>	<b>5<sup>th</sup> IMPG meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the meeting minutes from the 4<sup>th</sup> IMPG meeting; Information about 2016 Annual Report on the Implementation of the AP PAR 2015-2017; Presentation of a strategic document for human resources management in the state administration; Information on sectoral budget support to the EU and future RS obligations in the reporting process; Information on modernization and optimization of public administration - program for results and information on further steps in the process of rationalization; Information on the activities of the Change Management Support Team (CMST).</li> <li>Adopted: Meeting minutes from the 4<sup>th</sup> IMPG meeting;</li> </ul>	
<b>July 2017.</b>	<b>5<sup>th</sup> AP PAR 2015-2017 Report (Report1 January 2015 -30 June 2017)</b>
<b>30. November 2017.</b>	<b>8<sup>th</sup> PAR Council meeting</b>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: 2016 Annual Report on the Implementation of the AP PAR 2015-2017; Adoption of the report on the conducted activities of AP PAR 2015-2017 for the period 1<sup>st</sup> January 2015 until 30<sup>th</sup> June 2017; Information on the Report on the Implementation of the Public Finance Management Reform Program for the period 2016-2020 for the period from December 2015 to June 2017; Self-assessment Report of the implementation of the Sector Reform Contract for the PAR Sector in the RS for the period from January 2016 to October 2017, with updated documents that prove the fulfilment of indicators 1 and 4 for the variable tranche for 2016 year.</li> </ul>	



<ul style="list-style-type: none"> <li>Adopted: 2016 Annual Report on the Implementation of the AP PAR 2015-2017; Report on the conducted activities of AP PAR 2015-2017 for the period 1<sup>st</sup> January 2015 until 30<sup>th</sup> June 2017; Self-assessment Report of the implementation of the Sector Reform Contract</li> </ul>	
14. February 2018.	<ul style="list-style-type: none"> <li>9<sup>th</sup> PAR Council meeting</li> </ul>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Conclusion on adoption of the Feasibility Study for the optimization of the organisational structure of state administration bodies in the services of the Government and professional services of administrative districts; Adoption of the Analysis and Guidelines for unifying the functions of strategic, operational and financial planning and internal control, with recommendations for amending the regulations; Adoption of the Analysis of the situation in the field of human resources management with recommendations for retention of personnel; Information on the status of preparation and finalization of action plans for optimization in the fields of education, health, social policy and agriculture.</li> <li>Adopted: Conclusion on adoption of the Feasibility Study; Adoption of the Analysis and Guidelines for unifying the functions of strategic, operational and financial planning and internal control; Adoption of the Analysis of the situation in the field of human resources management with recommendations for retention of personnel;</li> </ul>	
<ul style="list-style-type: none"> <li>March 2018.</li> </ul>	<ul style="list-style-type: none"> <li>6<sup>th</sup> AP PAR 2015-2017 Report (Three year report 2015-2017)</li> </ul>
<ul style="list-style-type: none"> <li>2. November 2018.</li> </ul>	<ul style="list-style-type: none"> <li>10<sup>th</sup> PAR Council meeting</li> </ul>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of amendments to the Rules of Procedure of the PAR Council; Decision on the appointment of the Secretary of the PAR Council; Review and adoption of the three-year report for the period from 1 January 2015 to 31 December 2017 on the implementation of the AP PAR 2015-2017; Information on amendments to the PARS of RS and adopted AP PAR 2018-2020; Review and adoption of the Conclusion and Information on activities and start of the self-assessment process for the Sector Reform Contract.</li> </ul>	
<ul style="list-style-type: none"> <li>20. December 2018.</li> </ul>	<ul style="list-style-type: none"> <li>11<sup>th</sup> PAR Council meeting</li> </ul>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Review and adoption of the Conclusion and the Self-Assessment Report for the Sector Reform Contract for Public Administration Reform; Decision of establishment of the Working Group for Coordination of Activities in the field of Internal Financial Control in the Public Sector.</li> <li>Adopted: Conclusion and the Self-Assessment Report for the Sector Reform Contract for Public Administration Reform; Decision of establishment of the Working Group for Coordination of Activities in the field of Internal Financial Control in the Public Sector.</li> </ul>	
<ul style="list-style-type: none"> <li>26. December 2018.</li> </ul>	<ul style="list-style-type: none"> <li>6<sup>th</sup> IMPG meeting</li> </ul>
<ul style="list-style-type: none"> <li>Agenda for this meeting was: Adoption of the Rules of Procedure of the Inter-Ministerial Project Group; Presentation of the three-year report for the period from 1 January 2015 to 31 December 2017 on the implementation of the AP PAR 2015-2017 and new AP PAR 2018-2020; Presentation of the reform in the field of human resource management - introduction of competences; Information of the new self-assessment with Sector Reform Contract.</li> <li>Adopted: Rules of Procedure of the Inter-Ministerial Project Group.</li> <li>This IMPG is established with new members, now combined from secretaries and Assistant Ministers, different from previous group, which consisted from secretaries of ministries.</li> </ul>	



## Annex 13. Aggregated responses of the survey questionnaires

**NB: not proofread**

### Survey questionnaire # 1: Coverage, design, relevance, priorities and capacities for the Public Administration Reform Strategy

- Invited # 7; Responses # 6 - 86%
- Type of institution/organization: Ministry 16.67%; CSO 16.67%; Academic institution 33.33%; International Multilateral Organization 33.33%.
  - To what extent are the objectives defined in the PAR Strategy (PARS) still relevant in terms of priority needs for PAR? *Totally 33.33%; To a large extent 33.33%; Somewhat 33.33%*
- SIGMA was pleased that the goals set were relevant, and despite the slowness of the reform - there is no reason to think that they are even less relevant today than at the time of the adoption of the Strategy.
- 2. To what extent are the specific objectives defined in the PARS still comprehensive in terms of priority needs for PAR?** *Totally 50.00%; To a large extent 50,00%*
  - Consider the process of rationalization and freezing of things that happened after the adoption of the Strategy, the distribution of organs and competencies.
  - The strategy needs to better reflect the current context in which Serbia is in place - the process of joining the EU and its needs (e.g. maintaining priority staff), fiscal / financial options.
  - Greater focus on the depoliticisation of the civil service system, with soft measures in addition to regulations.
  - Focus on the introduction of quality assurance mechanisms in public service delivery (CAF best).
    - To what extent is the PARS intensely reform oriented and still current? *Totally 33.33%; Somewhat 66.67%*
  - The strategy could not fully implement reform in terms of the decision to reduce the number of employees and the capacity.
    - 4. To what extent are the specific objectives of the PARS are SMART, i.e. specific, measurable, achievable, relevant and time-bound? *Somewhat 50,00%; Not to the extent 50,00%*
  - The space has been left open to concretize and prioritize through AP.
  - It would be good for the Strategy to set targets for general and specific goals, since it is assumed that they will not change with each AP, but that they are well-designed and set up during the preparation of the PARS.
    - 5. Does the PARS need to have SMART indicators (performance indicators) at impact level (Impacts), i.e. general and specific objectives, and outcome, or measure? *Totally 83.33%, Somewhat 16.67%*
  - It would not be bad to exist. It should not be that they are just quantification. The point is to formulate qualitatively-quantitative.
  - Absolutely. In order to measure - otherwise is it still a relevant strategic document for Serbia?
  - It should be as much as possible to have such indicators and enable the measurement of progress.
- 6. To what extent does the PARS prioritize reform goals and tasks?** *To a large extent 33.33%; Somewhat 50,00%; Not so much 16.67%*
  - The strategy itself did not set this up in a clear way. Priorities are not sorted. AP is doing it for it, but it would be necessary for the Strategy to prioritize key goals.
  - SIGMA 2017 Monitoring Report - Many measures in the Strategy and AP were not reform oriented.
    - To what extent are the changes of the PARS necessary in terms of quality, coverage, SMART properties, priorities, situational analysis, modernization of the vision and relevance in relation to the new Law on the Planning System, and in other aspects? *To a large extent 50.00%; Somewhat 33.33%; Not so much 16.67%*



- - The circumstances have changed - the EU, the environment, the economic structure (from the perspective of businessmen, according to IMF parameters), migrants.
- Things can work well with a good AP, but for general policy planning it is better to improve the Strategy and not to be a big gap in the quality and content between the Strategy and AP. The AP should be drafted and adopted together with the Strategy, and not later.
- To what extent is it necessary to completely replace the PAR Strategy, i.e. to adopt a completely new PARS? *Somewhat 66.67%; Not so much 33.33%*
- See if there are new problems that need to be addressed, and align set of measures and activities for them.
- Maybe a new document to be adopted in 2020. For the time being, it is better to improve the key aspects discussed in the previous issues and possibly revise the AP, to the extent that the revised Strategy would require it.
- 9. To what extent is there a high degree of coherence between AP PAR and other planning documents of PAR (Public Finance Reform Program, Regulatory Reform Strategy, etc.)? *To a large extent 33.33%; Somewhat 33.33%; Not so much 33.33%***
- It is necessary that all other planning documents in the area of the PAR clearly recognize the hierarchy in relation to the main strategy and to follow it. Of course, the precondition for this is the improvement of the quality of the PARS itself.
- To what extent is there a clear hierarchy between AP PAR and other planning documents of PAR (Public Finance Reform Program, Regulatory Reform Strategy, etc.)? *Somewhat 50,00%; Not to the extent 50,00%*
  - To what extent has a high level of agreement been reached between the specific objectives and measures of the PARS, the AP PAR 2015-2017 and the AP PAR 2018-2020? *Totally 16.67%; To a large extent 33,33%; Somewhat 50,00%*
  - To what extent does AP PAR 2018-2020 adequately relate to the new Planning System Law, without the need for further harmonization and harmonization? *Totally 16.67%; Somewhat 50,00% Not so much 16,67*
- The activity of system development and procedures for ensuring quality in the implementation of the law through the system is missing. Since the only way to ensure the consistent application of this law is to give strong incentives to PPS to impose certain quality standards through opinions and participation / support in the preparation of public policy documents, this activity is crucial.
- 13. To what extent are the specific provisions (objectives / measures / tasks) relevant to gender equality and climate change contained in the PARS, AP PAR 2015-2017 and AP PAR 2018-2020? *Somewhat 33.33% Not so much 50.00% Not at all 16.67%***
- As far as climates are concerned, it is part of the environment of this situational analysis that must be taken into account.
- I think that development of procedures and capacities for GIA in state administration bodies, primarily ministries, should be foreseen. Civil servants should be fundamentally provided with knowledge and tools to think about the gender aspect of the impact of public policy documents, as well as the public policy instruments they are preparing, be they laws or by-laws.
- To what extent did the specific objectives of the PARS correspond to the capacities of actors who were responsible for the implementation of AP PAR 2015-2017? *To a large extent 33,33%; Somewhat 16,67%; Not so much 50.00%*
- We have been quantitatively reduced, but knowledge, skills and competences are still lacking to the extent that PAR is required.
- Certain actors are a capacity short, but given how it has so far been treated and behaved with existing capacities, I think that the capacities of the political leadership must absolutely no longer be accepted as justification. When the existing capacities are held as little water, we will be able to have an understanding for this argument again. AP 2015-2017 was ambitious, but he counted on increasing capacity, not on their reduction, which was realistic.



- To what extent are the specific objectives of the PARS appropriate to the capacities of the actors responsible for the implementation of AP PAR 2018-2020? *To a large extent 16.67%; Somewhat 66.67%; Not so much 16.67%*
- To what extent was the wide range of different actors (state administration, central and local level, expert groups, CSOs, academia, the EU and the private sector) participated in the creation of the PARS? *To a large extent 50.00%; Somewhat 33.33%; Not so much 16.67%*
- To what extent have there been continuous consultations with the various actors involved (state administration, central and local level, expert groups, CSOs, EU, academia and the private sector) who participated in the drafting of the PARS? *To a large extent 50.00%; Somewhat 16.67%; Not so much 33.33%*
- To what extent has a wide range of different actors (state administration, central and local level, expert groups, CSOs, EU, academia and the private sector) participated in the drafting of PAR AP 2015-2017? *To a large extent 50.00%; Somewhat 50,00%;*

-CSOs were really involved in the right way. It was only necessary to keep records from all meetings and publish it on the site. This is a recommendation for the future. And that MMRG meetings are now held regularly because otherwise nothing is involved. Include one CSO delegate into the work of the Council, at least to participate in discussions and to monitor the work.

**19. To what extent was the wide range of different actors (state administration, central and local level, expert groups, CSOs, EU, academia and the private sector) participated in the drafting of PAR AP 2018-2020? *To a large extent 66.67%; Somewhat 33.33%;***

- A public call for CSOs is an excellent move, as well as an extension to all interested organizations. You should invite those who are not at the beginning so much concerned with MDULS and PAR: women's organizations, organizations representing vulnerable groups (people with disabilities, Roma, etc.). These organizations often do not recognize their role in the PAR, but they need to give time and help them understand it.



## Survey questionnaire # 2: Effectiveness of AP PAR 2015-2017

- Invited #30; Responses#11 - 37%
  - **Type of institution / organization:** Office of the Prime Minister 9.09%; Government Agency 9.09%; Independent state body 36.36%; Business association 9.09%; International multilateral organization 36.36%.
- 1. To what extent have five specific objectives from the AP PAR 2015-2017 been achieved? Somewhat 81.82; Not so much 18.18%**
    - The General Administrative Procedure Act (GAP) has been adopted; Reform of inspections; Reform of administration and introduction of e-Government; The legal framework and conditions for the work of state bodies that perform external control of the administration have not been improved (SO 5); The goals are too ambitious; risks are not recognized; detailed non-reform activities; The most negative is that there is still no list of all users of public funds due to which no competence analysis has been performed to determine the duplication.
  - 2. Please indicate key successes at the Impacts, Outcomes, and Outputs.**
    - GAP - obligation of the authorities to obtain data from official records ex officio; Adoption of strategic documents and legal regulations in the field of public policy planning and regulation of issues related to the work of local self-governments; Reducing costs to businesses and citizens; Improving the management of public finances, establishing a civil service system at the provincial and local level; Integrity plans developed in public administration.
  - 3. Please provide unexpected positive changes, if any.**
    - E-Baby project, networking of MUP databases and others through the project "Baby, Welcome to the World!"; Better outcomes than expected in the management of public finances (Stabilization of public finances); Establishing a regular "policy dialogue" between the EU and the Government of Serbia on the topic of public administration reform; Raising awareness and knowledge of public administration employees on integrity plans as a mechanism for preventing corruption.
  - 4. Please provide unexpected negative changes, if any.**
    - Elections, permanent change of staff; Huge number of cases in the Administrative Court; Voters' lists and irregularities in the electoral procedure; adoption of laws containing special rules of administrative procedure, although the unification of the procedure is envisaged; The regulations that were supposed to follow the fiscal consolidation measures were late with the adoption and even if they were adopted; the decision not to include public enterprises in the systemic law on salaries
  - 5. Please list the key driving factors behind the accomplishments achieved, or the appropriate actions of specific actors / implementers.**
    - Political will; MPALSG work; Awareness of the country's financial position; Political readiness in combination with the external pressure of the IMF; Individuals with a vision; the process of European integration in which public administration reform is recognized as one of the three fundamental pillars of Serbia's accession to the European Union.
  - 6. Please indicate the key limiting factors that are responsible for unrealized results (e.g., contradictory norms, preambularity, insufficient capacity (which?), Insufficient coordination, etc.), or appropriate failures by specific actors / implementers.**
    - Preambitence; weak capacities in MPALSG; insufficient coordination; the politicization of the state administration that led to the outflow of professional staff; change Government; The process of rationalization of public administration and further freeze on employment; Inadequate knowledge and ability to manage change; Insufficient number of people, ignorance, excessive fluctuation of people (lack of quality retention policies), ignorance of state administration, need for professional staff.
  - 7. To what extent is the delay in the adoption or implementation of certain laws or bylaws a limiting factor due to unrealized objectives? To a large extent 45.45%; Somewhat 45.45%; Not so much 9.09%.**





- 8. To what extent was the AP PAR 2015-2017 too ambitious and inadequate for implementation?** *Totally 9.09%; To a large extent 27.27%; Somewhat 45.45%; Not so much 18.18%.*
- Anticipation of the adoption of a large number of laws; low level of prioritization; frequent political changes; abstraction costing methodology; The action plan was adopted in parallel with fiscal consolidation measures as a top priority.
- 9. To what extent are the key barriers and limiting factors associated with the lack of funding for the AP implementation?** *Totally 9.09%; To a large extent 18.18%; Somewhat 36.36%; Not so much to 27.27%; Not at all 9.09%;*
- Sector support for PAR. There are other donors (e.g. GIZ and DFID). Some donor funds will not be realized, and activities will be listed in the AP for later to apply for donor funds.
- 10. To what extent are the key barriers and limiting factors associated with the lack of staff and knowledge / skills?** *Totally 18.18%; To a large extent 54.55%; Somewhat 27.27%;*
- Frequent personal changes; salary reduction; lack of adequate analytical capacities.
- 11. To what extent are the key barriers and limiting factors associated with a lack of institutional or organisational conditions?** *To a large extent 54.55%; Somewhat 27.27%; Not so much 18.18%.*
- Change of management (elections, expiration of mandate, VD status) affects the implementation of activities, and the abandonment of the activities; MDULS is located in four buildings - difficult for internal communication, quality management, high costs, time loss.
- 12. To what extent are the key barriers and limiting factors associated with the lack of adequate implementation management?** *Totally 36.36%; To a large extent 27.27%; Somewhat 27.27%; Not so much 9.09%.*
- Important that the PPS and MPALSG are well coordinated and linked to the monitoring of PAR and Government programs.
- 13. To what extent are the key barriers and limiting factors associated with the lack of adequate coordination?** *To a large extent 45.45%; Somewhat 45.45%; Not so much 9.09%.*
- Better cooperation of the MPALSG and PPS, and all this should be coordinated with the Office for IT and E-Government!
- 14. To what extent are the key barriers and limiting factors related to the lack of adequate monitoring of implementation and inadequate use of corrective measures at the policy or management level?** *Totally 18.18%; To a large extent 45.45%; Somewhat 18.18%; Not so much 18.18%.*
- To ensure that people who manage PAR remain for a longer period, at least 5 years, at the same managerial positions; continuous monitoring (performance report) is necessary in order to undertake timely corrective actions.
- 15. To what extent are the key barriers and limiting factors associated with the lack of political will at the highest level?** *Totally 27.27%; To a large extent 45.45%; Somewhat 18.18%; Not so much 9.09%.*
- To what extent are the key barriers and limiting factors associated with the EU accession process, i.e. how does the EU play a role in PAR?** *Totally 9.09%; To a large extent 27.27%; Somewhat 9.09%; Not so much 36.36%; Not at all 18.18%*
- 16. To what extent is there a wide consensus on the need to fulfil the objectives of the reform that relate to public administration?** *To a large extent 18.18%; Somewhat 36.36%; Not so much to 27.27%; Not at all 18.18%*
- 17. To what extent is the currently elected Government supported efforts towards PAR in terms of prioritizing the objectives of other government public policies?** *Totally 9.09%; To a large extent 9.09%; Somewhat 45.45%; Not so much 36.36%*
- 18. To what extent has the overall effectiveness of the central government been comprehensively enhanced by the implementation of the AP PAR 2015-2017 and the achieved results?** *Somewhat 72.73%; Not so much to 9.09%; Not at all 18.18%*
- 19. To what extent has the effectiveness of local government been comprehensively enhanced by the implementation of AP PAR 2015-2017 and the achieved results?** *Somewhat 36.36%; Not to the extent 45,45%; Not at all 18.18%*



- Problem with public finances and the way of financing JLS; for certain activities the central level of authority was late and local governments could not expect more; the political influence of local leaders is above all reform processes.
- 20. To what extent has concrete progress been made towards meeting the relevant accession criteria due to the implementation of AP PAR 2015-2017 and the results achieved?** *To a large extent 9.09%; Somewhat 72.73%; Not so much 18.18%.*
- 21. To what extent are there visible positive effects for citizens, as a result of the implementation of AP PAR 2015-2017?** *Somewhat 72.72%; Not so much to 18.18%; Not at all 9.09%*
- GAP and the obligation of the authorities to obtain data from official records ex officio; development of electronic services and services essential involvement of citizens and other stakeholders in the development of public services
- 22. To what extent have visible positive effects already exist on public administration institutions and civil servants at the central level, as a result of the implementation of AP PAR 2015-2017?** *Somewhat 54.55%; Not to the extent 45,45%;*
- Enhanced PPS as an institution; open data
- 23. To what extent are there visible positive effects on public administration institutions and civil servants at the local level as a result of the implementation of AP PAR 2015-2017?** *Somewhat 36.36%; Not so much 63.64%;*
- A harmonized, durable and sustainable system of professional development of employees in JLS has been established; open data and E-Government
- 24. To what extent are visible positive effects for public sector employees, such as schools and hospitals, as a result of the implementation of AP PAR 2015-2017?** *Somewhat 9.09%; Not so much 72.73%; Not at all 18.18%*
- 25. To what extent are there visible positive effects on the private sector, i.e. economy, as a result of the implementation of AP PAR 2015-2017?** *Somewhat 54.55%; Not to the extent 45,45%; Not at all 18.18%*
- 26. To what extent are there visible positive effects for civil society organizations (also in terms of the entry into force of the Law on the Planning System) and citizen participation as a result of the implementation of AP PAR 2015-2017?** *Somewhat 27.27%; Not so much 63.64%; Not at all 9.09%*
- The law was late with the adoption and still does not have full implementation; Introduce the mechanism of online satisfaction assessment by citizens and civil society institutions



**Survey questionnaire# 3: Assessment in accordance with specific objective 1 from AP PAR 2015-2017 / Improvement of organisational and functional sub-systems of public administration**

- Invited #20; Responses #5- 25%
- Type of institution / organization: Ministry 60%; Government Agency 20%; International multilateral organization 20%.

**1. To what extent is overall goal 1 of AP PAR 2015-2017: Improvement of organisational and functional sub-systems of public administration achieved? To a large extent 40%; Somewhat 40%; Not to the extent 20%**

- Amendments to the existing regulations, which will improve the system of local self-government in the Republic of Serbia (Law on Local Self-Government). The Law on Amendments to the Law on Financing of JLS was adopted. The Law on Employees in AP and JLS was adopted. Documented basis for the development of the Decentralization Strategy;
- Functional horizontal analyses have been made, certain strategic documents, introduced e-services have been adopted.

**2. Please indicate the key achievements achieved for this specific goal (SO) 1: Improving organisational and functional sub-systems of public administration?**

- Amendments to the regulations that will improve the system of local self-government in the Republic of Serbia (Law on Local Self-Government, Law on Communal Police). The Law on Amendments to the Law on Financing Local Self-Government was adopted; Law on Employees in AP and JLS; Documented basis for the development of the Decentralization Strategy prepared.
- Better coordination; Optimized number of civil servants; e government

**3. To what extent is the rationality and agreement of the overall structure of ministries and other bodies subordinated to the central level of state administration? Totally 40%; Somewhat 40%; Not at all 20%**

**To what extent is high public administration transparency in public policy creation? Totally 40%; Somewhat 40%; Not to the extent 20%**

- The central level has no mechanisms to ensure better compliance with ministries and organisational forms. There is no one from which it would be possible to monitor the changes in the organisational structure and the number of employees at all levels of government.

**4. Please provide unexpected positive changes, if any.**

- Success with E-Government with the commitment of a small number of employees.

**5. Please provide unexpected negative changes, if any.**

- Ignorance of state / public administration by civil servants, middle and senior management

**6. Please indicate the key factors responsible for the accomplished successes, or the appropriate actions of the specific actors / implementers.**

- Adoption of AP PAR 2015-2017; adequately allocated both financial and human resources for the implementation of planned activities; individuals; donor support.

**7. Please list the key limiting factors and obstacles for unachieved goals, or appropriate failures of specific actors / implementers.**

- Frequent changes in MPALSG, lack of technical personnel that would make operational decisions. All decisions are made at the highest level, leading to a slowdown in the reform process; lack of human and financial resources, complicated administrative procedures; politicization and non-professionalization of state and public services

**8. To what extent was this particular goal too ambitious for the planned implementation? Somewhat 60%; Not to the extent of 40% of the service**

**9. To what extent are the key barriers and limiting factors associated with the lack of financial resources for the implementation of the action plan? Somewhat 20%; Not to the extent of 40%; Not at all 40%**

**To what extent are the key barriers and limiting factors associated with the lack of staff and knowledge? Totally 20%; To a large extent 20%; Somewhat 60%**



- To what extent were the key barriers and limiting factors associated with a lack of institutional or organisational conditions?** *To a large extent 20%; Somewhat 40%; Not at all 40%*
- To what extent were the key constraints and limiting factors associated with the lack of adequate implementation management?** *Totally 20%; To a large extent 20%; Not so much 60%*
- To what extent were the key barriers and limiting factors associated with the lack of adequate coordination?** *To a large extent 40%; Not so much 60%*
- 10. To what extent is the process of simplifying administrative procedures successful?** *To a large extent 60%; Somewhat 40%*
- 11. To what extent is still "silence of administration" within the state or public administration?** *To a large extent 20%; Somewhat 40%; Not at all 40%*
- MPALSG has the highest openness index - 79.49 percent, which is more than all institutions of the countries in the region.
- 12. To what extent is the organisational and functional restructuring of the PI (SO 1 measure 1) implemented?** *To a large extent 40%; Not so much 60%*
- 13. To what extent has the number of bodies submitting reports to the Government of the Republic of Serbia, the Prime Minister or the National Assembly (SO 1 measure 1) increased?** *To a large extent 60%; Somewhat 40%*
- 14. To what extent has the decentralization and de-concentration of public administration tasks been improved (SO 1 measure 2)?** *To a large extent 40%; Somewhat 20%; Not to the extent 40%*
- 15. To what extent has the system of government policy management been improved in the domain of planning (SO 1 measure 3)?** *To a large extent 60%; Somewhat 40%*
- The Law on the Planning System adopted; The Strategy and AP of the regulatory reforms and improvement of the public policy management system for the period 2016-2020 were adopted; the creation of the Unified Information System has been completed except in terms of medium term planning module.
- 16. To what extent has the system of governance policy been improved by the state administration in the domain of implementation of the results-based management principles?** *To a large extent 60%; Somewhat 20%; Not at all 20%*
- In 2017, the third Action Plan for Implementation of the Government Program was adopted, the implementation of which is regularly reported on a monthly basis within the Implementation Groups.
- 17. To what extent has the system of policy management been improved by the state administration in the field of public policy analysis (SO 1 measure 3)?** *To a large extent 60%; Somewhat 20%; Not to the extent 20%*
- The Law on the Planning System foresaw the development of an Analysis of the Effects of the Policy Paper.
- 18. To what extent has the system of policy management been improved by the state administration in the domain of drafting public policy (SO 1 measure 3)?** *Totally 20%; To a large extent 40%; Somewhat 20%*
- Drafting of public policy documents is regulated by the Law on the Planning System.
- 19. To what extent has the system of policy management been improved by the state administration in the domain of adoption of public policies (SO 1 measure 3)?** *Totally 20%; To a large extent 40%; Somewhat 40%*
- 20. To what extent has the system of policy management been improved by the state administration in the domain of monitoring the results of public policies (SO 1 measure 3)?** *To a large extent 80%; Somewhat 20%*
- The Law on the Planning System stipulates that the state administration body shall report to the Government on the results of the implementation of the public policy document, or ex-post analysis of the effects of public policy.
- 21. To what extent has the system of governance policy been improved by the state administration in the domain of evaluation (evaluation), are there signs that the learning process takes place (SO 1 measure 3)?** *To a large extent 60%; Somewhat 20%; Not to the extent 20%*



- The Law on the Planning System stipulates that the process of evaluating the effects of public policies will be implemented through the process of reporting on the implementation of public policy documents.
- 22. To what extent has the system of governance policy been improved by the state administration in the field of coordination (SO 1 measure 3)?** *To a large extent 60%; Somewhat 20%; Not to the extent 20%*
- Within the framework of the implementation process and reporting on the degree of achievement of the objectives of the Action Plan for the implementation of the Government Program, a coordination mechanism at the operational level has been established.
- 23. To what extent has the system of governance policy been improved by the state administration in the domain of monitoring and application of monitoring to detect and correct bottlenecks of implementation (SO 1 measure 3)?** *To a large extent 60%; Not to the extent 40%*
- 24. To what extent have strong coordination mechanisms been established and to what extent has the coordinated development and operation of e-Government been enabled (SO 1 measure 4)?** *To a large extent 60%; somewhat 20%; Not to the extent 20%*
- 25. To what extent are the objectives and tasks for this particular goal transferred from AP PAR 2015-2017 to AP PAR 2018-2020?** *To a large extent 80%; Somewhat 20%*
- Within the AP PAR 2018-2020, activities are planned to continue the reform of local self-government started within the AP PAR 2015-2017



**Survey questionnaire # 4: Assessment in accordance with Special Objective 2 from AP PAR 2015-2017 /  
Establishing a coherent merit-based civil service system and improve human resources  
management**

- Invited #13; Responses #4 - 31%
- Type of institution / organization: Ministry 75%; Think Tank 25%

**1. In what extent, overall goal 2 of the AP PAR 2015-2017 has been achieved: Establishing a coherent merit-based civil service system and improve human resources management is achieved?**

*Somewhat 50%; Not to the extent 25%; Not at all 25%*

- Specific Objective 2 has not been achieved. This confirms both the Report on the implementation of the AP and the fact that the new AP for the period 2018-2020 contains a lot of measures and activities in this area that were missed in the previous period.

**2. Please indicate the key achievements for a specific objective (SO) 2: Establishing a civil service system and human resource management?**

- Amendments to the Civil Servants Act, implementation of the Policy Framework for Human Resource Management Policy and the Improvement of the Accountability System. A Roadmap for the implementation of the Policy Framework for Human Resources Management in the state administration of the Republic of Serbia was developed.
- Law on Employees in AP and JLS, Law on the Salary System of Public Sector Employees, Law on National Academy; A directory of jobs in the public sector and the Law on the salary system of public sector employees

**3. To what extent has a harmonized public administration system based on merit and improved personnel management been established? *Somewhat 50%; Not to the extent 25%; Not at all 25%***

**To what extent has the political and legal framework for a professional and coherent public service been established and implemented? *Somewhat 75%; Not at all 25%***

**To what extent does the institutional framework enable consistent human resource management practices across public services? *Somewhat 75%; Not so much 25%***

**To what extent is the system for rewarding civil servants fair and transparent and is applied in practice? *Somewhat 50%; Not much to 35%; Not at all 25%***

- The legal and strategic framework has been set up and can be said to be good. When it comes to the institutional framework, the establishment of the National Academy enters into a new phase, but this is only the first step. Therefore, in the coming period, it is very important to work on capacity building. Regarding other HRM futures, such as employment, rating, etc., it is expected that the adoption of a new legal framework will make some progress, but the application of new instruments will be a major challenge for governance.

**4. Please provide unexpected positive changes, if any.**

- There were none.

**5. Please provide unexpected negative changes, if any.**

- Instead of depoliticising the system, there has been an increase in the number of civil servants acting on the position; postponing reforms in this area.

**6. Please indicate the key factors responsible for the accomplished successes, or the appropriate actions of the specific actors / implementers.**

- Setting this issue high on the Government's priority agenda (MPALSG, EC, WB, IMF). Nevertheless, the impression is that this was mainly formal support, so that full support for reforms at the government level was absent; persistence, commitment and expertise of the promoters of activity

**7. Please list the key limiting factors that are due to unrealized objectives, or the relevant failures of specific actors / implementers.**

- Obviously very challenging and complex process (e.g. reform of the salary system in the process of fiscal consolidation and rationalization), and insufficient political support and only basic readiness to solve the problem of politicization, party employment, non-transparent procedures, etc.; Lack of cooperation by social partners; too big reform agenda

**8. To what extent was this specific objective (SO) too ambitious and inadequate for implementation?***Totally 25%; To a large extent 25%; Somewhat 50%*

- Deadlines were often ambitious.

**9. To what extent are the key barriers and limiting factors associated with the lack of financial resources for the implementation of the action plan?** *To a large extent 25%; Somewhat 25%; Not to the extent 25%; Not at all 25%***To what extent were obstacles and limiting factors associated with the lack of staff and knowledge?***Somewhat 50%; Not to the extent 50%***To what extent were obstacles and limiting factors associated with a lack of institutional or organisational conditions?** *To a large extent 25%; Somewhat 50%; Not so much 25%***To what extent were the key constraints and limiting factors associated with the lack of adequate implementation management?** *Somewhat 75%; Not so much 25%***To what extent are the key barriers and limiting factors associated with the lack of adequate coordination?** *To a large extent 25%; Somewhat 25%; Not to the extent 50%*

- Each of these items played a role, but the key reason for lack of success in this area is insufficient political support to the process.

**10. To what extent has a coordinated system of employment and rewarding in public administration been established (SO 2 measure 1)?** *Somewhat 25%; Not to the extent 25%; Not at all 50%***11. To what extent is the function of personnel management in the state administration improved (SO 2 measure 2)?** *Somewhat 25%; Not to the extent 50%; Not at all 25%*

- In addition to the preparation of the Policy Framework, there was no substantial change.

**12. To what extent have the basic HR functions been developed and coordinated for a wider public administration system (SO 2 measure 3)?** *Somewhat 50%; Not to the extent 50%*

- By adopting the Law on employees in the AP and JLS and through the project support provided by JLS for the implementation of the Law, the first but great step was made towards the establishment of a modern ULJR system at the local level. Still, until the system is established in the right way, there are still plenty of words. This also applies to the system of professional development and the formation of the National Academy.

**13. To what extent are the roles related to human resources management clearly defined between the Ministry of Public Administration and Local Self-Government and the Human Resources Management Service?** *Totally 50%; To a large extent 25%; Somewhat 25%***14. To what extent is the recruitment process simplified?** *To a large extent 25%; Not to the extent 25%;***15. To what extent do temporary posts in public administration fill in the principle of open competition?** *Somewhat 25%; Not to the extent 25%; Not at all 50%*

- Currently, the process is completely non-transparent and closed

**16. To what extent was the salary system reform implemented?** *Somewhat 25%; Not to the extent 25%; Not at all 50%*

- By adopting the umbrella law, a first step has been made, but with the adoption of special laws that actually regulate the systems, it is either too late or it is still late.

**17. To what extent are the objectives and tasks for this particular objective transferred to AP PAR 2018-2020?** *Totally 25%; To a large extent 50%; Somewhat 25%*

- Goals and tasks have largely remained the same, since the process is mostly just started, but not completed.



**Survey questionnaire # 5: Evaluation in accordance with specific objective 3 from AP PAR 2015-2017 / Improving public finance management and public procurement**

- Invited #12; Responses #6 - 50%
- Type of institution / organization: Ministry 33.33%; Independent state body 16.67%; Independent expert 16.67%; International Multilateral Organization 33.33%

**1. To what extent, in general, a special objective (SO) 3 from the AP PAR 2015-2017 has been achieved: Improving Public Finance Management and Public Procurement? To a large extent 16.67%; Somewhat 66.67%; Not so much 16.67%**

- The Public Financial Management Reform Program has been adopted, the Strategy for Development of Internal Financial Control in the Public Sector has been delayed with adoption, medium-term planning has improved, negotiating chapters 32 and 5 have been opened and the most important fiscal position of the Republic of Serbia has been improved. Somewhat, because it was late in editing capital projects, reporting on performance, improving the fiscal position is largely the result of fiscal consolidation measures, and temporary measures have prolonged for a longer period.

**2. Please indicate the key achievements for a specific objective (SO) 3: Improving Public Finance Management and Public Procurement?**

- Public Finance Reform Program; Improving the credibility of macroeconomic forecasts; Further implementation of multi-year program budgeting at all levels of government; improvement of the strategic and legislative framework for conducting financial control in the public sector; Improving regulations and procedures for public procurement; program budget; adoption of the PIFC Strategy

**3. Please provide unexpected positive changes, if any.**

- The issue of the reform of public finance management was first established in a systemic and comprehensive manner.

**4. Please provide unexpected negative changes, if any.**

- Frequent change of senior civil servants in institutions that need to implement and manage the implementation of AP

**5. Please list the key drivers and factors that are responsible for the accomplishments, or the appropriate actions of the specific actors / implementers.**

- Donor pressure and EU accession process; technical secretariat, working group and program management board; engaging a smaller number of dedicated civil servants; awareness of the fiscal position of the country

**6. Please list the key limiting factors that are due to unrealized objectives, or the relevant failures of specific actors / implementers.**

- Lack of political commitment; lack of funds in MF; lack of capacity in line ministries; failure to appoint senior civil servants in a merit-based system; the turnover of people in governing positions in the institutions that were supposed to implement the AP is unsatisfactory; resistance within the Ministry of Finance due to different prioritization

**7. To what extent was this particular goal too ambitious and inadequate for implementation? To a large extent 16.67%; Somewhat 33.33%; Not so much 33.33%; Not at all 16.67%**

**8. To what extent are the key barriers and limiting factors associated with the lack of financial resources for the implementation of the action plan? To a large extent 16.67%; Somewhat 33.33%; Not so much 33.33%; Not at all 16.67%**

**To what extent are the key barriers and limiting factors associated with the lack of staff and knowledge? Totally 16.67%; To a large extent 66.67%; Somewhat 16.67%**

**To what extent were the key barriers and limiting factors associated with a lack of institutional or organisational conditions? Totally 16.67%; To a large extent 16.67%; Somewhat 33.33%; Not so much 16.67%; Not at all 16.67%**

**To what extent were the key constraints and limiting factors associated with the lack of adequate implementation management? Totally 50%; To a large extent 16.67%; Somewhat 16.67%; Not so much 16.67%**





**To what extent are the key obstacles associated with the lack of adequate coordination? Totally 50%; To a large extent 16.67%, Somewhat 16.67%; Not at all 16.67%**

**9. Has the Public Finance Reform Program been prepared (SO 3 measure 1)? YES**

**10. To what extent has the process of planning and budget preparation been improved (SO 3 measure 2)?**  
*To a large extent 33.33%; Somewhat 33.33%; Not so much 33.33%*

- Improvement of MTBF, but otherwise nothing significant; the improvement is of a formal type, while the essence is ignored; only MoF greatly affects the impossibility of planning at lower levels

**11. To what extent does the National Assembly's Finance, Budget and Control Board have sufficient analytical capacities? Somewhat 33.33%; Not to the extent 33%; Not at all 33.33%**

**12. To what extent has the system of financial management and control of the use of public resources and internal audit (SO 3 measure 3) been improved? Somewhat 33.33%; Not to the extent 50%; Not at all 16.67%**

- The operational framework for financial management and control has been improved; otherwise nothing significant. A particular problem is the lack of the ability of the CHU to perform analytical work and collect data on which it can advise the Government on the necessary reforms. Also, there is a problem with the senior civil servants' responsibility - it will take many years for it to develop even if the government makes it a political priority tomorrow.

**13. To what extent has the functional budget enhancement been improved (SO 3 measure 4)? Somewhat 16.67%; Not to the extent 50%; Not at all 33.33%**

**14. To what extent has the public procurement system been improved (SO 3 measure 5)? To a large extent 16.67%; Somewhat 50%; Not so much 16.67%; Not at all 16.67%**

**15. To what extent is the regulatory framework for the public procurement system rounded up? To a large extent 50%; Somewhat 33.33%; Not at all 16.67%**

- SIGMA estimated it as 3/5 in the monitoring report for 2017. It was also stated that "the legal framework for public procurement (including concessions and public-private partnerships) is largely aligned, and provides adequate conditions for ensuring transparency and increasing value for money in public procurement.

**16. To what extent is the institutional framework for the public procurement system rounded up and / or sufficiently strengthened? To a large extent 33.33%; Somewhat 50%; Not at all 16.67%**

- As regards the SIGMA Principle 11 (There is a central institutional and administrative capacity for the development, implementation and monitoring of procurement policies effectively), SIGMA assessed it as 4/5. We also stated that "The institutional structure provides the basic elements necessary for a functional public procurement system. However, PPP functions are not clearly allocated, and the PPP Commission does not have the necessary resources and does not have a permanent staff." Public Procurement Development Strategy 2014-2018 as a real strategic framework for the long-term development of the procurement system.

**17. To what extent are the objectives and tasks for this particular objective transferred to AP PAR 2018-2020? Totally 16.67%; To a large extent 50%; Somewhat 33.33%**

- The public finance management reform program is no longer mentioned, and the revision of the Action Plan will not be made, with the plan to extend to 2021; part of the improvement of budget planning for JLS continues; nothing about capital projects is mentioned, possibly because it is mentioned in the PRJUJF, which makes me recommend that one should be considered when one document originates from the other (as PRJUJF from the SRJU) that it is necessary to specify which activities will be further elaborated; and for the part about financial management and control, the impression is that it has transferred goals and tasks.



**Survey questionnaire# 6: Assessment in accordance with Special Purpose 4 from AP PAR 2015-2017 / Increasing legal security, improving the business environment and the quality of public service provision**

- Invited #25; Responses #5 - 25%
- Type of institution / organization: Ministry 20%; Cabinet of the Prime Minister 20%; Academic institution 20%; Independent expert 20%; International Bilateral Organization 20%.

**1. To what extent, overall, a specific goal 4 of the AP PAR 2015-2017 has been achieved: Increasing legal security, improving the business environment and the quality of public service provision? To a large extent 20%; Somewhat 80%**

- In the field of the planning system, a legal framework is in the form of the Planning System Law that regulates the procedures for planning, creating and monitoring public policy documents, and for the first time this process is rounded up. The legislative procedure remains at the same level as 2013 in the sense that the provisions of the Law on State Administration have only slightly changed so as to introduce mandatory consultations in the process of adopting regulations, while the Government's Rules of Procedure remained unchanged. Additionally, the adoption of the Law on the Planning System by the adoption of the Law on the Planning System strengthened and thus imposed additional admin duties on the employees themselves, and there is a concern that it will not provide the results that have been designed.

**2. Please indicate key achievements related to a specific objective (SO) 4: Increasing legal security, improving the business environment and the quality of public service delivery?**

- Reform of inspection supervision; reducing the load in the process of issuing construction permits; Reducing the administrative burden in the area of labour relations; official records that bodies collect instead of citizens; digitization; relieving second-tier decision-making bodies.

**3. To what extent is there a policy for providing citizen-oriented services? To a large extent 40%; Somewhat 40%; Not to the extent 20%**

- The Republican level of government has worked a lot on the legal arrangement of administrative procedures, but it is impossible to provide the same at the level of JLS in an efficient way. JLS are burdened with the competencies imposed by the republic, and the capacities are such that they hardly achieve the existing services to provide in any way, let alone effective. In that sense, the impression is that those closest to the citizens do not have the support they need.

- Advisory services of inspectors, preventive action

**4. To what extent does the legal framework for good governance apply and apply? To a large extent 60%; Somewhat 40%**

- The problem is in use. The legal framework relating to performance criteria of institutions and individuals, as well as salaries of civil servants should be changed in a way that encourages citizens and the economy to be oriented towards achieving and preserving social values.

**5. To what extent does the policy-making process use analytical instruments in the best possible way? To a large extent 20%; Somewhat 60%; Not to the extent 20%**

- The policy-making process was to follow the process of creating regulations, and applying these standards to regulate the process of creating strategies, AP(s), programs, etc. On the other hand, the administration has shown empirical (since 2005, the RIA is used) that it is not able to use advanced analytical instruments, and the scope of analytics is dependent, above all, on whether the policy-making process is supported by a donor who is able to provide technical assistance

**6. Please provide unexpected positive changes, if any.**

- A large number of business entities reported their employees and registered their operations according to the APR records; digitization.

**7. Please provide unexpected negative changes, if any.**

- Discharge of staff due to the inability to work in an adequate manner; rationalization.

**8. Please indicate the key drivers and factors that are responsible for the accomplished successes, or the appropriate actions of specific actors / implementers.**



- Political; individuals in the state administration who are willing to learn and change; e-systems that standardize procedures and make them transparent; Training of inspectors; media pressure.
- 9. Please list the key limiting factors that are due to unrealized objectives, or the relevant failures of specific actors / implementers.**
- The management of state administration bodies at the centre of the Government (General Secretariat , Secretariat for Legislation, PPS, etc.) has no capacity to manage reforms effectively; lack of consistency in policy creation and implementation, lack of coordination; insufficient funding for better staffing and technical equipment inspections; The most expensive is the cheap administration.
- 10. To what extent was this specific objective (SO) too ambitious and inadequate for implementation?**  
*Somewhat 40%; Not to the extent of 40%; Not at all 20%*
- 11. To what extent are the key barriers and limiting factors associated with the lack of financial resources for the implementation of the action plan?** *Somewhat 40%; Not so much 60%*
- To what extent are the key barriers and limiting factors associated with the lack of staff and knowledge?**  
*To a large extent 60%; Somewhat 40%*
- To what extent were the key barriers and limiting factors associated with a lack of institutional or organisational conditions?** *To a large extent 40%; Somewhat 40%; Not to the extent 20%*
- To what extent were the key constraints and limiting factors associated with the lack of adequate implementation management?** *Totally 20%; to a large extent 40%; Somewhat 40%*
- To what extent are the key barriers and limiting factors associated with the lack of adequate coordination?** *To a large extent 60%; Not to the extent 40%*
- 12. To what extent has the legislative process been improved as part of a wider public policy management system within the state administration (SO 4 measure 1)?** *To a large extent 40%; Somewhat 20%; Not to the extent 40%*
- Great progress has once made the extension of the public discussion and the commitment of the AEP. Nevertheless, with a broad interpretation of the possibilities for urgent adoption of regulations, both of these things are largely out of the question
- 13. To what extent has the administrative procedures and the work and conduct of the state administration bodies and bodies and organizations of the JU been improved in deciding on the rights, obligations and legal interests of members of the general public and other individuals in accordance with the principles of good governance (SO 4 measure 2)?** *To a large extent 40%; Somewhat 60%*
- There is a feeling of improvement and change in the way in which the state administration operates. It is necessary to continue with the consistent application of the legal framework and give incentives to those who truly understand and apply the principles of good governance.
- 14. To what extent are the reforms of the inspection supervision and the efforts to ensure greater protection of the public interest while reducing the administrative costs of inspection supervision and increasing legal certainty for those who are subject to inspection and inspectors (SO 4 measure 3)?** *To a large extent 100%*
- I would only like to point out that the reform did not largely address the situation with local inspections, and the impact is much higher for legal entities than for citizens; The Law on Inspection Control is a major step forward in the reform.
- 15. To what extent have introduced and promoted mechanisms that ensure the quality of service delivery (SO 4 Measure 4)?** *To a large extent 40%; Somewhat 40%; Not to the extent 20%*
- Good guidance with connecting services to citizens and digitization, but there are certain preconditions for setting up registers that still need to be arranged or established.
- 16. To what extent are the objectives and tasks for this particular objective transferred to AP PAR 2018-2020?** *To a large extent 40%; Somewhat 60%*



**Survey questionnaire #7: Assessment in accordance with the specific objective 5 from AP PAR 2015-2017 / Increase of citizen participation and responsibility of public administration**

- Invited #20; Responses#8 - 40%
- Type of institution / organization: Government Agency 12.50%; Independent state body 50%; Civil society organization 25%; International Multilateral Organization 12.50%.

**1. To what extent, in general, a specific goal 5 of the AP PAR 2015-2017 has been achieved: Increasing citizen participation and accountability of the public administration? To a large extent 12.50%; Somewhat 50%; Not to the extent 37,50%;**

- The involvement of civil society in the creation of public policies in practice is more an exception than a rule; the degree of consultation with civil society remains largely formal, as a rule they do not affect decision-makers and serve mainly to meet basic standards; When it comes to accessing information of public importance, the results of the application of laws often fall short in practice.
- The only specific goal where the percentage of implemented activities is less than 50%.

**2. Please indicate key achievements related to a specific objective (SO) 5: Increasing citizen participation and public administration responsibilities?**

- The Law on the Protection of the Accuser and the accompanying bylaws have been adopted, which created a legal framework for the protection of persons reporting corruption; More participatory process of drafting the Second Partnership Action Plan for Open Administration; civil budget; an improved legal framework for citizen participation in policy making and policy-making at all levels of government.

**3. To what extent is the system of integrity and the fight against corruption in public services implemented and applied in practice? To a large extent 12.50%; Somewhat 50%; Not so much to 12.50%; Not at all 25%**

**To what extent has the transparency of policy creation within the state administration been increased? Somewhat 37,50%; Not to the extent 62.50%**

**To what extent have mechanisms been established to ensure effective mutual control of various branches of government, as well as control over public organizations? To a large extent 25%; Somewhat 25%; Not to the extent 37,50; Not at all 12.50%**

- Mechanisms are established, but even when they are good, they are not applied; There is a growing centralization of power in the hands of the executive; Regarding transparency, we are still waiting to see the effects of the Law on the Planning System; Ministries do not involve citizens in policy-making (especially when it comes to laws); from the outset, no suggestions and suggestions are ever gathered when creating the basics (when the document is at the level of the concept) for drafting a general act; Regarding the effective interaction between the branches of government, it is necessary to ensure and ensure the independence of the judiciary as well as to improve the controlling function of the National Assembly.

**4. Please provide unexpected positive changes, if any.**

- Open data (not foreseen by AP for 2015-17); Partial progress in public involvement in regulatory and policy making during the implementation of AP PAR 2015-2017; Public administration employees have gained knowledge of integrity plans as a mechanism for preventing corruption

**5. - Please provide unexpected negative changes, if any.**

- Every election process unnecessarily slows down the work of the state administration, and by passing a new law on ministries after the elections, it loses continuity in the work and implementation of public policies; the collapse of the right to access information of public importance through draft amendments to the Law on Free Access to Information of Public Importance; public administration reform looks completely separate from the rule of law in public statements by top state officials; Simulation of the dialogue between government and civil society through the introduction of GONGO (governmental non-governmental organizations) in order to give legitimacy to certain solutions imposed by the Government and for which there is criticism by the professional public or the EU-oriented part of the civil society.

**6. Please list the key driving factors behind the accomplishments, or the appropriate actions of the specific actors / implementers.**



- Individuals in the state administration who do their job responsibly and professionally; civil society is the main reason for some shifts and positive changes; initiatives conducted through the Delivery Unit; orientation towards digitization; a process of European integration that recognizes the reform of public administration of the administration as one of the three key pillars in the process of accession of the Republic of Serbia to the European Union

**7. Please list the key limiting factors that are due to unrealized objectives, or the relevant failures of specific actors / implementers.**

- Elections; resistance to change within the public administration itself; Party influence on public administration work through party recruitment and control of employees through sudden election cycles, as well as extremely weak capacities and knowledge, but also frequent change of priorities (OGP); shortcomings of coordination; reducing the number of employees; lack of knowledge.

**8. To what extent was this specific objective (SO) too ambitious and inadequate for implementation?**

*Somewhat 25%; Not so much 75%*

**9. To what extent are the key barriers and limiting factors associated with the lack of financial resources for the implementation of the action plan? To a large extent 25%; Not to the extent 62.50%; Not at all 12.50%**

**To what extent are the key barriers and limiting factors associated with the lack of staff and knowledge?**

*Totally 12.50%; To a large extent 37.50%; Somewhat 50%;*

**To what extent are the key barriers and limiting factors associated with the lack of institutional or organisational conditions? To a large extent 50%; Somewhere 50%**

**To what extent are the key barriers and limiting factors associated with the lack of adequate implementation management? Totally 12.50%; To a large extent 62.50%; Somewhat 12.50%; Not so much to 12.50%**

**To what extent are the key barriers and limiting factors associated with the lack of adequate coordination, both internal and external? To a large extent 62.50%; Somewhat 37,50%.**

- When it comes to implementation barriers, I think the problem is internal coordination that is lacking or inadequate. External coordination was satisfactory.

**10. To what extent have the conditions for public participation in the work of the public administration improved, with the increased availability of information on the work of public administration and public finances (SO 5 measures 1)? To a large extent 12.50%; Somewhat 37,50%; Not to the extent 37,50%; Not at all 12.50%**

- There is no dominant opinion in the administration that it is a citizen service, and so long as the administration does not consider it to be its duty to charge bills for its work to the public; the state administration does not show the essential political will to accept the influence of citizens or CSOs on their work.

**11. To what extent does the state and public administration proactively distribute information about their work to the public? To a large extent 12.50%; Somewhat 37,50%; Not to the extent 37,50%; Not at all 12.50%**

- Transparency and openness of the administrative bodies are evidently different from the authorities to the authorities, although they are all subject to the same regulations that regulate this area. It is necessary to further sensitize the authorities to proactively publish information about their work.

**12. To what extent have the standards of integrity and ethical standards for employees in the PI been strengthened, and corruption is reduced by strengthening the preventive mechanisms (SO 5 dimension 2)? To a large extent 12.50%; Somewhat 37,50%; Not to the extent 37,50%; Not at all 12.50%**

- Mechanisms exist, they need to improve, but application is not everywhere uniform, there is a big difference in the application between the public administration institutions themselves. Essentially, no one seriously deals with this issue and there is no effective control system; No new Anti-Corruption Agency Law was adopted, which should lay the foundations for progress in this area.

**13. To what extent are the mechanisms of external and internal control of public administration strengthened (SO 5 measure 3)? Somewhat 37,50%; Not to the extent 62.50%**



- Financial management and control has not been established in all institutions, there are no internal auditors, the recommendations of the Commissioner and the Ombudsman do not apply, the number of administrative inspectors is insufficient to control the work, and quality management is not introduced.

**14. To what extent are the objectives and tasks for this particular objective transferred to AP PAR 2018-2020? To a large extent 50%; Somewhere 37,50; Not so much to 12.50%**

- The current AP has provided qualitatively different measures that can make a substantial step forward.



### Survey questionnaire #8: Assessment of design and relevance AP PAR 2018-2020

- Invited #25; Responses#7 - 28%
- Type of institution / organization: Ministry 14,29%; Independent state body 14,29%; Civil society organization 28.57%; Think-tank 28.57%; Business Association 14.29%

**1. To what extent are the specific objectives defined in AP PAR 2018-2020 relevant to the priority needs for PAR? Totally 14.29%; To a large extent 42,86%; Somewhat 42.86%**

- The schedule of objectives and associated measures is structured so that it is possible to perform parallel monitoring according to the SIGMA principles of good governance. The relevance of the objectives is also reflected in the individual needs of line ministries and institutions at all levels of government, whose identification preceded the formulation of the first set of goals 2015-2017 and the dormant and auditing for 2018-2020

**2. To what extent are the priorities and measures defined in AP PAR 2018-2020 given priority? To a large extent 28.57%; Somewhat 71,43%**

- One example is the fact that funding, i.e. support for achieving the goals of the AP PAR in the case of the EU and other development partners, is realized thanks to the existence of one roof structured document in the field of public administration; based on the perception of objectives and measures does not gain the impression of giving priority, the realization of it will only show if priorities are given

**3. To what extent are the objectives and indicators in AP PAR 2018-2020 SMART, i.e. specific, measurable, achievable, relevant and time-bound? To a large extent 14,29%; Somewhat 85.71%**

- Progress is visible, with the need to develop awareness of outcomes, and not just results (what the result means - the law is passed, if it is not clear what is achieved with it, especially if it does not apply); some are more SMART, some are not.

**4. To what extent were the tools "change theory (logical model)" and "result" from the perspective of planning and management based on results, when drafting the AP PAR 2018-2020? To a large extent 28.57%; Somewhat 71,43%**

- AP PAR incorporates the appropriate structure with the hierarchy of the objectives of the measures and activities. Certain methodological changes were applied in relation to AP PAR 2015-2017 by eliminating the level of results from the structure in order to simplify the general framework of monitoring and implementation, which probably fits into the logical model or theory of change

**5. To what extent are the planned activities distributed evenly and rationally during the period of AP PAR 2018-2020? To a large extent 14,59%; Somewhat 42.86%; Not to the extent 42, 86%**

- In the planning and scheduling of activities, it was taken into account that they are timely logical, on the one hand, to ensure the continuity of the reforms, and on the other hand to be feasible with regard to the available and / or planned assets

**6. To what extent is PAR 2018-2020 adequately positioned by its contents in relation to the "older" public policy documents such as the Government Work Plan, the Action Plan for the implementation of the Government's program, the budget and mid-term planning documents, and the National Program for the Adoption of the Acquis? To a large extent 42,86%; Somewhat 42.86%; Not at all 14,29%**

- AP PAR 2018-2020 is well integrated, and above all because it is similar to a team of people from relevant institutions involved in the consulting and development of various planning documents. In addition, AP PAR 2015-2017 was prepared at the same time as the first AP(s) PV and at the time when the relevant ministries began with the mandatory implementation of program budgeting, so that the logic of fitting goals and indicators from different documents was well "timed"; Recommendation that the activities already found in other strategic documents are linked to these documents

- This AP is largely in line with the National Program for the Adoption of the EU Acquis, having in mind the degree of adoption of the SIGMA principle in the PAR in Serbia.

- Strategic and planning documents are generally not well connected, although it can be said that during the preparation of the AP MDULS, it tried to take care of it. Thus, at the beginning of the process, they prepared a review of relevant documents and links with public administration reform.



**7. To what extent is there coherence between AP PAR 2018-2020 and other planned (sectoral) PAR documents that are partly included in this AP?** *To a large extent 71.43%; Somewhat 28.57%;*

**8. What is your view of the hierarchy between AP PAR 2018-2020 and other planned (sectoral) PAR documents that are partly included in this AP?**

- It is clear that the Action Plan is almost an umbrella document in the reform of public administration, but there is no clear link with other documents, whether they are planned or legal; the hierarchy is adequately set up and that specific planning documents from the domains of the high-ranking system, public finances or E-Government should remain under the "roof" of the AP PAR with independent elaboration.

**9. In the light of the previous question, do you think there is a conflict between the competencies of the institutions and how to solve it?**

- Has. It is best to be resolved through joint work and through the regular adoption of the annual work plan of the Government, monitoring and reporting thereof; it is possible that some topics will be opened with regard to the new planning system that needs to be fully operational in practice; solution only with adequate coordination at the inter-ministerial level; unconditional support and cooperation of other ministries and other bodies with MDULS. Often, PAR was viewed as a matter of MDULS only.

- No, and it is resolved at the level of institutions (ministries), according to their scope, or at the level of the Government

**10. To what extent do you think different time periods of different PAR planning documents and their indicators are an obstacle for successful monitoring and coordination of AP PAR, i.e. its effectiveness?** *High 14.29%; Medium 71.43; Low 14.29%*

- Ideally, the uniform indicators will be used and transferred from document to document for similar / same goals, and that the periods of their reporting will be fully synchronized, but in practice this is not the case; the greater the problem of monitoring is the measure in which the document is envisaged and the co-financing of both organ and organ

**11. To what extent AP PAR 2018-2020 represents an improvement over the AP PAR 2015-2017 in terms of design quality?** *To a large extent 28.57%; Somewhat 42.86; Not to the extent that 28.57%*

- Simplification and thus better transparency, was achieved by eliminating the level of results; design and language more comprehensible, concepts harmonized with EU terminology.

**12. To what extent would AP PAR 2018-2020 be promoted, in terms of quality, coverage, SMART properties, priorities, relevance in other aspects?** *To a large extent 42,86%; Somewhat 57.14%;*

- This is only after the first reporting cycle.

- It could be in an electronically more modern format that would be accessible and customized for data processing. Likewise, this document requires an adequate PR and communication tool to make citizens more informed; estimation of financial resources, better definition of deadlines, more precisely determined indicators, etc.

**13. To what extent is PAR 2018-2020 intensely reform oriented?** *To a large extent 57.14%; Somewhat 42.86%*

**14. To what extent does AP PAR 2018-2020 adequately relate to the new Planning System Law, without further need for harmonization and harmonization?** *Totally 14.29%; To a large extent 14,29%; Somewhat 71,43%*

**15. Do all AP PAR stakeholders have the capacity to implement the necessary changes? Is there a plan for alignment with the new Planning System Law?** *To a large extent 14,29%; Somewhere 57.14%; Not so much 14,29; Not at all 14,29%*

- There is not enough people; insufficient participation of the public (and informing citizens) of the capacity of CSOs to be equal participants in the PAR, as well as continuous improvement of capacities of MDULS as the carrier of the reform process.

**15. To what extent do the objectives of AP PAR 2018-2020 correspond to the capacities of actors under the jurisdiction of AP implementation?** *To a large extent 28.57%; Somewhat 42.86%; Not so much to 14.29%; Not at all 14,29%*





- Reduce overlapping of jobs and limit competencies and increase the number of employees through public tenders; a resolute problem in terms of applying procedures for motivating and retaining personnel, but this (public) staff retention policy has been postponed for some time, which is likely to follow before entering the EU once it is no longer possible to postpone it.
- The objectives are in line with the current capacity to implement the reform, the question remains whether it will remain so by 2020.

**16. To what extent was the wide range of different actors (state administration, central and local level, expert groups, CSOs, EU, academia and the private sector) participated in the drafting of PAR 2018-2020? Totally 14.29%; To a large extent 57.14%; Somewhat 28.57%**

- There is progress, having in mind the process of consulting, drafting, the process of adopting priorities, as well as from the aspect of participation of actors at the local level (CSOs and LSGs)
- No progress was made, since the process of AP PAR 2015-2017 was also very inclusive.



**Survey questionnaire# 9: Reporting and coordination in relation to the action plans for the implementation of the Public Administration Reform Strategy**

- Invited #12; Responses#5 - 42%
- Type of institution / organization: Ministry 40%; Government Agency 20%; International multilateral organization 40%.

1. **To what extent was the timeliness of the implementation of the measures from the AP PAR 2015-2017 equal to five specific objectives?** *To a large extent 20%; Not so much 60%; Not at all 20%*
2. **To what extent has the fragmented nature of the PAR framework represented a challenge for quality co-ordination, monitoring, and reporting, as well as for the implementation of AP PAR 2015-2017?** *To a large extent 60%; Not to the extent 40%*
3. **To what extent did the communication / contact with the public ensure that the results of the reform of the SE (its achievements and influence) are seen on the internal and external level?** *To a large extent 20%; Somewhat 40%; Not to the extent 20%; Not at all 20%*
4. **To what extent is the implementation of AP PAR activities coordinated, monitored and effectively reported within a comprehensive monitoring and control system?** *To a large extent 20%; Somewhat 80%*
5. **To what extent has the AP SA been adequately responded to reporting delays so that the barriers are removed?** *To a large extent 20%; Somewhat 40%; Not to the extent 40%*
6. **To what extent were the existing resources and mechanisms to overcome delays enough?** *Somewhat 20%; Not so much 60%; Not at all 20%.*
7. **What were the key barriers to effectively overcome the delays?**
  - Lack of resources and proper attention of decision-makers at the political level
  - Lack of data, shifting of deadlines due to the adoption of new strategic documents, too ambitious scheduling of the deadlines, duration and scope of consultations, lack of human capacities
  - Non-public administration, risk management, non-professionalism
  - Lack of management and project thinking
8. **What were the key existing and used capacities / activities / mechanisms for the effective overcoming of delays?**
  - External consultants, a system for PAR coordination and management established
  - Professional civil servants
9. **To what extent did the actors cooperate in the efforts to effectively overcome the delay?** *To a large extent 40%; Somewhat 40%; Not to the extent 20%*
10. **To what extent is the institutional and organisational structure appropriate / effective for the management of PAR implementation?** *To a large extent 20%; Somewhat 60%; Not to the extent 20%*
11. **To what extent there are effective specific management and control mechanisms for implementation management, including the risk control function?** *Somewhat 40%; Not to the extent of 40%; Not at all 20%*
12. **To what extent has the inter-ministerial group been effectively established and effectively functioning in terms of coordinating, monitoring and proposing corrective measures for the AP PAR?** *To a large extent 20%; Somewhat 40%; Not to the extent 20%; Not at all 20%*
13. **To what extent has the PAR Council been effectively established and effectively functioning in terms of coordinating, monitoring and proposing corrective measures for AP PAR?** *To a large extent 20%; Somewhat 40%; Not to the extent 20%; Not at all 20%*
14. **To what extent has the cooperation with the EU Delegation effectively influenced the implementation, coordination, monitoring, proposing and execution of corrective measures under the AP PAR?** *To a large extent 20%; Somewhat 60%; Not at all 20%*
15. **To what extent has there been an increase in the coordination, monitoring, reporting and evaluation capacity of the implementer of measures from the five specific objectives of the AP PAR?** *Somewhat 60%; Not to the extent 20%; Not at all 20%*



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**16. To what extent was the budget appropriate, having in mind the scope of the coordination, monitoring, reporting and evaluation tasks that were planned and executed? *To a large extent 20%; Somewhat 60%; Not at all 20%***



### Survey questionnaire#10: Perceptions of capacity for implementation of AP PAR

- Invited #16; Responses #10 - 62%
- Type of institution / organization: Ministry 40%; Government Agency 40%; Independent state body 20%.

**1. In your opinion, what is the level of delay in the implementation of activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged?**

*There was no delay of 10%; Less significant delays of 40%; Significant delays of 30%; Very Significant Delays 20%*

- The implementation of measures and activities related to Goal 2 from the AP for 2015-2017 was delayed.

**2. What, in your opinion, are the main reasons for the delay, if any, of the implementation of activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged?**

Frequency of elections; Reallocation of competencies after the election; Lack of support from the political level; Resistance to changes within public or state administration; Insufficient financial resources; Insufficient human resources; Slowdown of reforms due to the process of fiscal consolidation; Non-implementation of expected legislation and / or postponement of its implementation; Lack of responsibility in enforcement places; Poor planning; Lack of capacity to manage and coordinate; Insufficient communication of public administration reform, both inside and outside the public administration; Reforms and changes require time (too ambitious)

**3. In your opinion, the level of capacity (staffing (number, training, distribution), financial, organizational, etc.) existed, i.e. exists for the successful implementation of activities from AP PAR or its part, in which you are employed, or hired?**

*AP PAR 2015-2017 High 10%; Good 50%; Low 40%*

*AP PAR 2018-2020 High 10%; Good 50%; Low 40%*

**4. If your answer to the previous question is "low" or "very low":**

- Insufficient human resources but needed and training; Insufficient human resources, but also need new distribution; Lack of capacity (training) for successful management, communication and coordination

**5. To what extent, in your opinion, is the number of persons employed and engaged is sufficient for successful implementation of the activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged?**

*AP PAR 2015-2017 High 10%; Enough 50%; Low 20%; Very low 10%*

*AP PAR 2018-2020 High 10%; Enough 50%; Low 20%; Very low 10%*

**6. The total number of employees and engaged in your institution. N/A**

**7. In your opinion, the level of human resource capacity, in terms of employee training for the given jobs, existed for the implementation of activities from AP PAR are within the competence of the institution, or its part, in which you are employed, engaged?**

*AP PAR 2015-2017 Very high 10%; High 20%; A good 60%; Low 10%*

*AP PAR 2018-2020 High 30%; Good 60%; Low 10%*

**8. In your opinion, the level of adequacy of previous training, in terms of adequate training of employees for the given tasks in terms of implementation of activities from AP PAR that are within the competence of the institution, or its part, in which you are employed, engaged?**

*AP PAR 2015-2017 High 25%; Good 75%;*

*AP PAR 2018-2020 High 30%; Enough 62.50%; Low 12.50%*

**9. In your opinion, the level of human resource capacity, in terms of efficient distribution of trained people in real business, existed during the implementation of activities from AP PAR that are within the competence of the institution, or its part, in which you are employed, or hired?**

*AP PAR 2015-2017 Very high 10%; High 10%; Good 50%; Low 30%*

*AP PAR 2018-2020 High 10%; Enough 70%; Low 20%*



**10. To what extent, in your opinion, the financial procedures (Costing) were adequate and realistic and enabled the successful implementation of activities from the AP PAR that are within the competence of the institution, or its part, where are you employed or engaged?**

AP PAR 2015-2017 budget funds *Real 60%; Average real 20%; They were not realistic 20%*

AP PAR 2015-2017 Donor Funds *Real 70%; Medium real 30%;*

AP PAR 2018-2020 budget funds *Real 60%; Medium real 40%;*

AP PAR 2018-2020 donation funds *Real 80%; Average real 20%;*

- Lack of financial resources primarily, i.e., uninsured funds for the procurement of a new IS to support all processes of human resources management in the state administration. The new IS is one of the assumptions that all reform measures and activities are fully implemented
- AP PAR 2018-2020 With the help of the consultants, with the help of the consultants, the maximum efforts were made to make the funds as realistic as possible with the help of a unique methodology, however, cooperation with the ministry responsible for finance and cooperation with the ministry responsible for European integration affairs with which was made unique methodology of average costs used to create negotiating positions, and later PFE forms.

**11. To what extent, in your opinion, financial procedures, that is, budgeting (from budget or donations) were timely for successful implementation of activities from AP PAR that are within the competence of the institution, or its part, in which you are employed, or hired?**

AP PAR 2015-2017 budget funds *Timely 50%; Somewhat timely 30%; Untimely 20%*

AP PAR 2015-2017 donor funds *Timely 50%; Somewhat timely 50%;*

AP PAR 2018-2020 budget funds *Timely 50%; Somewhat timely 40%; Untimely 10%*

AP PAR 2018-2020 Donor funds *Timely 50%; Somewhat timely 50%;*

**12. To what extent do you think there are adequate instruments and mechanisms for managing risks related to avoiding delay or accelerating the successful implementation of activities from AP PAR that are within the competence of the institution, or its part, in which you employees, or hired?**

AP PAR 2015-2017 *Large 10%; Enough 50%; Low 40%*

AP PAR 2018-2020 *Large 10%; Enough 60%; Low 30%*

**13. To what extent do you think that there are normative barriers to the successful implementation of activities from the AP PAR (in the sense that a certain legal or sub-legal act and / or its implementation are awaiting) that are within the competence of the institution, or of her work, in which you are employed, or hired?**

AP PAR 2015-2017 *Very large 10%; Large 10%; Sufficient 20%; Low 60%*

AP PAR 2018-2020 *Enough 40%; Low 60%*

**14. To what extent do you think there are institutional and / or organisational barriers (in the sense that the existing body or process does not perform or is prevented from successfully performing its task) for the successful implementation of activities from AP PAR in the jurisdiction of the institution, or its part, in which you are employed or engaged?**

AP PAR 2015-2017 *Very large 10%; Great 30%; Enough 10%; Low 50%*

AP PAR 2018-2020 *Very large 10%; Great 20%; Sufficient 20%; Low 50%*

**15. To what extent, in your opinion, there is support from the political level (in terms of information, interests, prioritization, etc.) for the successful implementation of activities from the AP PAR that are within the competence of the institution, or its part, to whom you are employed, or hired**

AP PAR 2015-2017 *Large 20%; Enough 60%; Low 20%*

AP PAR 2018-2020 *Very large 10%; Great 30%; Enough 50%; Low 10%*

**16. To what extent do you think that in your institution there are conditions (employees, procedures, tools, etc.) for successful implementation of coordination, monitoring, reporting and evaluation of activities from AP PAR that are within the competence of the institution, or its part, in which you are employed, or hired?**

AP PAR 2015-2017 *Large 30%; Sufficient 30%; Low 40%*

AP PAR 2018-2020 *Large 30%; A sufficient 40%; Low 30%*

**17. If your answer to the previous question is "low" or "very low":**



- Insufficient human resources for coordination; Insufficient human resources for monitoring; Insufficient human resources for reporting; Insufficient human resources for evaluation; Lack tools for tools like software;

**18. To what extent, in your opinion, in your institution there is a phenomenon of frequent departure or arrival of new employees in relation to the implementation of the activities from the AP PAR that are within the competence of the institution, or its part, in which you employees, or hired?**

**AP PAR 2015-2017** *Very large 10%; Big 40%; Low 50%*

**AP PAR 2018-2020** *Very large 10%; Big 40%; Enough 10%; Low 40%*

**19. How many new employees have been engaged or engaged over the past 24 months, and in relation to the implementation of activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged? N/A**

**20. How many have those who have left work or engagement during the past 24 months and that they were working on the implementation of activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged? N/A**

**21. To what extent, in your opinion, your institution already has new tools-processes-plans, etc. necessary for stronger monitoring and the provision of possible corrections in the implementation of activities from the AP PAR that are within the competence of the institution, or its part, in which you are employed or engaged?**

**AP PAR 2018-2020** *Large 20%; Sufficient 70%; Very low 10%*

- As indicated activities related to the SAI dependence on the executive, and in the case of proposals for amendments to the laws on the SAI and legislative authorities, and as far as the activities directly related to acting within the SAI are concerned, there are new plans

**22. In your opinion, what is the level of preparedness in your institution for the implementation of the Planning System Law, in terms of a provision for all public or state institutions to apply the prescribed mechanisms and procedures for monitoring (monitoring) and evaluation?**

**AP PAR 2018-2020** *High 20%; Timely 70%; Low 10%*

**23. To what extent are there any visible positive effects on public administration institutions and civil servants at the central level as a result of the implementation of AP PAR 2015-2017? Great 20%; Enough 60%; Low 10%; Very low 10%**

**Annex 14. The AP PAR 2015-2017 final financial balance sheet reconstructed**

Measures (19) AP 2015-2017 <sup>v.4</sup>	Additional resources	
	Planned	Spent
<b>SO1: Improvement of Organisational and Functional Public Administration Subsystems</b>		
1.1. Implementation of organisational and functional restructuring of PA until 2017 of factually based measures suitability of institutions, number of employees, work processes and organisational structures with the creation of	4.902.460	14.100.000
1.2. Improvement of decentralization and deconcentration tasks of Public Administration by improvement of ana	3.581.968	<b>194.790</b>
1.3. Improvement of the system for management of public policies of the Government (planning, analysis, creatio coordination) by establishment of legal and institutional framework for integrated strategic management until the work plans aligned with strategic priorities of the Government and with the program budget	3.150.400	12.191.191
1.4. Establishment of strong coordination mechanisms which shall enable the harmonious development and oper framework, procedures for development of E-Government	4.112.918	N/A <sup>250</sup>
<b>SO 1 total planed vs. spent EUR:</b>	<b>15.747.746</b>	<b>26.485.981</b>
<b>SO2: Establishing a Coordinated Public-Service System Based on Merits and Promotion of Human Resource Management</b>		
2.1. Establishment of coordinated system of work relations and wages in public administration on the basis of tra	204.690	92.157
2.2. Improvement of the function of human resource management in state administration until the end of 2017 w tools and strengthening of the HRM capacities	1.206.262	3.500.000
2.3. Development and coordination of basic HRM functions for a broader system of PA by the end of 2017 of the s the employees in PA	3.811.138	2.004.321
<b>SO 2 total planed vs. spent EUR:</b>	<b>5.222.090</b>	<b>5.596.478</b>
<b>SO3: Improvement of Public Finances and Procurement Management</b>		
3.1. Preparation of the Public Finances Reform Program	177.606	Not reported additional expenditures
3.2. Improvement of Budget Planning and Preparation Process	500.000	N/A <sup>251</sup>
3.3. Improvement of the FMC of Use of Public Resources and Internal Audit	2.000.000	N/A
3.4. Functional improvement of budget inspection work	N/A	Not reported additional expenditures
3.5. Improvement of the public procurement system	70.490	36.000
<b>SO 3 total planed vs. spent EUR:</b>	<b>2.748.096</b>	<b>36.000</b>
<b>SO4: Increase of legal security and improvement of the business environment and the quality of public services provision</b>		
4.1. Improvement of the Legislative Process as a part of a Wider System of Government Public Policies Managemen	40.000	6.974.512
4.2. Improvement of administrative procedures and provision of conduct of SA bodies and bodies and organization interests of citizens and other entities in accordance with principles of good governance	1.638.122	104.361
4.3. Reform of the inspection supervision and ensuring better public interest protection, with reducing administra legal security of subjects of the inspection supervision	5.752.669	199.390
4.4. Introduction and promotion of mechanisms which ensure the public service quality	600.000	N/A
<b>SO 4 total planed vs. spent EUR:</b>	<b>8.030.791</b>	<b>7.278.263</b>
<b>SO5: Increase of Citizen Participation, Transparency, Improvement of Ethical Standards, Responsibilities in Performance of PA Activities</b>		
5.1. Improvement of conditions for participation of public in work of PA with increase of availability of informatio	223.162	1.500.000
5.2. Strengthening of integrity and ethical standards of employees in public administration and reducing corruptio	199.057	38.622
5.3. Strengthening of mechanisms of external and internal public administration control	220.328	N/A
<b>SO 5 total planed vs. spent EUR:</b>	<b>642.547</b>	<b>1.538.622</b>
<b>AP 2015-2017 grand total planed vs. spent:</b>	<b>32.391.270</b>	<b>40.935.344<sup>252</sup></b> <b>+ GGF?</b>

<sup>249</sup>Extracted from the Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>250</sup> Due to the reorganization of the state administration organizations, no information about the spent funds was provided.

<sup>251</sup>N/A - No information about the spent funds was provided.

<sup>252</sup>Plus GGF resources (informed by the MPALSG that this is not a public i.e. available information)



## Annex 15. Full report part on evaluation objectives, questions, methodology and challenges

### 2. Evaluation objectives, questions, methodology and challenges

This short chapter will introduce the objectives of the evaluation, evaluation questions and judgment criteria, methodology for collecting data and information, and will also address met challenges. This chapter will refer to the Evaluation Matrix, which is attached as annex. This chapter's full version could be found in Annex 15.

#### 2.1 Evaluation objectives

The aim of the evaluation was to provide a combined midterm and ex-post review of the PAR Strategy and its AP(s). The evaluation has focused on these documents and the assessment on their performance in terms of relevance, effectiveness, efficiency, impact, and sustainability, and how these could be improved. It is expected that findings and recommendations of this evaluation will improve the PAR strategic and operational framework.

As assessed by the SIGMA 2015 Baseline Study<sup>253</sup>, the PAR Strategy defines the PAR objectives, while the AP(s) define performance targets and actions to achieve them. The study recommended that the first ex post evaluation should be undertaken in order to make decision-makers aware of actual progress in achieving the set PAR objectives, including an impact assessment supported by data from identified outcome-level performance indicators.

In line with the above and per the ToR and the consultation process with the principal beneficiary during the inception phase, the MPALSG, it has been agreed that the independent external evaluation of the PAR Strategy and the AP(s) address the following objectives:

**Table 23. Evaluation objectives**

**Objective 1:** Assess the quality of the strategic framework for PAR, i.e. PAR Strategy, a mid-term review, and AP(s), and demonstrate whether these have taken on board the latest lessons learnt and policy approaches to PAR related to both the national and local levels.

**Objective 2:** Form the basis for decision-making to whether the current PAR Strategy should be revised.

**Objective 3:** Assess the relevance, effectiveness, efficiency, sustainability, and impact of the AP PAR 2015-2017, capture lessons learned, and generate specific and doable recommendations based on the evaluation findings.

**Objective 4:** Draft recommendations for capacity building and technical assistance measures, and decision-making, based on the findings, on improvements of the strategic and operational framework for PAR.

#### Consequently, the evaluation intends to:

- Contribute to better design, programming and implementation of PAR over the forthcoming period;
- Support the decision-making processes, both at a strategic (planning) level and at the level of the design of the interventions;
- Contribute to accountability, transparency, and visibility of PAR in Serbia, enabling the dissemination of information to the general public, stakeholders and civil society; and
- Promote the practice of evaluation of policy documents in the Serbian administration and contribute to the development of evaluation guidelines and templates.

<sup>253</sup> OECD/SIGMA Baseline Measurement Report, the Principles of Public Administration (2015). Link: <http://sigmaweb.org/publications/public-governance-monitoring-reports.htm>





## 2.2 Evaluation questions and judgment criteria

The evaluation questions examine the PAR Strategy against the five OECD/DAC evaluation criteria<sup>254</sup>: Relevance, Effectiveness, Efficiency, Sustainability and Impact. Their design was preceded by a thorough review of the intervention logic, initial documents analysis including the monitoring reports, and a consultative process involving key stakeholders including the principal beneficiary, the MPALSG. In fact, an intensive participatory process with the key stakeholders took place during the inception phase. A range of evaluation issues were discussed and proposals for partial refinement of the evaluation questions discussed. Hence an agreement as to the need to fine-tune the set of evaluation questions. Based on these discussions, the set of specific evaluation issues and evaluation questions was agreed. As presented in the Evaluation Matrix (Annex 1), the list of the refined evaluation questions includes the specific judgment criteria applicable for each question. The Matrix also contains the related indicators as well as the sources of information and indicates the Data Collection Tools to be used. Therefore, the Matrix contains designed tables for each of the ten proposed evaluation questions that explain how the questions will be answered, including the chain of reasoning which connects data, findings and conclusions. The Matrix includes the steps through which the Evaluation Team answered each of the evaluation questions and thus produced credible findings. The evaluation questions are arranged in terms of their correspondence to the OECD/DAC evaluation criteria. These are the criteria adapted for this evaluation:

**Table 24. Evaluation questions and judgment criteria**

1. RELEVANCE	
<b>EQ # 1</b>	To what extent were and are the objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, still relevant to priority needs, inclusive of cross-cutting issues (especially gender and climate change), and to what extent have these corresponded to implementation capacities in Serbia?
JC 1.1	Extent to which the objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, were/are SMART and still relevant to priority needs; i.e. quality of the strategic framework of PAR (SIGMA PAP Indicator 1.1.1).
JC 1.2	Extent to which objectives of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020 are and were aligned with and correspond to the capacities of key AP PAR 2018-2020 implementing stakeholders.
<b>EQ # 2</b>	How adequately have stakeholders been involved in the development of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, respectively?
JC 2.1	The array of different stakeholders (government, national and local, think-tanks, CSOs, academia, and private sector) that took significant part in development of the PAR Strategy, AP PAR 2015-2017, and AP PAR 2018-2020, respectively.
2. EFFECTIVENESS	
<b>EQ # 3</b>	To what extent were the five Specific Objectives for AP PAR 2015-2017 achieved?
JC 3.1	Extent of attainment of each of the planned outcomes across the five AP PAR 2015-2017 Specific Objectives per performance indicators based on the SIGMA Principles of Public Administration.
<b>EQ # 4</b>	Which unexpected positive and negative (if any) changes have occurred, inclusive of those related to any cross-cutting issues (especially gender and climate change), across the five AP PAR 2015-2017 Specific Objectives, and how do these differ?
JC 4.1	The ranges of different unexpected positive and negative (if any) changes that have occurred, inclusive of those related to any cross-cutting issues (especially gender and climate change).
<b>EQ # 5</b>	What were the most influential driving forces and success factors alongside any specific actions by stakeholders/ implementers, and what were the restraining forces and stakeholder actions (or inactions) that reduced effectiveness?

<sup>254</sup> <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>



JC 5.1	The range of different driving forces and success factors, alongside specific actions by stakeholders/implementers, which promoted effectiveness.
JC 5.2	The range of different restraining forces and obstacles, alongside specific inactions by stakeholders/implementers, which reduced effectiveness.
<b>3. EFFICIENCY</b>	
<b>EQ # 6</b>	Were the AP PAR 2015-2017 objectives achieved on time, what were the major factors/causes influencing any delays, and how were these dealt with?
JC 6.1	Timeliness of attainment of all outcomes across the five AP PAR 2015-2017 Specific Objectives.
JC 6.2	Extent to which delays were adequately dealt with given their nature and extent.
<b>EQ # 7</b>	How adequate was management of implementation of AP PAR 2015-2017 and the institutional and organisational structure and capacity for coordination, monitoring, reporting, and evaluation of the implementation process?
JC 7.1	Adequacy of the overall institutional and organisational structure for managing implementation of AP PAR 2015-2017.
JC 7.2	The MPALSG's capacity for coordination, monitoring, reporting, and evaluation of the AP PAR 2015-2017 implementation process.
<b>EQ # 8</b>	Was the AP PAR 2015-2017 implemented in a highly cost-effective way compared to alternatives, with cost-efficient activities and costs proportionate to the benefits achieved?
JC 8.1	Extent to which AP PAR 2015-2017 was implemented cost-effectively compared to alternatives.
JC 8.2	Cost-efficiency of AP PAR 2015-2017, i.e. whether costs were proportionate to the benefits achieved.
<b>4. IMPACT</b>	
<b>EQ # 9</b>	What has happened as a result of the AP PAR 2015-2017 implementation in terms of the progress made towards meeting the EU accession criteria, increased Government effectiveness, and real socio-economic change for different beneficiaries?
JC 9.1	Extent of an overall increase in Government effectiveness and the extent to which various beneficiaries have experienced real positive difference as a result of the AP PAR 2015-2017 implementation.
<b>5. SUSTAINABILITY</b>	
<b>EQ # 10</b>	To what extent are future PAR interventions sustainable in terms of funding and to what extent are the AP PAR 2015-2017 stakeholder institutions existing and new capacities sustainable?
JC 10.1	Sustainability of GS budget and donor funds needed for future PAR interventions.
JC 10.2	Extent to which the AP PAR 2015-2017 stakeholder institutions existing and new capacities are sustainable.

### 2.3 Methodology

The Evaluation Team was committed to observing and implementing all the principles of good evaluation standards. Namely these include those standards set by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD-DAC). These go hand-in-hand with the EC's Evaluation approach and methodology<sup>255</sup>. These two provide norms and guidance to good practice in development evaluation<sup>256</sup>. They are intended to advance the quality of evaluation processes and products and to facilitate collaboration. As such the standards outline the key quality dimensions for each phase of a typical evaluation process: defining purpose, planning, designing, implementing, reporting, and learning from and using evaluation results. This evaluation has been planned and designed in full accordance with these standards.

<sup>255</sup>Link: [https://ec.europa.eu/europeaid/evaluation-approach-and-methodology\\_en](https://ec.europa.eu/europeaid/evaluation-approach-and-methodology_en)

<sup>256</sup> Link: <http://www.oecd.org/dac/evaluation/qualitystandardsfordevelopmentevaluation.htm>



In preparing the methodology for this evaluation two key sources of guidelines were principally used. The DG NEAR Guidelines<sup>257</sup> on linking planning, programming, monitoring and evaluation (EC 2016), as well as the EC's Evaluation Methods for the European Union's External Assistance<sup>258</sup>, Methodological Bases for Evaluation Volumes 1-4 (EC 2016). It is important to note that the used methodology for this evaluation is also fully in line with the guidelines and norms set by the above-mentioned OECD-DAC<sup>259</sup>.

The first steps in organizing the evaluation started in August 2018, with the delivery of the Final Evaluation Report initially planned by January 2019 (altered to March 2019), and full evaluation project completion (with the results dissemination) by March 2019. Towards ensuring participatory approach discussions with key stakeholders took place during the three scheduled Evaluation Reference Group (ERG) workshops. First took place on 27 September 2018 related to the submitted draft Inception Report discussion, the second was performed on 17 December 2018 related to the presented key implementation phase findings, and the third took place on 13 February 2019 when final draft conclusions and recommendations were presented and discussed.

There were three main methodological stages. During the Inception Phase relevant substantial documentation was collected and analysed, key stakeholders involved in the process, and Draft Inception Report has been completed. During the Implementation Phase data and information were collected and Interim Report was prepared. The Synthesis and Reporting Phase were devoted to the preparation of the draft Final Evaluation Report

The evaluation design was based on the below listed key methods, commonly utilized evaluation instruments/tools for data and information collection and for triangulation methods. Each of these has its own advantages and disadvantages. The aim was to mix the different methods so to achieve synergy amongst their adequacy, i.e. good use of their known advantages and timeliness towards generating evidence-based evaluation findings. In the following section below, the respective tools are presented. In fact this sequential, mixed-method evaluation design involved usage of a set of data and information collection tools so as to assess the same phenomenon toward convergence and increased validity. Throughout the sequential, one by one, usage of the tools, the collected data and information was subjected to analysis and triangulation. Thus, application of this design allowed for the ten evaluation questions and for the each of the related 95 indicators for the second phase of the process to emerge from the inferences of the first one, and so on. The first phase was exploratory and data collection focused through the desk phase followed by the cost-effectiveness phase, followed by online survey, focus group and SWOT, and interviews phases. There was overlap between these due to some phases forced extension due to a lower than expected response and limited data collection effectiveness.

### 2.3.1 Documents review.

The evaluation team reviewed collected relevant documentation and performed a desk review against the evaluation questions. On the course of implementation phase a number of additional documents were generated and used, many with the help of the key stakeholders such as MPALSG, Delegation of the European Union to the RS (EUD), Human Resource Management Service (HRMS), and others such as SIGMA and European Policy Centre (CEP). Some were not easy or possible to retrieve, either for the reasons of formal or informal confidentiality, either to plain unavailability. The initial open list of reviewed documents and sources was thus gradually expanded and is now placed in Annex 3, and represents a resource for itself.

### 2.3.2 Focus group (FG) discussions.

The Evaluation Team implemented a set of seven thematic and experts FG discussions and thereby enlarged the reference sample with the collection of information from the held FG. All FG were held at

<sup>257</sup> Link: [https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-progrming-vol-1-v-0.4.pdf](https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-progrming-vol-1-v-0.4.pdf)

<sup>258</sup> Link: <http://www.oecd.org/dac/evaluation/dcdndep/47469160.pdf>

<sup>259</sup> Link: <http://www.oecd.org/dac/evaluation/dacriteriaforevaluatingdevelopmentassistance.htm>



the MPALSG Serbia-Korea Information Access Centre. The key source for the selection of FG expert participants was initially jointly with the MPALSG generated list of relevant interviewees, surveys and FG participants per the evaluation themes. Two FG did not take place due to a lack of sufficient response and availability of the invitees. Especially notable contribution to the FG discussions came from the MPALSG, EUD, Standing Conference of Towns and Municipalities (SCTM), Anti-Corruption Agency (ACA), Office for Cooperation with Civil Society (OCCS), the civil society organizations (CSO), and others.

**Table 25. List of performed focus groups**

	<b>Thematic focus groups</b>	<b>Participants</b>	<b>Date</b>
1.	Public Administration Reform Strategy scope, design, relevance, priorities, and capacities	5	16.11.2018.
2.	Overall on AP PAR 2015-2017 effectiveness	6	14.11.2018.
3.	Pillar 1 (SO 1) AP PAR 2015-2017: Improved organisational and functional public administration sub-systems	5	14.11.2018.
4.	Pillar 2 (SO 2) AP 2015: Established public civil service system and human resources management	6	15.11.2018.
	Pillar 3 (SO 3) AP 2015: Improved public finances and procurement management	<b>Did not take place due to a lack of sufficient response and availability of the invitees</b>	
5.	Pillar 4 (SO 4) AP 2015: Increased legal certainty, business environment, and quality of services	5	26.11.2018.
6.	Pillar 5 (SO 5) AP 2015: Increased citizens participation and public administration accountability	7	26.11.2018.
	AP PAR 2018-2020 design and relevance	<b>Did not take place due to a lack of sufficient response of the invitees</b>	
7.	Implementation, Coordination, and Monitoring of the PAR Strategy	5	29.11.2018.

### 2.3.3 Survey/Questionnaire.

In total 10 different surveys, targeting experts on the set themes were implemented over the period from 6 November 2018 to 12 December 2018. The overall response rates were weaker than hoped in spite of the careful targeting and reduced scale of questions compared to plan and the use of user friendly online tool Survey Monkey. Several additional reminders were issued especially for the survey on the self-perception of capacities of the 16 key PAR Strategy reporting institutions (Annex 4) as this is envisaged as very important for gathering this kind of information. Nonetheless, given the homogeneity (experts on each of the themes) of the targeted respondents' groups per the evaluation themes, the generated information has been very useful. However, not each of the ten surveys results qualified for a source of quantitative but rather expert qualitative information. Table below provides a summary of the individual questionnaire response rates.

**Table 26. List of questionnaires launched**

<b>Thematic Survey Questionnaires</b>	
1.	PAR Strategy scope, design, relevance, priorities, and capacities
2.	Overall on AP PAR 2015-2017 effectiveness
3.	Pillar 1 (SO 1) AP PAR 2015-2017: Improved organisational and functional public administration sub-systems
4.	Pillar 2 (SO 2) AP PAR 2015-2017: Established public civil service system and human resources management
5.	Pillar 3 (SO 3) AP PAR 2015-2017: Improved public finances and procurement management
6.	Pillar 4 (SO 4) AP PAR 2015-2017: Increased legal certainty, business environment, and quality of services
7.	Pillar 5 (SO 5) AP PAR 2015-2017: Increased citizens participation and public administration accountability
8.	AP PAR 2018-2020 design and relevance
9.	Implementation, Coordination, and Monitoring of the PAR Strategy
10.	Self-perception of capacities of the 16 key PAR Strategy reporting institutions



#### 2.3.4 Interviews.

So far, during the evaluation process the evaluation team performed 52 open and semi-structured interviews per the evaluation questions, with 73 interlocutors encompassed. Especially high level of response came from the key stakeholders such as MPALSG, EUD, and others. For planning these, a list of over 200 potential PAR related interlocutors was generated, together with the MPALSG, and prepared for the Inception Report, which in itself represent a valuable new resource. However, a number of important meetings are yet to take place due to difficulties with scheduling. These include final meetings during the implementation phase with the Office for IT and E-Government, Public Policy Secretariat (PPS), National Academy for Public Administration (NAPA), and the additional first meetings on the policy level with the MPALSG and the GoS i.e. Prime Minister (PM) Cabinet, to mention key ones. However, in overall, performed meetings proved a very valuable source of credible and relevant data and information.

#### 2.3.5 Cost-effectiveness analysis.

On this occasion, this simple and effective tool, which compares different measures or programs with identical objectives had limited effectiveness. The summary of the outcomes using a single quantifiable indicator and thus facilitating exceptional visibility of the intervention's effectiveness produced limited results. The key causes were a none existing indicators at the level of the 19 measures, a limited reported effectiveness on the outcome level- the level of 47 results under the 19 measures and the 5 Specific Objectives (SO). Furthermore, systematic data for the final costs related to AP PAR 2015-17 implementation is yet be fully evidenced for a number of measures (Annex 14) while the amount and the exact spread of the additional Good Governance Fund (GGF) funds was not obtained yet. These factors jointly negatively determined the level to which this evaluation can without additional due data adequately respond to the questions in the Evaluation Matrix regarding the cost effectiveness or cost-efficiency.

Nonetheless, aggregated cost estimation is obtained. Hence, an overall cost benefit analysis was performed as indication of overall AP PAR 2015-17 rate of return (ROI). A different AP design in terms of existence of outcome indicators and their potential high effectiveness on the level of the 19 measures, higher level of effectiveness, as well as availability of a full final financial statement, would certainly enable a more comprehensive efficiency analysis. The generated findings are be placed under the evaluation questions and indicators related to cost-effectiveness.

#### 2.3.6. SWOT analysis.

The positive attribute of this tool was that it underlined the level of adequacy and inadequacy of the subjected 2014 PAR Strategy, in relation to the problems and issues under consideration, and is likely to enable decision-making and the incorporation of the strategic approach within the evaluation recommendations. For this evaluation, it was effectively used to address the relevance evaluation questions in terms of the PAR Strategy assessment. This was the first evaluation objective. However, even the tool was well designed and planned it remained subjective, thus consensus was sought and gained through the dedicated focus group, survey, and interviews focused on this theme. Although often presumed to be simplistic in approach, in this case together with intensive triangulation application, this tool was useful and gave satisfactory results in relation to the task of determining the quality of the 2014 PAR Strategy. (See part 5.1.)

### 2.4 Risks and met challenges

The status of the evaluation process is satisfactory, although the process has been delayed for a month or so due to a lower than anticipated response rate, and by some of the targeted respondents limited involvement in the process, namely the interviews, focus groups, and surveys. Given the novelty of such evaluation exercise and overload of the public administration (PA) employees, this did not come as much of a surprise; rather it was considered as a risk by the Inception Report. Nonetheless, the collected data and information meets the expectations and provided a sound basis for responding to all of the EQs and too many of 95 ambitiously set evaluation indicators.



This independent external evaluation of the PAR Strategy is a first such major evaluation commissioned by the MPALSG. Its ToR responded to the currently fragile capacities by ensuring that the MPALSG and other key stakeholders in PAR are not over-stretched in a way that would hinder their organisational learning but rather than expedite it. For this purpose, the Project assumed the responsibilities that are typically those of an evaluation manager. Thus, the ToR is written with, rather than by, the MPALSG. In turn, this has been done at a certain risk over the level of the GoS ownership over the evaluation process. To that end the Evaluation Reference Group (ERG) was established that gathered the 16 reporting PAR Strategy institutions.

Given the pioneering nature of this external evaluation, of such horizontal national strategy, and the share scope of the evaluation questions and its 95 indicators, it did not come as a surprise that some of the risks presented in the Inception Report have materialized and to some degree affected the evaluation implementation. Some of these were foreseen in the ToR while others emerged during the consultative process of the inception phase and later during the implementation phase. To each of these a corresponding set of risk-mitigation measures were applied that gave certain results. Still, overburdened with their regular and additional reform tasks, and saturated with previous alike efforts over the past period such as those by SIGMA monitoring, WeBER survey, and the externally assisted PAR SBS self-assessment exercise, some PA stakeholders, contrary to great many, at operational and especially the policy level, so far took limited part in the evaluation process.

Moreover, contrary to the expectations, the level of inquiry into the AP PAR 2015-2017 and assessment of its results was forced to go all the way down the AP PAR 2015-2017 result chains to the level of 223 activities, rather than the 19 measures or 47 results (See Annex 8). Now, the 16 reporting institutions we contacted, per the Annex 4 (The reporting sources) sometimes were not in charge of discussing the overall activities and results of their institutions for which they themselves were not in charge, e.g. the Ministry of Finance (MoF) contact could not discuss in detail the Central Harmonization Unit (CHU) results. The same problem was inbuilt in the Questionnaire on the Implementers Capacities. In those cases, there was not present an overall AP PAR perspective at the level of the institutions but rather on the level of its parts. Lack of sufficient meetings at the policy level did not help this situation. This significantly extended the number of needed contacts (meetings, calls, emails) beyond the level of planned data and information collection effort. Finally, given the AP design, and lack of any previous past relevant sector level fully-fledged evaluations, only that way a full assessment was possible as some important results were placed at the level of 49 planned results.

One of key obstacles was obtaining further financial information related to the cost-efficiency analysis. Annex 13 contains generated AP PAR 2015-2017 final financial balance sheet based on the AP Final Report figures. As shown there a number of interventions include no budget planned or spent figures, inclusive of 2 out of 3 fulfilled measures of total 19, 3.1 and 3.4. Moreover, the aggregated numbers per measures do not correspond to those on page 2, of the Final Report. Finally, additional GGF funds figures are not known. To sum, a comprehensive and detailed final AP PAR 2015-2017 financial balance account is yet to become available or been generated.

Another of key challenges was (i) obtaining further financial information related to the cost-efficiency analysis. Annex 13 contains generated AP PAR 2015-2017 final financial balance sheet based on the AP Final Report figures. As shown there a number of interventions include no budget planned or spent figures, inclusive of 2 out of 3 fulfilled measures of total 19, 3.1 and 3.4. Moreover, the aggregated numbers per measures do not correspond to those on page 2, of the Final Report. Finally, additional GGF funds figures are not known. To sum, a comprehensive and detailed final AP PAR 2015-2017 financial balance account is yet to become available or been generated.

Further challenges included (ii) extensive scope of the horizontal PAR Strategy, the five SOs, and 19 measures, and 47 results (objectives), with a number of related strategies; challenge here was to capture and place all materials within a standard evaluation report format within limited number of pages; (ii) the structure of the AP 2015-2017 is complex without enough of outcome indicators and no indicators on the level of measures, thus limited capacity to monitor outcome level performance and to evaluate; (iii) the



Evaluation Matrix is complex and extensive, correlated to the complexness of the PAR Strategy and the evaluation objectives. It has 10 EQs, 16 Judgment Criteria, and in total 95 Evaluation Indicators; there was a challenge to respond comprehensively yet with brevity. (iv) Contrary to a good practice of similar outcome evaluations there were not available other evaluations focused on parts of the PAR Strategy. This, together with the lack of outcome level indicators, limited overall evaluability.

**Table 27. Assumptions, risks, and mitigation**

<p><b>1. Assumptions/Risks regarding Stakeholders Participation and Collection of Data and Information</b></p> <p>Stakeholders to facilitate the evaluation team’s reasonable requests for access to further documentation and information; The evaluation team has access to key stakeholders to conduct interviews, focus groups and survey; Adequate level of already available and provided data and information required for answering the EQs, inclusive of Effectiveness and Impact EM sections.</p> <p><b>Mitigation Measures:</b> A support letter to the evaluation team was signed by the MPALSG. Large part of interlocutors responded to our call to take part in focus group, survey, or interview. However, these implementation timelines were forced forward for two to three weeks and all the necessary interviews and data are yet to be generated during January 2019. That is, while most needed data is generated, some incomplete data and information is still missing.</p>
<p><b>2. Assumptions/risks regarding doability of effectiveness and cost-benefit analysis</b></p> <p>The AP PAR 2015-2017 outcomes can be defined as priority outcomes, or homogeneous and quantifiable units, and were attained to a level to enable effectiveness and cost-effectiveness analysis. I.e. expected outcomes are clearly identified and their direct and indirect costs are easily measurable.</p> <p><b>Mitigation measures:</b> This risk materialised to a large degree and the evaluation team informed the key stakeholders and is doing its best to produce possible and useful cost-effectiveness analysis per those visibly attained and evidenced outcomes and impacts and based on yet due full final AP financial balance sheet.</p>
<p><b>3. Assumptions/Risks regarding the size of the scope of the evaluation questions and indicators</b></p> <p>A range of 95 indicators under the 10 Evaluation Questions were agreed with the MPALSG. This represents a rather ambitious scope. This is especially true for some of the efficiency indicators.</p> <p><b>Mitigation measures:</b> The evaluation process has been designed and implemented to return the best possible responses per the indicators. The evaluation team will do its best to present all the findings and conclusions, and later recommendations consulted with the stakeholders. However, certain shortcomings are possible without impacting overall usability of the report.</p>
<p><b>4. Assumptions/Risks regarding needed resources for completion of the evaluation</b></p> <p>The evaluation team has all the resources (capacities, work days, and time), needed to implement the evaluation process and Work Plan presented in this Inception Report.</p> <p><b>Mitigation measures:</b> Due to the explained factors eventually allocated work days were not sufficient to bring the implementation phase of the evaluation process to its end. The remaining part of the evaluation efficiency will depend on the sufficient stakeholders' cooperation and no need for much additional research. In any case, the evaluation team will expedite the remaining of the process to the best of its abilities.</p>
<p><b>5. Assumptions/Risks regarding excessively burdening civil servants</b></p> <p>The involved PA employee will not be excessively burdened by their role in the evaluation process.</p> <p><b>Mitigation measures:</b> The evaluation team made every effort to efficiently use evaluation participants' time. In addition to FG and survey participation, each interlocutor, excluding the key ones such as MPALSG Group for PAR, PPS and EUD who we met more than that, were attempted to be meet twice, for introductory and semi-structured interview. Most of these are done. Typical survey response time was 30 minutes, focus group 2.5 hours, and a meeting duration one hour.</p>
<p><b>6. Assumptions/Risks on ERG performance</b></p> <p>The Evaluation Reference Group (ERG) was informed of the commenting procedures and observes deadlines for providing comments to the Draft Evaluation Report and facilitated the effective evaluation process. Expected full cooperation on directing the final recommendations.</p> <p><b>Mitigation measures:</b> So far two ERG workshops were successfully performed, albeit not full participation of the 16 institutions. Still, the ERG assumed ownership and supportive role to a certain point, quite plausible for the first time. Yet to later more intensively engage taking part in finalising the Draft Final Evaluation Report by offering constructive and informative comments.</p>



## Annex 16. Full report part on background

### 3. Background

This short chapter, in addition to providing a general overview of the electoral, institutional, and normative context in the RS, this chapter will specifically address the economic Context, the 2014-2018 Fiscal Consolidation as well as the theme of the EU accession and PAR in Serbia. This chapter's full version could be found in Annex 16.

Only well-functioning public administration can provide good quality of public services to citizens or the framework to foster competitiveness and growth. All the efforts in PAR are oriented towards evolving from a pure regulator to a citizen service - dedicated to creating the conditions for economic growth and social development. Thus, a range of factors, besides those related to the EU accession processes, such as electoral, institutional, normative, and economic realities necessarily determined the pace and level of the AP PAR 2015-2017 implementation and effectiveness, inclusive of the specific content and priorities.

#### 3.1 Electoral, institutional, and normative context

##### 3.1.1 Electoral context.

The pace of efforts towards delivering on PAR has been greatly influenced by a high level of turnover at the decision-making level within the executive branch of government because of a number of elections that took place over the 2012-2017 periods. Especially important for the PAR Strategy implementation pace were idle reform periods during each of the elections, from the start of the election campaigns to the formation of the new Government, a period lasting several months. In total of 3 years for implementation around one third were forced idle periods, see part 3.1.2. Following the resignation of Prime Minister (PM) Aleksandar Vucic, after his election as President of Serbia in April 2017, the new Government, headed by Ana Brnabic, previously MPALSG Minister, took office in June 2017. As the MPALSG Minister she was preceded by Deputy PM Minister Kori Udovicki, from April 2014 until August 2016. Continuity of the GoS focus on the entire PAR agenda was hence variable and at times limited.

This also reflected to the continuity of the MPASLG leadership. Here are all major electoral i.e. political changes in MPALSG within the viewed period. Nikola Selakovic was Minister of Justice and Public Administration (From 27 July 2012 to 27 April 2014 and after then Minister of Justice), Igor Marovic was Minister for Regional Development and Local Self-government (From 2 September 2013 to 27 April 2014), while following extraordinary parliamentary elections held on 16 March 2014 Kori Udovicki became first Minister of Public Administration and Local Self-government and Deputy Prime Minister (27 April 2014 to 11 August 2016). With the new PAR Strategy PAR got high on the GoS agenda. The following Minister Ana Brnabic (From 11 August 2016 to 29 June 2017) than became Prime Minister), and Branko Ruzic became the Minister on 29 June 2017. In fact, given all these changes the level of the continuity of the focus on the entire PAR agenda was rather realistic.

##### 3.1.2 Institutional context.

Over the past years after each parliamentary elections, a law is adopted determining the new ministries whereby the current ministries are reconfirmed, renamed, merged or reorganized. Namely, up to 2014 there were Ministry of Regional Development and Local Self-government and Ministry of Justice and Public Administration. In 2014 current Ministry of Public Administration and Local Self-government has been established.<sup>260</sup>

Moreover, internal institutional landscape was each time changed and thus further contributing to a level of discontinuity of institutional memory and reform efforts. A range of different MPALSG Assistant Ministers,

<sup>260</sup>The Law on Ministries (Office Gazette of RS No. 44 of 26 April 2014, 14 of 4 February 2015, 54 of 22 June 2015, 96 of 26 November 2015 - dr. Law, 62 of 26 June 2017). Link: [https://www.paragraf.rs/propisi/zakon\\_o\\_ministarstvima.html](https://www.paragraf.rs/propisi/zakon_o_ministarstvima.html)





State Secretaries, and civil servants have served during the period from 2014 until today, the period under the scope of this evaluation, all contributing to the ongoing PAR efforts. These frequent political and other changes and opportunities for shifting political interests, relevant to the PAR effort, coupled with necessary electoral voids and a fluid concept of managerial accountability, have influenced the pace of efforts towards a more transparent, accountable, efficient, and effective policy making and public administration. Thus, the related former and current state of play has likely played a certain role, both driving and restraining, in terms of the level of policy and political level support to all the planned PAR efforts as well as the level of institutional and organisational structure and steering and control mechanisms for effective PAR management.

Due to the electoral-cycle the pace of law-making and policy decision-making comes to a slow down. During the three years of the AP PAR 2015-2017 implementation period there were two national elections. The parliamentary elections took place on 24 April 2016. The election campaign started a month ahead while the new Government was formed on 11 August 2016. This pause in total lasted for nearly five months. The presidential election took place on 2 April 2017. The election campaign started a month ahead while the recomposed Government (since the former PM won the Presidency) was formed on 29 June 2017. This pause in total lasted for nearly four months. Thus in grand total around 9 months during the three-year period was the period of institutional changes and decreased Government and Parliament functioning i.e. reform focus, or 25%. Not counting public holidays and traditional slow peak summer period in which case it would rather be around 30%.

### 3.1.3 Normative context.

The National Assembly of RS (NARS) on 16 December 2013 adopted the Resolution on the role of the NARS and the principles in the negotiations on the accession and confirmed that the strategic goal of the RS was to gain full membership in the EU and that it will contribute to this goal and its soonest ending. The Resolution emphasized the importance of cooperation between the NARS and the GoS, which is in charge of leading and coordinating the accession negotiations process. The Resolution provided for a political and social consensus on the structure and dynamics of the negotiations inclusive of the need for harmonization of national legislation with the European Union (EU) acquis. Thus, an agenda was set for a rapid preparing, adopting and amending needed new laws and bylaws, traditional PAR tasks.

However, in the times of frequent elections and changes and the prolonged time for formation of a Government as well as institutional changes this effort, initially ambitiously planned by the AP PAR 2015-2017, was slowed down. Such EU Accession and PAR driven large legislative agenda was further tasked with an increasing imperative on intra-government, public and civil society consultative and participative engagement, which further underlines challenges at hand. Moreover, ratio of laws initiated by the government and approved by the parliament no later than one year after submission was measured by SIGMA 2017 Monitoring Report at excellent 99%.<sup>261</sup>

A full list of adopted and due laws and strategies related to the AP PAR 2015-2017 implementation is placed in Annex 5. It is important to note that a number of these tasks have been completed in the course of 2018, after the AP 2015-2017 reporting period, thus increasing the level of effectiveness reported by the March 2018 Final Report. These are all evidenced in part 5.3 of this report on effectiveness, e.g. the April 2018 NARS adoption of draft Law on the Planning System of the Republic of Serbia or the December 2018 amendments to the Civil Service Law (CSL) with the new Competences Framework.

Other notable PAR normative, strategic, and operational advances include the 2016 Law on General Administrative Procedure, The 2017 Law on the National Academy for Public Administration, The 2017 Law on Salaries of Civil Servants and Employees of AP and Units of LSG, but also the 2015 Law on Determining the Maximum Number of Employees in the Public Administration, as well as the 2016, 2017, and 2018 AP for Implementation of the Government Program, the 2015 Public Finance Reform Program for 2016-2020 and

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<sup>261</sup>OECD/SIGMA Monitoring Report for Serbia (2017). Link:<http://www.sigmaweb.org/publications/Monitoring-Report-2017-Serbia.pdf>



AP, The 2016 Strategy for Regulatory Reform and Improved Policy Management System for 2016-2020 and AP, and so on. The full list of these is placed in Annex 5.

### 3.2 Economic context, the 2014-2018 fiscal consolidation

In 2014 Serbia's GDP declined due to continued decreasing domestic demand exasperated by historic floods, and weak economic trading activity. Total effects of the floods in the 24 affected cities and municipalities (of total 174 in Serbia) were estimated at the time to EUR 1,525 million and 51,800 jobs lost.<sup>262</sup> In parallel, a high unemployment rate at the time was one of the largest social concerns. The recession in 2014 was the third in the last six years. Serbia's public debt rose to 70% of GDP and fiscal one to 6.6% in 2014.<sup>263</sup> Serbia entered a major fiscal crisis. In response to the crisis and to secure credibility, towards the end of 2014 Serbia started new fiscal consolidation measures. In February 2015 Serbia entered a new precautionary three-year International Monetary Fund (IMF) Stand-By Arrangement (worth about EUR 1.2 billion).<sup>264</sup> The program consisted of three main pillars. Strong fiscal consolidation and restoring public finances stability, toward curbing mandatory spending and reducing state financing of state-owned enterprises. Strengthening of the financial sector towards improving the creditworthiness of potential borrowers and recovery of credit to the economy. And, boosting competitiveness and growth by implementing comprehensive structural reform to form conditions for jobs creation and return to sustained high growth. The arrangement provided for a structural fiscal correction of over 4% during its 3-year span. International credit scoring and investors trust was safeguarded, the GoS fiscal consolidation received credibility, while borrowing never took place.

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<sup>262</sup>Source: The Government of Serbia post-disaster needs assessment, supported by the European Union, the United Nations and the World Bank, Link: [http://www.sepa.gov.rs/download/SerbiaRNAreport\\_2014.pdf](http://www.sepa.gov.rs/download/SerbiaRNAreport_2014.pdf)

<sup>263</sup>Source: Ministry of Finance of Serbia, Link:

<http://www.mfin.gov.rs/UserFiles/File/tabele/2015%20januar/Tekuca%20makroekonomska%20kretanja.pdf>

<sup>264</sup> Source: <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1567>



The Government on 3 March 2016 adopted the Economic Reform Program (ERP) for the period 2016-2018. The program did set a medium-term framework for macroeconomic and fiscal consolidation policies and specific prioritized structural reforms, which directly supported the macroeconomic framework. The aim was to eliminate obstacles to economic growth and increase competitiveness. Subsequent policies related to the IMF agreement, and part of this ERP, coincided with the period of the AP PAR 2015-2017 implementation, became the part of the PAR agenda (Rationalization of the PA), and negatively influenced the level of implementation and effectiveness (report part 3.4.1 on HR and PAR) of other PAR objectives. These policies include a freeze on PA employment, followed by public servants' salaries reduction, and downsizing (i.e. rationalisation or the "rightsizing" towards the PA optimization) of the PA by reducing the number of employed largely by the means of natural attrition. Organisational and functional restructuring of the public sector was also envisaged through commenced optimization of the PA towards greater efficiency and effectiveness.

**Table 28. PAR timeline (external and internal)**

	2012	EU candidacy status 2012 Presidential elections 2012 Parliamentary elections <b>New Government</b> New Judiciary & SA Minist. Selakovic
Start of drafting the new PAR Strategy	2013	Pre-accession Economic Programme PA employment ban Law on PA pays reduction
<b>Adopted new PAR Strategy</b>	2014	Start EU negotiations The May 2014 floods 2014 Parliamentary elections <b>New Government</b> New MPALSG Deputy PM Udovicki Start of fiscal crisis 2014 SIGMA Principles of PA
Abounded drafting of AP PAR 2014-16		
PAR Council meeting PAR special group (SAA) meeting PAR Council meeting	2015	Start of 3 year MMF Arrangement  Law on PA employees reduction
PAR Council meeting <b>Adopted AP for PAR 2015-17</b>		
PAR Council meeting IMPG meeting Adopted AP PAR Rpt. 1/2 2015 PAR special group (SAA) meeting PAR Council & IMPG meetings		
PAR special group (SAA) meeting IMPG meeting	2016	Economic Reform Programme -ERP 2016 Parliamentary elections <b>New Government</b> New MPALSG Minister Brnabic
PAR Council meeting PAR Council meeting PAR special group (SAA) meeting IMPG meeting	2017	2017 Presidential elections <b>New Government</b> New MPALSG Minister Ruzic 2017 SIGMA Principles of PA
PAR SBS dialogue platform meeting PAR Council adopted AP PAR Rpt. 15-16 PAR SBS dialogue platform meeting		
PAR Council meeting PAR SBS dialogue platform meeting PAR special group (SAA) meeting		
<b>Adopted new AP PAR 2018-2020</b>	2018	The end of IMF arrangement  Done GoS fiscal consolidation  PA employment ban till end 2019
PAR SBS dialogue platform meeting SBS 30M EUR Tranche PAR Council Adopted AP PAR Rpt. 15-17 IMPG meeting		

By 2018 the fiscal consolidation was fully achieved. The statement issued by the IMF already in late October 2015 confirmed Serbia continued to make good progress in implementing reforms and that growth turned positive as the economic activity was expanding. The key drivers of economic growth were investment and exports on the demand side, and services and industrial production on the supply side. A low and stable inflation for the third year in a row was achieved, while preserving the exchange rate stability. Latest new Fiscal Strategy for the period 2017-2019 and ERP for 2017 to 2019 were adopted by the GoS on 12 December 2016 and 3 March 2017, respectively. The economy grew by almost 3%, thus surpassing the 2008 level. The statement of the IMF from 5 July 2017 confirmed that Serbia's economy has strengthened dramatically since the adoption of the first ERP and that macroeconomic performance has made a major turnaround as the fiscal deficit decline to 1.1 percent of GDP – the lowest level since 2005 – while the public debt is heading down faster than projected. However, in spite of the end of crises, the GoS continued with the general restrictive PA employment policies into 2019. The following table illustrates the GoS fiscal consolidation results.

**Table 29. Key macroeconomic indicators change over the viewed period, 2014-2018<sup>265</sup>**

	GDP growth %	Public debt % of GDP	Fiscal deficit/solicit % of GDP	Annual inflation % (Dec.)	Unemployment %	Fiscal investm ents %	FDIs as % of GDP	Tax collection increase %	S&P credit rating
2014	-1.6	66.2	-6.6	1.7	19.2	-3.4	3.5	N/A	BB-, negative
2015	1.8	70	-3.5	1.5	17.7	4.9	5.1	N/A	BB-, negative
2016	3.3	67.8	-1.2	1.6	15.3	5.4	5.2	N/A	BB-, positive
2017	2.0	57.9	1.1	3.0	13.5	7.3	6.2	7.8	BB, stable
2018	4.4	56.7	1.5	1.9	11.3	11.5	6.2	6.7	BB, positive

### 3.3 The EU accession and PAR in Serbia

Serbia's applied for EU membership on 19 December 2009. The European Council (EC) granted Serbia candidate country status on 1 March 2012 while the Stabilisation and Association Agreement (SAA) was concluded on 22 July 2013. The accession negotiations started on 21 January 2014 with the first meeting of the Accession Conference. The ninth meeting took place on 10 December 2018. So far, out of 35 negotiation chapters 16 have been opened.<sup>266</sup>

During this process the need to achieve substantial progress with government-wide PAR has been strongly emphasized by the EC as a pre-requisite for EU-accession. The importance of PAR to the process of European integration was strongly underlined in the EU's "Enlargement Strategy and Main Challenges 2014-2015"<sup>267</sup>, which stated that PAR, although there is no specific PAR acquis chapter, covering public administration as such, is one of the three "fundamentals" of the strategy, together with the rule of law and economic governance. Moreover, since 2014 the EC has defined the scope of PAR as covering the following six core areas:

**Table 30. The EC core PAR areas**

- 1. Strategic framework for public administration reform** i.e. political commitment to the reform process, including political leadership and technical coordination and monitoring of implementation;
- 2. Policy development and coordination** i.e. appropriate coordination at the centre of government, inter-ministerial coordination, policy development and financial analysis;
- 3. Public service and human resources management** i.e. organisation and functioning of the public service, including depoliticisation, merit-based recruitment and promotion, training and professionalization;
- 4. Accountability, i.e. transparency of administration** including access to information and possibility of administrative and legal redress;
- 5. Service delivery** i.e. improving services for citizens and business, including better administrative procedures and E-Government services;
- 6. Public financial management (PFM)** i.e. commitment to a more comprehensive approach to improving management of public finances and the overall budgetary process through preparation and implementation of multi-annual PFM programs and engaging in a PFM policy dialogue with the Commission and IFIs. A credible and relevant PFM program is also key for IPA sector budget support.

Translated into the Serbian context - more efficient, more rational and less expensive public administration is needed, but at the same time more effective and better suited to the new, dynamic and complex needs of the country on its pathway to joining the EU. Since 2014 the EC produced four reports assessing Serbia efforts towards the above objectives i.e. progress made towards European integration, in October 2014, November 2015, November 2016, and April 2018.

<sup>265</sup>Sources: National Bank, Link: [https://www.nbs.rs/internet/latinica/18/18\\_3/prezentacija\\_invest.pdf](https://www.nbs.rs/internet/latinica/18/18_3/prezentacija_invest.pdf) and The Government Fiscal Council, Link: <http://www.fiskalniasvet.rs> and Statistical Office of the Republic of Serbia, Link: <http://www.stat.gov.rs>

<sup>266</sup>Source: <https://www.consilium.europa.eu/en/policies/enlargement/serbia/#>

<sup>267</sup>EU Enlargement Strategy, November 2015. Link:[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2015/20151110\\_strategy\\_paper\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2015/20151110_strategy_paper_en.pdf)



### 3.3.1 PAR Special Group (SG) for monitoring the implementation of the SAA.

Public Administration Reform Special Group (PAR SG) has been established as a monitoring mechanism and a policy dialogue forum for the implementation of the SAA aimed at better integration of PAR into the enlargement process. The Special group on PAR became key platform for taking dialogue on PAR and its results, based around the six SIGMA Principles of Public Administration (PPA). The results of the PAR special groups are fed into the SAA Council/Committee, with a more structured, political discussion on key PAR issues. This way a policy dialogue between representatives of the EC and the GoS in charge of PAR has been enabled. The first SG meeting was held 23 October 2014, followed by those held on 12 June 2015, 10 March 2016, 5 April 2017 and 29 May 2018. Conclusion of a meeting was first time published on the MPALSG website for the 29 May 2018 meeting in Belgrade<sup>268</sup>. Each meeting results in conclusions related to progress of the PAR efforts and the next steps. Since 2017 consultative meetings with CSO representatives also take place.

### 3.3.2 Support for Improvement of Governance and Management (SIGMA).

In order to assist countries, undertake comprehensive and coherent PAR measures, the Organization for Economic Cooperation and Development (OECD) and the EU established the SIGMA instrument, as a joint initiative, in 1992. In 2014, SIGMA first published its detailed strategic framework for good public administration, entitled “Principles of Public Administration”<sup>269</sup>. Subsequent SIGMA PAR Baseline Monitoring Report on Serbia was published in 2015 as well as progress monitoring reports in May 2016 and November 2017.<sup>270</sup> Finally, the new, more results oriented, Methodological Framework for the Principles of Public Administration (the Principles hereafter) were published also in November 2017. All these together presented an important framework and instrument for measurement of the PAR efforts effectiveness (in terms of administrative capacities) in Serbia and were widely used for designing the both Serbian AP PAR. Moreover, since 2015 SIGMA has extended technical assistance (TA) to the GoS, especially the MPALSG and MF, in terms of their capacity building and knowhow strengthening related to the PAR design, coordination effectiveness, and implementation efforts. SIGMA also published a wide array of important papers related to the PAR efforts and good practice. These include SIGMA papers on Managerial Accountability in the Western Balkans and Toolkit for the preparation, implementation, monitoring, reporting and evaluation of PAR and sector strategies.<sup>271272</sup> Regular SIGMA TA missions over the period subject to this evaluation (2014-2018) chiefly contributed to the improvement of the PAR documents in Serbia as well as their effectiveness.

### 3.3.3 Sector Reform Contract (SRC) for PAR and the WB loan.

Additional support to the PAR in Serbia is the SRC for PAR, concluded between Serbia and the EC in 2015. The agreed IPA II support funds for GoS PAR efforts under the SRC are EUR 80 million, of which EUR 70 million will be disbursed through Sector Budget Support (SBS) and EUR 10 million through complementary support. This EUR 80 million financial agreement on financing of the SRC for PAR was signed on 5 December 2016. The overall objective of the SRC is to improve efficiency, accountability and transparency of PA and the quality of service delivery and management of public finances. The SRC, established six key objectives and results<sup>273</sup> to guide support and measure the GoS efforts and the AP PAR and PFM RP results. Fulfilment of these also conditions the funds disbursement. The PAR SRC objectives, in the most part, coincide with those identified in the Serbian PAR Strategy, and also the SIGMA Principles. A specific coordination structure has been established for the guidance, management, coordination and monitoring of the actions included in the PAR

<sup>268</sup>Source: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>269</sup>Strategic Framework of Public Administration Reform, Policy Development and Co-ordination, Public Service and Human Resource Management, Accountability, Service Delivery, Public Financial Management

<sup>270</sup>Source: <http://www.sigmaxweb.org/publications/monitoring-reports.htm>

<sup>271</sup>SIGMA Paper No. 58 Managerial Accountability in the Western Balkans, November 2018. Link:

<http://www.sigmaxweb.org/publications/Managerial-accountability-in-the-Western-Balkans-SIGMA-Paper-58-November-2018.pdf>

<sup>272</sup> SIGMA PAPER No. 57 Toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies, October, 2018. Link: <http://www.sigmaxweb.org/publications/SIGMA-Strategy-Toolkit-October-2018.pdf>

<sup>273</sup> (1) Improved organisation and functions of the central government administration; (2) Improved public policy development and coordination; (3) Increased participation of citizens and civil society organisations in the policy-making process; (4) Improved merit-based human resources management system within the public service; (5) Reduced administrative burden to citizens and businesses through support to the reform of the inspection services; and (6) Improved management of public finances.



SRC. The GoS has established Operational Teams to share information, coordinate activities and monitor progress of PAR SRC implementation. The first meeting to facilitate the Platform for policy dialogue on the implementation of the SRC for the PAR took place on 12 June 2017 and the subsequent ones on 27 November 2017, 26 April 2018, and 30 October 2018.

Given the satisfactory PAR progress in the period from 2015 to 2018 on 30 October 2018, the EU approved the payment (per the GoS request for the payment of fixed and variable tranches for 2016) of the first financial request for the fulfilment of commitments prescribed in the SRC, in the amount of 30.5 million EUR. Also the commendations were issued regarding the progress of the policy framework, i.e. the adoption of the Law on the Planning System, as well as the preparation of the AP PAR 2018-2020. However, alike the 2016 the submission of the 2017 request for the tranche was postponed relatively to the indicative payment timetable according to SRC. The EC has recommended to the GoS to submit a request for the last payment tranche by the 2nd quarter of 2020, in order to coordinate it with the regular AP PAR 2018-2020 annual reporting.<sup>274</sup> The SRC objectives also include not so far GoS prioritised AP PAR objectives, such as those in SO 5. Thus, any future EC SRC approvals for payments will likely also depend on the assessment on the progress per these objectives too. Therefore the GoS is to prioritise these objectives too in order to fully fulfil the SRC objectives.

The EC is also supporting the design of a restructuring and rightsizing program in partnership with the World Bank (WB) under the IPA II (2014-2020). The program has produced several functional analyses: Horizontal Functional Reviews that covers 94 institutions; Vertical Functional Reviews of finance, agriculture and environment, social services, health and education. Moreover, the Law on Ratification of the Loan Agreement (WB Program for Results – Public Administration Modernization and Optimization Program) between the GoS and the International Bank for Reconstruction and Development (EUR 69 million in the period 2016-2019) was adopted only on 15 November 2016. The agreement with the WB supports the reform in the areas of HRM, Financial Management, and Procurement Management. There are 6 indicators i.e. objectives of which only first two, on HRM, are yet to get attained.<sup>275</sup>

### 3.4 The PAR Strategy human resources, management and development

#### 3.4.1 Human resources for PAR Strategy implementation.

The implementation of the 2014 PAR Strategy has been operated in the specific context of gradually decreasing i.e. "optimised" PA human resources and the need for the entire public sector to be downsized i.e. rationalized (in a non-linear way) in line with the requirements of the fiscal consolidation efforts and the three-year stand-by arrangement with the IMF. A number of still in force restrictive measures in the field of employment took place since late 2013. Amendments to the Budget System Law in December 2013 introduced a two-year freeze (later extended and still in force)<sup>276</sup> on employment in the PA who as from then can be employed only with the consent of a Serbian government body, on the recommendation by a ministry or other competent body. Simultaneously were introduced progressive reductions of salaries in the PA.<sup>277</sup> Finally, in August 2015 the PA employees' reduction was introduced with the Law on Determining the

<sup>274</sup> Platform for policy dialogue meeting minutes, 31.10.2018.

<sup>275</sup> DLI 1: Percentage of Public Administration Employee Positions assigned to pay grades as per the Law on Public Sector Employees Salary System; DLI 2: Percentage of Public Administration Employees assigned to new pay grades as per the Law on Public Sector Employees Salary System; DLI 3: Total number of Public Administration Employees at or under annual ceiling prescribed by the Law on Ceilings on the Number of Employees; DLI 4: Percentage of Redundant Public Administration Employees receiving Redundancy Payments pursuant to provisions of Law on Ceilings on the Number of Employees, Civil Servants Law, and Labour Law; DLI 5: Percentage of Public Procurement Contracts within the category of public authorities over 5,000,000 RSD in value, signed in a Fiscal Year of the Borrower, in 90 days or less between the date of Issuance of Bidding Documents and the date of signing of the Public Procurement Contracts; DLI6: Value of Public Procurement Contracts awarded through Framework Agreements (in RSD); DLI 7: Number of Indirect Budget Beneficiaries included in the FMIS; DLI 8: Percentage of commitments in budget execution system entered within the required deadline per the Law on Deadlines for Payments in Commercial Transactions (%).

<sup>276</sup> Budget System Law (*Official Gazette of the RS*, nu. 108/13, 68/15, 81/2016, 95/2018). Link:

[https://www.paragraf.rs/propisi/zakon\\_o\\_budzetskom\\_sistemu.html](https://www.paragraf.rs/propisi/zakon_o_budzetskom_sistemu.html) The freeze excluded NARS, elected and appointed officials, directors of public enterprises and agencies, judges, public prosecutors, and independent institutions such as Fiscal Council, CPIPDP, CPE, SAI, ACA, etc.

<sup>277</sup> The Law on Net Income Reduction for Public Sector Employees (*Official Gazette of RS*, No.108/13). Link:

<http://www.poreskauprava.gov.rs/sr/pravna-lica/pregled-propisa/zakoni/877/zakon-o-umanjenju-neto-prihoda-lica-u-javnom-sektoru.html> The income exceeding 60,000 was to be reduced by 20%, while that exceeding 100,000 RSD is to be reduced by additional 25%.



Maximum Number of Employee in the Public Sector to be in force till end of 2018 but recently extended for a year.<sup>278,279</sup> In spite of the end of the fiscal crisis the law was amended on 22 November 2018 and extended until 31 December 2019.

These were three key factors for a reduction of employed in the RS PA. Since the introduction of these PA rationalisation measures the number of PA employees was reduced for around 45,000.<sup>280</sup> In fact, according to the MPALSG during the period from December 2013 to December 2015 the PA was reduced for 45,131 (-8.76%).<sup>281</sup> A notable negative side effect of these long-term PA HR restrictive measures during the increased reform and EU integration oriented workload is that the PA is forced to frequently resort to outsourcing (contracting external services provision) thus not only decreasing its ownership over the reform process but also risking at times a lack of a learning process and not acquiring as much of new much needed competencies or increased development of the know-how within the PA.

However, given the scope of the PAR reforms and the needs of the EU integration processes it is expected for the PA employees' number to grow as RS has 6.4 PA employees per 100 citizens while that number in the EU is 8.5 and for new member states 8.0. Annex 9 contains a table based on data from CROSO<sup>282</sup> that shows cumulative changes in the numbers of employed in the PA in RS. This decrease in HR capacities came during the same period of the AP PAR 2015-2017 implementation, in fact the rationalisation of the PA was an important and prioritized part of the AP, i.e. it's the first result under the first measure under the first SO of the AP, (hereafter, 1.1.1.).

### 3.4.2 HRM and HRD.

The effort of development and implementation of a clear concept of civil servants towards establishment of a career, merit based and depoliticized HRM and HRD systems in Serbian PA dates back to early 2000s. A dualism between the political and career role of Secretaries, and dualism between political and non-political public servants in general were continuous 2004 PAR Strategy themes. With the 2014 PAR Strategy further efforts were planned in accordance with the principles of HR for PA professionalization, depoliticisation, rationalization and modernization. However, the 2014 Strategy did not consider needed resources and capacities.

Specific steps included the October 2017 establishment of national human resource development (HRD) PA institution, the National Academy of Public Administration (NAPA), in function since January 2018 but yet to get premises.<sup>283</sup> The Academy is envisaged as a new central national institution for the professional development of civil servants in the PA of the RS, a special organization overseen by the MPALSG. This jurisdiction was previously at Human Resource Management Service (HRMS), government service established in 2005, an institution that ensures the application and further development of standards and procedures in the processes of human resources management (HRM).<sup>284</sup> Finally, drafting and amending a range of relevant laws was also envisaged.

Albeit noticeable institutional and legislative advances, further legislative and implementation steps towards the set outcomes are to be determined at the policy and legislative levels. New law on amending the CSL has been prolonged in terms of implementation, as the Law on amending the Law on Salaries of Public Sector

<sup>278</sup>The Law on the Method of Determination of the Maximum Number of Employees in the PA (*Official Gazette of RS*, No. 68/15). Link: [https://www.paragraf.rs/propisi/zakon\\_o\\_nacinu\\_odredjivanja\\_maksimalnog\\_broja\\_zaposlenih\\_u\\_javnom\\_sektoru.html](https://www.paragraf.rs/propisi/zakon_o_nacinu_odredjivanja_maksimalnog_broja_zaposlenih_u_javnom_sektoru.html)

<sup>279</sup> Excluded are medical staff, the staff of social security institutions, any posts and capacities relevant for EU integration and the staff of inspectorates.

<sup>280</sup> The number of 42, 437 for the period until April 2017 was shared by the Miladin Kovavevic, Director of Statistical Office of the Republic of Serbia, 12 May 2018. The MPALSG numbers go to 45,000 for the period until end 2017.

<sup>281</sup> Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan, Anex to the Final Report Page 2. Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>282</sup> Ministry of Finance, CROSO- Central Registry of Compulsory Social Security, Register of Employees in Public sector of Treasury Administration Link: <http://www.croso.gov.rs/cir/index.php>

<sup>283</sup> Law on National Academy for Public Administration, (*Official Gazette of RS*, No 94 - 19. October 2017). Link: <http://www.parlament.rs/upload/archive/files/lat/pdf/zakoni/2017/2585-17%20lat.pdf>

<sup>284</sup> On new HRMS competences [http://www.suk.gov.rs/en/about\\_us/competence.dot](http://www.suk.gov.rs/en/about_us/competence.dot)



Employees, the umbrella law, and the Law on Public Services Employees and the Law on Salaries of Civil Servants and Employees in Bodies of Autonomous Provinces and Local Self-Government. These were adopted but the implementation was postponed initially until 1 January 2019 and then again for another year. Hence a need of further efforts concerning these issues towards the sought outcomes of depoliticized and merit based civil service, as per the AP PAR 2015-2017 efforts towards the merit based and depoliticisation(remove from political influence or control)of civil services (2.1.1), fair salaries system (2.1.2), and HRM external candidates depoliticisation merit based selection (2.2.1). As of 31 October 2018 of total 370 management position in the central government 322 were filled of which 214 were acting positions or 66%.<sup>285</sup>

Over the past few years on average 10 to 15% of the State Administration (SA) employees are trained each year (see table below). In order to successful encompass this training process, activities of the NAPA (previously HRMS) is focused on these activities: i) analysis of training needs, based on which the topics and the accompanying contents of future trainings are precisely identified; ii) planning and programming of general vocational training, methodological and financial aspects of the planned trainings; iii) organization and implementation aimed at the comprehensive and detailed preparation and implementation of the General Professional Development Program for civil servants; iv) the evaluation with which analysis obtain feedback on the quality of the different aspects of the training realized and their impact on the daily work of civil servants and the reporting of which information becomes transparent and accessible to the public. NAPA (previously HRMS) prepares and conducts a general training program. NAPA prepared and conducts general training programs, as well as training programs for senior civil servants<sup>286</sup> and both for national civil servants and for Local Self-Government (LSG) units<sup>287</sup>, too. The NAPA is mandated to provide general training (part of it is introductory program), i.e. training which is open to participants from all SA units and is not authorised to provide in-house. Also, on request of state administration bodies (SAB) NAPA can participate in specific trainings for SABs by 1) preparing and implementing special programs; 2) only preparing, SAB implements; 3) SAB preparing, NAPA implements; 4) SAB preparing and implements.<sup>288</sup> General training program, after the opinion of the High Officials Council, is adopted by the MPALSG Minister. The Minister adopts the Rulebook on the establishment of general professional training programs for 2017, which consists of 4 programs:

- 1) Introductory General Programs for Training of Trainees and Newly Employed
- 2) General Programs for Continuous Professional Training of Civil Servants
- 3) General Program for Professional Training of Senior Civil Servants
- 4) General Program for Professional Training of Advanced Skills and Management of Personal Development of Employees

The last available Rulebook and the adopted programs were adopted in January 2017, and all the trainings in 2017 and 2018 are conducted by it. As seen in the following table the number of trainings and number of participants consequently rises from 2015 to 2018. General training programs and training programs for senior civil servants for 2019 was adopted at the government session in January 2019.

**Table 31. All HRMS/NAPA programs for Training of Civil Servants, trainings and participants**

Program:	Number of Trainings <sup>289</sup>				Number of Participants			
	2015	2016	2017	2018	2015	2016	2017	2018
Introductory General Programs for Training of Trainees and Newly Employed	11	8	9	11	178	165	212	402
General Programs for Continuous Professional Training of Civil Servants	89	135	206	161	1486	2759	3488	2981
General Program for Professional Training of senior civil servants	15	22	31	19	247	392	432	279

<sup>285</sup> Per the HRMS correspondence to the Evaluation Team from 19 November 2018

<sup>286</sup> Article 97, Law on Civil Servants and Article 122b of the Law on Employees in the AP and LSG.

<sup>287</sup> Article 2 of the Law on the National Academy.

<sup>288</sup> Article 97 of the Law on Civil Servants and Article 122 of the Law on LSG.

<sup>289</sup> Excluded foreign language trainings





General Program for Professional Training of Advanced Skills and Management of Personal Development of Employees	3	18	21	9	46	234	290	156
<b>Total:</b>	<b>118</b>	<b>183</b>	<b>267</b>	<b>200</b>	<b>1957</b>	<b>3550</b>	<b>4422</b>	<b>3818</b>

Programs are further broken down into program areas, and program areas into thematic areas within which servants have training. According to the General Programs for Continuous Professional Training of Civil Servants, we see that some new parts from the PAR been identified as a need for further training of civil servants. In 2016, a program area for inspection oversight was introduced, and in 2017 the program area of administration as service of citizens in addition to already existing parts targeting PAR (public finance, public policy management, human resources management). From the following table it is seen that the number of trainings held and number of civil servants included rises from 2015 onwards.

**Table 32. General HRMS/NAPA Programs for Continuous Professional Training of Civil Servants**

Program areas:	Number of Trainings				Number of Participants			
	2015	2016	2017	2018	2015	2016	2017	2018
Strategic and financial management and PA public policies coordination (2015). Management of public policies system (2016, 2017)	6	8	9	9	94	124	126	121
Managing the legislative process and administrative acts	10	13	30	20	143	527	580	291
Public finances	5	9	23	8	152	217	500	266
Management of international development assistance, including EU financial assistance	15	26	32	20	262	608	613	411
Human Resource Management	9	17	6	3	158	298	64	56
Fight against corruption	12	13	8	5	200	201	133	64
Protection of human rights and confidentiality of data	9	13	14	19	129	193	195	255
Business communication	10	11	8	13	172	200	156	259
Information communication technologies	13	20	22	14	176	282	281	196
Inspection oversight	N/A	4	4	9	N/A	93	96	212
Administration as service of citizens	N/A	N/A	33	15	N/A	N/A	490	260
EU Cohesion policy	N/A	N/A	6	1	N/A	N/A	98	13
Safety, protection and health at work	N/A	N/A	10	9	N/A	N/A	145	118
<b>Total:</b>	<b>89</b>	<b>134</b>	<b>205</b>	<b>145</b>	<b>1486</b>	<b>2743</b>	<b>3477</b>	<b>2522</b>

There are the challenges too. Comprehensive reports on professional development activities and their cost and results are currently not available. Training providers conduct participant satisfaction surveys at the end of each training, and collect anecdotal evidence on training success, while reportedly MEI and HRMS 6 month after each training perform evaluation questioners to asses if the knowledge has been implemented. Still, the info on the exact impact of the trainings is not available.<sup>290</sup> Also, "It is evident from the practice so far and the monitoring of the AP PAR that there is a large number of parallel records, reports, documents and functions overlapping in the RS, which need to be resolved with better coordination and consolidation, document merging, interconnecting and interoperability of the existing databases. One of the examples was the development of a database of the Special Professional Training Programs at the level of state authorities within the MPALSG in accordance with the Regulation on Professional Training of Civil Servants adopted in March 2015, alongside with the existing Central HR Data base and the Data base of General Professional Training Programs in the Human Resource Management Service."<sup>291</sup>

NAPA is facing challenges about space and equipment. In the first year of operation, they will operate from the premises of HRMS. Decision of the new premises is made and currently the equipment purchase is in progress (the relocation is planned for June 2019). Also, regarding budgetary means for the new NAPA

<sup>290</sup>Roadmap for Establishing a Central National Institution for Professional Training in Public Administration in the Republic of Serbia, 2015. Link: NA

<sup>291</sup>2016 Semi Annual Status Activities Report on the implementation of the Action Plan of Republic of Serbia Public Administration Reform Strategy for the period 2015-2017. Link: <http://mduls.gov.rs/reforma-javne-uprave/>



employees, it is yet to be seen whether it is planned for the longer term of NAPA functioning as the central institution for the professional development.<sup>292</sup>

### 3.5 GoS centre of government and Planning System

#### 3.5.1 Current parallel planning systems

MPALSG is responsible for the overall coordination of PAR and developing planning documents within its jurisdiction. However, PAR is recognised as a priority in the key horizontal medium-term planning documents: Exposé of the Prime Minister (PM), the Fiscal Strategy for 2017 with projections for 2018 and 2019, and the National Program for the Adoption of the EU Acquis 2014-2018. The only document providing more general remarks on the importance of the public sector reform without specific details is the ERP 2016-2018.<sup>293</sup> As previously mentioned, the strategic framework for PAR has been established, but as the 2017 SIGMA Monitoring Report states - the quality of planning is weak, especially at the level of operational planning. It is interesting that even within MPALSG there is double protocol for documents – one in paper plus e-document management system (e-DMS) from Administration for Joint Services of the Republic Bodies and one specific e-DMS for MPALSG. The specific e-DMS of MPALSG actually should have incorporated all business procedures, which is not the case and all these actually disturbs time for qualitative planning.<sup>294</sup>

In line with the different planning documents, the Centre of the Government (CoG) has several different planning documents. General Secretariat has Annual work plan of the Government, PPS has planning and operationalization of the Action Plan for the Implementation of Government's Program, and MoF as a wider part of the centre of the government has a program budget planning. These processes are parallel, and managers and civil servants must plan their activities and objectives within them, even that it means that they actually do it 3 times instead of one. It is not always clear which document is hierarchically higher than other, although everything from the Annual work plan needs to be in budget so these two are correlated.<sup>295</sup>

While the institutions are in place to ensure a central government policy-making system, policy coordination faces challenges in practice due to a focus on formal and procedural issues rather than on substances. Quality of strategic planning continues to be weak.<sup>296</sup>

#### 3.5.2 New centre of government architecture and the Law on Planning System of the Republic of Serbia

Improved Centre of Government (CoG) functioning has been considered an important objective within the PAR and EU integration efforts. This way policy and legislation processes and outcomes at the central level and strengthening of the public policy making structure was sought as well as coordinated outcome focused processes linked to strategic and budgetary framework. In fact, since the end of 2000s GoS was engaged in attempts to reform its policy coordination and the CoG, towards enabling institutional and organisational environment for effective public policies cycle management at the national level. Thus establishing the cycle from the development of plans, objectives setting and problem prioritization, towards policy planning and formulation of strategic frameworks and their implementation, to the Government decision-making and the monitoring and evaluation. For this, it was necessary to improve the structure, capacities, operational linkages, government strategic and work planning, policy development and policy coordination, and enable effective management and coordination of the policy system, across the General Secretariat but the line ministries and other PA bodies too. Normative framework for such system was also missing.

After much deliberation a new part of the CoG was formed. In April 2014 the Public Policy Secretariat (PPS) of the RS was established as a special organisation under the Law on Ministries. The PAR AP 2015-2017

<sup>292</sup> Thematic/Expert Focus Group on AP PAR Pillar 2 (SO 1) AP 2015: Establishment of civil service system and human resources management, held in MPALSG Serbian-Korean Information Access Centre on 15 November 2018

<sup>293</sup> OECD/SIGMA Monitoring Report for Serbia (2017), page 11

<sup>294</sup> Thematic Focus Groups Effectiveness of the Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia for the period 2015-2017 held at the MPALSG Serbia-Korea Information Access Centre on 14 November 2018.

<sup>295</sup> Meeting with MPALSG on 25.10.2018

<sup>296</sup> EC Serbia 2016 Progress Report, November 2018, Link: <https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/20180417-serbia-report.pdf>



charged the PPS with a PA reform part on 'Improvement of organisational and functional subsystems of public administration' and 'Raising the legal safety and promotion of the business environment and the quality of provision of public services'. With the PPS formation, the institutional gap was filled and largely created a base for development of public policies coordination and alignment with the budget framework, towards first integrated planning and budgeting system in the RS, as foreseen by the AP PAR 2015-2017 and AP PAR 2018-2020.

As the NARS on 29 April 2018. adopted (applying since 29 October 2018.) the Law on Planning System of the Republic of Serbia<sup>297</sup> the key normative framework is now in place by which a range of successive public policy planning system steps will be undertaken inclusive of a two year harmonization period for other public policy documents. The Law prescribed the adoption of two bylaws in the form of methodologies. One refers to the Methodology on Public Policy Management, Analysis of the Effect of Public Policy Regulations and the Content of Individual Public Policy Documents, while the other one is the Regulation on the Methodology for the Preparation of Mid-term Plans. The bylaws were adopted on 31 January and 7 February 2019, respectively.

The Law was foreseen under the third measure of the first SO of the AP 2015-2017, improving the Government policy management system (AP 2015: 1.3., hereafter 1.3.). Under this measure the set of Action Plans for the Implementation of the Government's Program (APIGP) were prepared for 2015 (Pilot), 2016 and 2017. The APIGP 2018 contains measures 3.4 E-Government and 3.5 PAR, Optimization and reform pay system. Also, in cooperation with CoG institutions the Uniform Information System (UIS) for planning and monitoring policy implementation was designed and implemented and is now being piloted for the early 2019 start of use.

The Law introduces a system of accountability for results and creates a framework for measuring the efficiency of work in the public administration. It is expected that a coherent monitoring and evaluation system at the national level, including appropriate templates, will now be enabled as a result of the adoption of this law. These important normative frameworks shall be followed by a need for producing a number of instruments required for the law and the two by-laws' implementation across the state (and public) administration in Serbia. The Law also regulated with its Article 34 the issue of a request for conducting public consultations at all stages of the development of public policy documents.

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<sup>297</sup>Law on the Planning System of the Republic of Serbia (*Official Gazette* No 30/2018). Link: <https://rsjp.gov.rs/EN/wp-content/uploads/2018/07/Law-On-Planning-System.pdf>



## Annex 17. Full report part on context of the PAR Strategy in Serbia and intervention logic

### 4. The PAR Strategy in Serbia

In addition to providing a general overview and PAR development agenda, this short chapter will specifically address the evaluation theme, i.e. PAR Strategy and its design well as PAR Strategy and its AP intervention logic and will present key relevant stakeholders. Moreover, it will present the principal PA institution in charge of its implementation as well as the strategy Reporting, Coordination, Monitoring and Evaluation arrangement. This chapter's full version could be found in Annex 17.

#### 4.1 2014 PAR Strategy, successor of 2004 SAR Strategy

With its 2004 State Administration Reform Strategy (SARS) the GoS has for the first time since the democratic changes in 2000 presented strategic overview and main state administration reform objectives<sup>298</sup>. These were twofold. Towards building a democratic state based on rule of law, accountability, transparency, efficiency and effectiveness, and building state administration focused on citizens and capable to ensure to citizens and private sector a high quality of services at reasonable costs. The strategy declared five main guiding principles for the reform implementation by the GoS. There were: decentralization, depoliticisation, professionalization, rationalization, and modernization, while the key reform areas included: Decentralization, Fiscal Decentralization, Development of Professional and Depoliticized State Administration, Rationalization of State Administration, Introduction of Information Technologies, and State Administration Control Mechanisms. Unlike many other such strategies in the region, the strategy was quite broad, away from mainly focusing on the civil service reform. The strategy was not time bound while its two successive action plans covered 2004-2008 and 2009-2012.<sup>299300</sup> Also, none of the two AP(s) objectives were time bound, while the actual baselines and target values were only related to passing the laws.

A review of the 2014 PAR Strategy show that it inherited from the previous 2004 PAR Strategy still relevant key PAR areas and five earlier mentioned main guiding principles. Key reform areas included: Decentralization, Fiscal Decentralization, Development of Professional and Depoliticized State Administration, Rationalization of State Administration, Introduction of Information Technologies, and State Administration Control Mechanisms. In addition to adhering to these earlier set and still relevant PAR reform areas the new strategy extends these to the public administration system as well. The key rationale for enlarging the scope of the Strategy from the state to public administration was the need of ensuring the functional unity and standard quality of activities producing specific types of administrative operations and public authorities, irrespective of the entities that perform these, like bodies, organizations, or institutions.

So the new strategy drafting was based upon a review of the previous strategy and extensive consultation with various stakeholders, the CSO and the EU partners. The strategy linked the PAR and EU integration processes, in line with the National Program for Adoption of EU Acquis (2013–2016), and recognized the PAR and the EU integration as two interconnected processes. Thus the Strategy Overall Objective of "...the Reform is to ensure further enhancement of the public administration operations in line with the principles of European Administrative Space that is, to create the high quality services for citizens and businesses, and the public administration in Serbia that will significantly contribute to economic stability and improved living standard of citizens"<sup>301</sup>.

While expanding its scope from around 25,000 state administration (SA) to around 500,000 PA employees, the overall objective of the new 2014 PAR Strategy is that Serbia, through PAR, succeed in its transition towards a democratic state based on the rule of law and, in line with the principles of the European

<sup>298</sup>State Administration Reform Strategy. Link: <http://www.arhiva.drzavnauprava.gov.rs/files/dokumenta-7.pdf>

<sup>299</sup>Overview of the realization of the State Administration Reform Strategy in the Republic of Serbia and the Action Plan for Implementing the State Administration Reform Strategy for the period 2004-2008. Link: <http://www.arhiva.drzavnauprava.gov.rs/files/dokumenta-9.doc>

<sup>300</sup>Overview of the realization of the State Administration Reform Strategy in the Republic of Serbia and the Action Plan for Implementing the State Administration Reform Strategy for the period 2009-2012. Link:

<http://www.arhiva.drzavnauprava.gov.rs/files/Pregled%20realizacije%20AP%20RDU.doc>

<sup>301</sup> Public Administration Reform Strategy in the Republic of Serbia, page 10.



Administrative Space, provide high-quality services to citizens and businesses, thereby positively affecting the standard of living of citizens. Regarding the more specific objectives (SOs) to be achieved, the PAR Strategy identifies five of them:<sup>302</sup>

**Table 33. The 2014 PAR Strategy Specific Objectives<sup>303</sup>**

**SO1: Improvement of organisational and functional sub-systems of public administration**

This goal implies PA optimization (i.e. number and suitability of institutions, number of employees, organisational structures), and need for PA institutions to manage their competences, coordination roles, operations and managerial tasks in respect to the goals. Also, it refers to e-government, digitalization, improvement of decentralization and deconcentration.

**SO2: Introduction of harmonised public service system relying on merits and improvement of human resources management**

Public administration needs to improve its efficiency, together with delivering a merit-based system with regulated salary and reward system.

**SO3: Enhancement of public finance and public procurement management**

This objective serves to ensure better efficiency in managing public finances, and creating standards and capacity regarding the internal and external financial control functions. Also, it refers to improving budget inspection and public procurement system.

**SO4: Enhancement of legal certainty and upgrading of business environment and quality of public administration services**

Legal certainty provides the framework for creating competitiveness and jobs, and thereby for achieving greater economic growth. It also refers to creating better quality services to citizens and business.

**SO5: Improvement of transparency, ethical and responsible approach in discharging the public administration duties**

Citizen participation creating demand for transparency, and consequently greater involvement in decision-making processes and in creating and monitoring public policies. It refers to independent state bodies doing their control mechanism function.

These five SOs remain in both AP(s), as well as their measures, although at times somewhat re-worded or altered. In other words, by large there is a continuity of the PAR Strategy specific objectives in all three documents.

The PAR Strategy and both AP(s) demonstrate a high level of correlation to the Principles, especially the AP PAR 2018-2020. In its design a very pragmatic use was made of the SIGMA indicators from the new 2017 Principles. This was not only the PAR measurement and monitoring efforts were enabled but also a link to the process of Serbia's accession to the EU. Furthermore, it makes this AP PAR monitoring very cost-effective. The utilized SIGMA Principles indicators will be monitored per future regular SIGMA assessments and measurement based on data provided by the GoS. The GoS, i.e. MPALSG, has also for years collaborated with SIGMA on the level of technical assistance and capacity building. Compared to the AP PAR 2015-2017, the much higher quality of the AP PAR 2018-2020 design, among many other factors, clearly reflects the benefits of this collaboration.

Furthermore, there is a high relevance of the PAR Strategy (and especially the two AP(s)) that also comes from the fact that these were intended to address a number of problems outlined in assessment and progress reports produced by the EC, SIGMA, and the WB. Whereas RS has the legal framework for a functioning PA and civil service in place, the lack of effective organisation of administration and appropriate inter-institutional coordination create obstacles to implementation of legislation and efficient delivery of services. The PAR Strategy responded to these issues and is aligned with the 2014 Principles as well as the EC enlargement strategy<sup>19</sup>, and reflects the requirements of the SAA.

<sup>302</sup>Public Administration Reform Strategy in the Republic of Serbia, page 10-11.

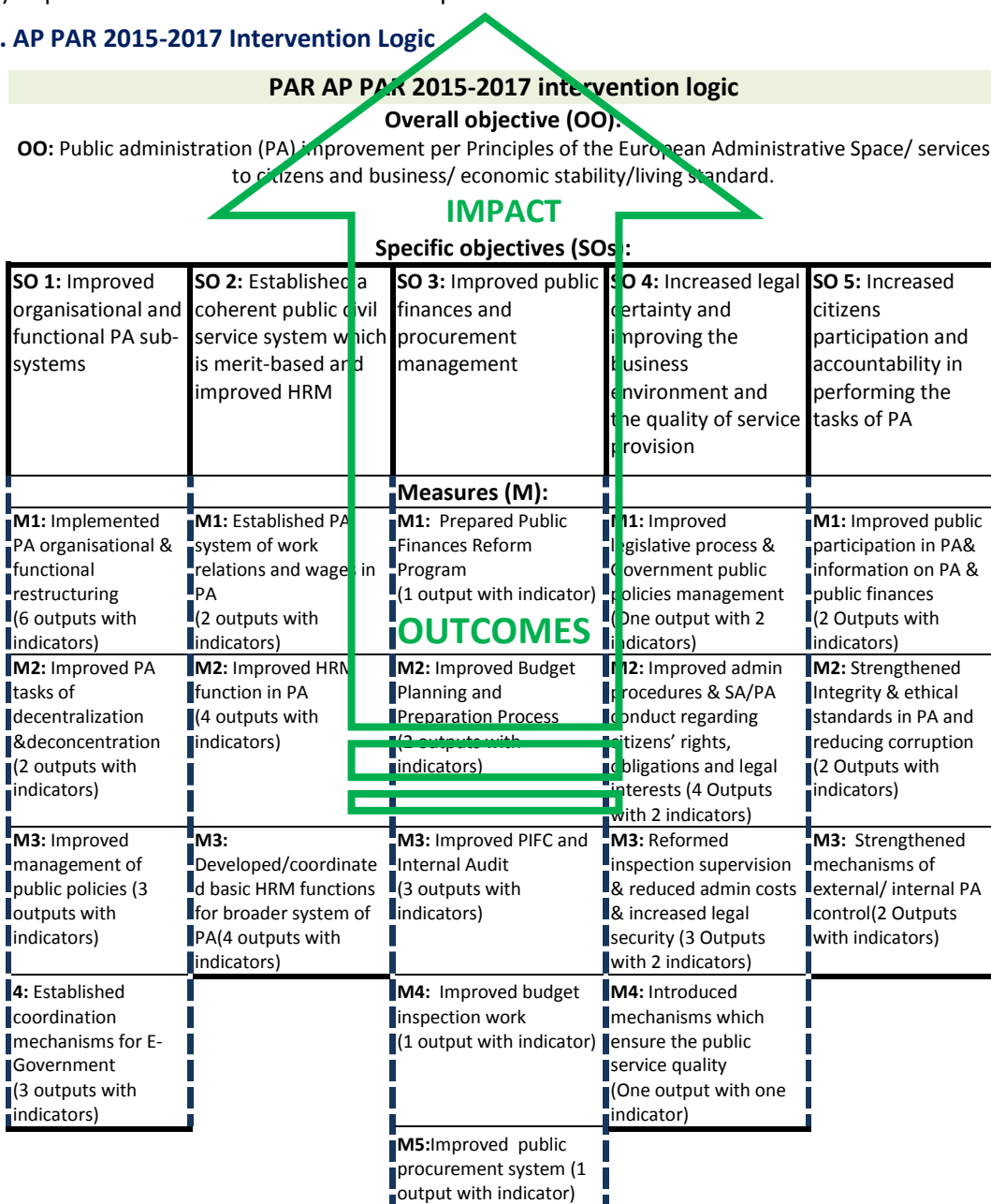
<sup>303</sup> Public Administration Reform Strategy in the Republic of Serbia



## 4.2 The intervention logic of the AP PAR 2015-2017

In both AP(s), each of the five specific objectives is meant to be achieved by a number of measures, as detailed in Annex 6 where continuity and coherence of PAR Strategy and AP(s) was reviewed. These objectives and measures for AP PAR 2015-2017 are summarized in Table 12 below. Under each of the 19 measures the AP(s) list several outcomes called "results", in total 47 that were intended to achieve the measure and causally the specific and overall objectives. Although the PAR Strategy dedicated little focus on prioritisation, resources and capacities, efforts have been made in the AP(s) to prioritise the resources needed to implement the strategy, differentiating between government and donor resources. In comparing the two AP(s), it is evident that the AP PAR 2018-2020 reflects upon the achievements delivered, as well as those not yet delivered, in the implementation of the AP PAR 2015-2017. A number of activities (in place of the "results") have been designed and adjusted to the evolving circumstances in order to contribute to the set of now 17 measures with outcome indicators designed or performance measurement. Those not yet attained measures defined in the AP PAR 2015-2017, were mostly taken over into the AP PAR 2018-2020 as continued efforts. Further information on the continuity of the AP(s) efforts is provided in Annex 7 where the two AP(s) implementation timeliness are compared.

Table 34. AP PAR 2015-2017 Intervention Logic





Reflecting that the 2014 PAR Strategy is the horizontal strategy for PAR efforts in Serbia, two sorts of links have been identified with other core strategic documents of the GoS, so that harmonization of the AP PAR with them is ensured. There are sub-sectoral strategies (sub-strategies) and lateral strategies and action plans. The following are the sub-sectoral strategies (sub-strategies):

**Table 35. Strategies and programs related to the implementation of the PAR Strategy**

<b>Strategies and programs related to the Implementation of the AP PAR 2015-2017</b>	
<b>SO 1.3.</b>	The Strategy for Regulatory Reform and Improved Policy Management System, 2016-2020; AP for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System, 2016-2017
<b>SO 1.4.</b>	Strategy for E-Government Development for the RS for the period 2015-2018 with the AP for 2015-2016; Adoption of the AP for the period 2017 –2018 for Strategy implementation;
<b>SO 2.3.</b>	Strategy for professional development of employees in local units self-government in the Republic of Serbia and Action Plan for Implementation of the Strategy for the period 2015 -2016;
<b>SO 3.1.</b>	PFM program 2016-2020 and Action Plan 2016-2020;
<b>SO 3.3.</b>	Strategy for Internal Financial Control Development in the Public Sector for the period 2017 – 2019;
<b>SO 3.5.</b>	Strategy for Development of Public Procurement in the Republic of Serbia for the period 2014 – 2018
<b>SO 4.1</b>	The Strategy and the AP for Regulatory Reform and Improved Policy Management System, 2016-2020;
<b>SO 5.1.</b>	First AP OGP 2014-2016. Second AP OGP 2016-2018
<b>Strategies and programs related to the Implementation of the AP PAR 2018-2020</b>	
<b>SO 1.3.</b>	Upcoming: AP for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System for the period 2019-2020.
<b>SO 1.2.</b>	Upcoming: Reform Program for LSG
<b>SO 1.4.</b>	Ongoing: Program for E-Government Development 2019-2021
<b>SO 3.1.</b>	Ongoing: The PFM RP review and new AP drafting

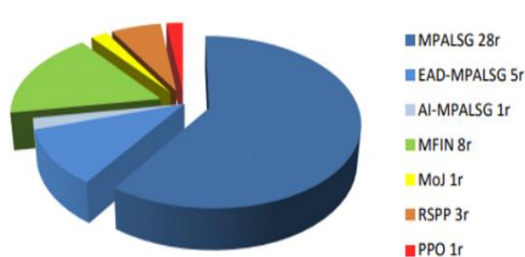
The following are the lateral strategies and action plans: **(i)** The National Anti-Corruption Strategy of the Republic of Serbia; **(ii)** Action Plan for Chapter 23 in negotiations with the EU; **(iii)** Action Plan for implementation of the Open Government Initiative.

### 4.3 Key PAR strategy stakeholders

A key stakeholder review was performed in an effort to recognize the institutions and organizations that may chiefly influence the PAR Strategy implementation and to better understand the relationships between them.<sup>304</sup> It has been recognized that, generally, stakeholder analysis helps improve understanding of the level of the results achieved. However, a horizontal character of the PAR strategy and necessary fragmentation along the lines of vertical sector perspectives makes the job of soliciting any specific stakeholders interest and power levels related to the whole PAR as a not very meaningful job. In other words, the level of ownerships over the PAR agenda is variable and fragmented as the PAR Strategy is wide and crosscutting.

The PAR Strategy key implementing and reporting stakeholders includes 16 institutions. In addition to the MPALSG, other key PAR implementing stakeholders include the PPS, the Office for Information Technology and E-Government, the Ministry of Finance, the National Academy of Public Administration, the Human Resource Management Service (HRMS), the Ministry of European Integration (MEI), the Office for Cooperation with Civil Society, as well as Senior Officials of Line Ministries and other Centre of Government Bodies that are involved in implementing PAR in Serbia (see Annex 4 for a list of key implementing and reporting institutions). As a significant donor in regard to PAR in Serbia, as well as the financier of the Project, and thereby also of this Evaluation, the EU and thus the EU Delegation to the Republic of Serbia is another key stakeholder.

<sup>304</sup>For more details on this method, see World Bank: Guidance Note for Stakeholder Analysis. Link: <http://www1.worldbank.org/publicsector/politiceconomy/November3Seminar/Stakeholder%20Readings/CPHP%20Stakeholder%20Analysis%20Note.pdf>

**Table 36. Implementing and reporting Institutions**

The AP PAR 2015-2018 has 5 specific objectives, 19 measures, 47 results, and 88 indicators in total. Of the 47 results the MPALSG in charge of implementation of 34 (of which the Administrative Inspectorate has one, while the former Directorate for E-Government, and now the Office for Information Technology and E-Government, was charged with 5 results), the MoF has 8, the MoJ has 1, the PPS has 3, and the Public Procurement Office is responsible for

implementing and achieving 1 of the total of 47 result.

#### 4.4 Ministry for Public Administration and Local Self-government (MPALSG)

While the PAR Council, presided by the Prime Minister, is in charge of the PAR on strategic and political level, the MPALSG is a central institution in charge of the PAR implementation and its coordination on the operational level.

As per the July 2017 MPALSG Rulebook<sup>305</sup>, in the MPALSG there shall be a Group in charge of the coordination of the activities related to the PAR Strategy: the Group for Managing PAR, within the Sector for the Development of Good Governance. It's described work-scope includes the drafting of strategic documents and action plans in the field of PAR; coordinating implementation of the PAR Strategy at the technical level (operational activities and coordination of the PAR process and the work of the Inter-ministerial Project Group); coordinating implementation of the PAR Strategy at the policy level (technical and operational activities and coordinating the work of the Collegium of State Secretaries(now eliminated) and the PAR Council); establishing and improving the mechanisms for the involvement of civil society organizations in the PAR process; monitoring the implementation of planned reform activities (analysis of reports and regular processing of data obtained from reports); evaluation/assessment of the implementation of planned reform activities (coordinating and conducting internal evaluation and obtaining external evaluation); as well as coordination and cooperation with public administration bodies, organizations and institutions and other civil society organizations within the purview of the Group and other matters within the purview of the Group.

Important to note, the PAR Strategy in the following way emphasized the establishment of a new internal organisational unit, a department for the coordination of the activities related to the PAR Strategy. To ensure a successful accomplishment of these tasks and ensure the sustainability of this process, it is necessary to ensure the appropriate capacities, primarily by building the capacities of an internal organisational unit (Department) of the Ministry of Justice and State Administration under whose auspices are the public administration activities involving the public administration system, organization and work of the ministry, special organizations, public agencies and public services, by including under the job classification, the organisational units that would be responsible for the coordination of activities related to the PAR Strategy.<sup>306</sup>

To that end in 2014 the Department for PAR Management & Training was established, consisting of 5 employees dealing with PAR coordination, ReSPA and OGP initiatives, and professional development of the civil servants etc. Furthermore, AP PAR 2015-2017 stated that with the new systematization of MPALSG an internal organisational unit for PAR management is to be established.

Due to a number of factors this department was transformed in 2016 to the Group for the PAR Management and consisted of 3 civil servants dealing with the following tasks and goals, except of the professional training and development (the new Sector was made encompassing this set of tasks). The group is reforming

<sup>305</sup> Rulebook on Internal Organisation and Job Classification of the Ministry of Public Administration and Local Self-Government, July 2017, Link: <http://mduls.gov.rs/reforma-javne-uprave/>

<sup>306</sup>Public Administration Reform Strategy in the Republic of Serbia, page 52.





activities which are primarily related to the following: participation in preparation of the PAR Strategy and AP PAR; participation in the preparation of AP for Open Government Partnership implementation (OGP); professional tasks for the needs of the PAR Council; preparation of reports on the EU integration process from the aspect of the implementation of the development strategy and action plans in the field of PAR and OGP. This Group is the primary MPALSG collaborator of the evaluation team.

Such formation of the department of PAR was to be a first step towards the establishment of the internal capacity of the MPALSG. In the future, the ministry was to focus on organisational strengthening and capacity building, as part of the restructuring process within the MPALSG.

#### 4.5 Reporting, coordination, monitoring and evaluation of the PAR Strategy

The PAR Strategy determined an organisational structure for its implementation coordination and monitoring. All GoS bodies in charge for implementing the PAR Strategy (16 in first and 15 in the second AP) must regularly provide the MPALSG with data on progress of implementation and targets attainment, of which progress reports are drafted. Annex 4 contains the list of the reporting institutions. After being processed by the MPALSG, the reports should be discussed by the Inter-Ministerial Project Group (IMPG) and at the meeting of the Collegium of State Secretaries, now dismissed.<sup>307</sup> Once a year, as a minimum, findings are additionally discussed at the meeting of the PAR Council. MPALSG published the final progress report covering the period 2015-2017 in March 2018. In order to fulfil the above and effectively report and monitor the implementation of PAR and the AP(s), adequate functioning of the reporting system and management structure and mechanism for monitoring is crucial. Whether PAR is going to be successful, also depend on the way its implementation is coordinated and managed. As described above, the PAR Strategy has laid the foundation for the four level structure of managing PAR: “The first and the second levels are the levels of professional coordination, while the third and the fourth levels are the levels of political coordination of the PAR process”<sup>53</sup>, as detailed below.

##### 1. First level is the Ministry for Public Administration and Local Self Government (MPALSG).

The MPALSG as the accelerator of change, and to secure implementation and monitoring of PAR. However, the existing MPALSG capacities for this are limited and need improvement (as prescribed by the strategy and assessed in the 2015). The new 2015 systematisation of MPALSG has established, as a first step towards the needed capacities, new organisational units for management of PAR, the PAR Group with the following tasks:

- Coordination and participation in preparation of development strategy and action plans in the area of public administration reform;
- Coordination and participation in the preparation of action plan for Open Government Partnership implementation;
- Professional tasks for the needs of Council for Public Administration Reform and the Inter-Ministerial Project group;
- And preparation of reports in the European integration process from the aspect of the implementation of the development strategy and action plans in the field of PAR and Open Government Partnership.

##### 2. Second level is the Inter-ministerial project group (IMPG).

It is tasked with performing the expert coordination and monitoring of the PAR Strategy implementation – and is formed of secretaries of the Ministries. The IMPG tasked with coordination and monitoring of the implementation of the AP PAR 2015-2017 was established for the period from January 2015 to December 2017. After adoption of AP PAR 2018-2020 in July 2018 a new IMPG was established with alike tasks on 26 October 2018 by the GoS. Its first meeting took place on 26 December 2018. Specific tasks include:

- Taking part in the drafting of strategies and action plans in the PAR process;

<sup>307</sup> The Collegium of State Secretaries was dismantled in 2018 by the adoption of the changes in PAR Strategy.



- Participation in all relevant initiatives and projects in the PAR strategy (within the regular revision of the Strategy, respectively in process of the development of the new PAR Strategy); recommending the inclusion of certain activities in the Annual Work Plan of the Government (in cooperation with MPALSG);
- Harmonization of other national strategic documents with the PAR Strategy (in cooperation with RSJP and GS);
- Adoption of the report on the implementation and evaluation of the results achieved by the PAR Strategy and Action Plan for its implementation, based on the analyses and proposals developed by the Department of PAR in MPALSG;
- Prepare proposals to the Council of PAR to discuss and adopt decisions on which consensus was not reached within the work of the IMPG;
- Participation in the evaluation of the results of the implementation of the PAR Strategy in accordance with the methodology of evaluation (each member within the scope of his authority).

### 3. Third level is the Collegium of State Secretaries.

It is envisaged that this body resolves the issues that were unable to be resolved at the technical level. However, due to its limited effectiveness the 2016 SIGMA report “Overview of the coordination structure for the PAR Strategy”<sup>308</sup> recommended elimination of this level. This change in the PAR Strategy was adopted by the GoS in July 2018<sup>309</sup>. In accordance with this change on 28 August 2018, the Decision on the PAR Council was also amended.<sup>310</sup>

### 4. Fourth level is the PAR Council.

This Council is the central strategic and political body for the coordination of PAR by the GoS, composed of the Prime Minister and line Ministers, and overall responsible for guiding PAR delivery, tasked with defining the priorities and proposals for the strategic development of PA in Serbia. The following are the main tasks of the PAR Council:

- Defining the proposals for the strategic development of PA in the Republic of Serbia;
- Initiating and proposing the PAR measures and actions to the Government;
- Discussing and adopting Reports on achieved objectives in connection with the PAR;
- Promotes and monitors the implementation of PAR, especially from the perspective of integrating the principles and goals of the PAR into sectoral development strategies and planning documents;
- Discussing and providing of preliminary opinion to the Government, about development strategies, draft laws and other legal documents related to the organization and work of the Government, PA bodies and in particular those proposing the incorporation of new state authorities, organizations, services or bodies of the Government.

Besides the coordination structure, set by the strategy another PAR reporting process goes between the PPS and the MPALSG in relation to those PAR objectives found in the APIGP that PPS coordinates. Out of 22 specific objectives the 2018 APIGP contains two specific PAR. The 3.4 E-Government and 3.5 PAR: Optimization and reform pay system. The latter is related to the Government Optimization Program with the focus on rationalization (AP 2015: 1.1) and former to the E-Government agenda and since 2015 clearly prioritised service delivery to citizens and businesses (AP 2015: 1.4., 4.2.). Thus, these PAR objectives have been prioritized by the GoS as well as by the Stop to Bureaucracy Action Plan (2016) implemented by the PM Office Delivery Unit. The following graph shows how these separate strategic realms interact, the APIGP and AP PAR.

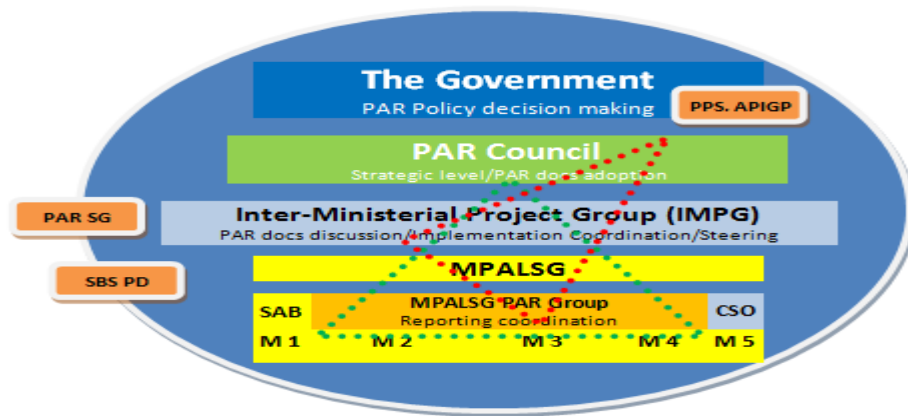
<sup>308</sup> OECD/SIGMA (2016): Overview of the coordination structure for the Public Administration Reform Strategy: December 2016; Link: N/A

<sup>309</sup> The GoS on 6.7.2018 adopted the amendments to the PAR Strategy relating to the coordination structure, which changed it from a four-level to a three-level structure. The College of the State Secretaries was abolished, which constituted implementation of recommendations from the 2016 SIGMA analysis and SIGMA 2017 Report.

<sup>310</sup> Decision on the PAR Council (*Official Gazette of the RS*, No 66/18). Link: N/A



Table 37. PAR coordination structure



As earlier stated, in addition to the organisational structures and mechanisms to support monitoring of the PAR Strategy’s implementation adopted by the GoS, as set-out above, SIGMA also conducts monitoring of the PAR performance of the countries that it supports, against its established Principles and the strategic framework for PAR. The baseline for Serbia was established in 2015. SIGMA subsequently issued a monitoring report for Serbia in November 2017.<sup>23</sup>

Nonetheless, much remains to be done. The EC’s progress report for Serbia for 2018<sup>311</sup> recommends further strengthening the capacity for monitoring and evaluation. According to the report, Government monitoring reports and ministries’ strategy monitoring reports should start to increasingly measure achievements against stated objectives rather than report on implemented activities. The progress report emphasizes that monitoring and reporting on the public financial management reform program needs to be harmonized with the monitoring and reporting on the AP PAR.

<sup>311</sup>EC Serbia 2016 Progress Report, November 2018. Link:<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>



## Annex 18. Full report part on effectiveness assessment per the 19 AP PAR 2015-2017 measures

### 5.3.1.1 SO 1: Improved organisational and functional public administration sub-systems (I-3.1.2)

**5.3.1.1.1 SO 1 M 1.1: Implementation of organisational and functional restructuring (Sub I-3.1.2.1, hereafter SI-3.1.2.1).** (This measure entails 6 planned results, of 47, of which 3 were reported "red", i.e. achieved below 50%: 1.1.3. Optimisation implementation; 1.1.5. Linking Optimisation to performance; and 1.1.6. PA Electronic Register<sup>312</sup>).

The measure contained parallel processes of optimisation and restructuring but also rationalisation of the PA, i.e. its reduction or "rightsizing". Given the GoS ERP plan for implementing ambitious fiscal consolidation and structural reforms, and reduction of the public debt, the priority was given to rationalizing the number of staff as the basis for the continued process of PA restructuring. Hence, in this measure delays occurred due to a contradicting drive to accelerate reforms per the 2014 PAR Strategy, the EU Commission accession related policy dialogue and the new 2014 Principles pressures), take over new obligations, competences and tasks, and yet to reduce costs and the number of PA employees due to the fiscal crises. Therefore, the first process of rationalisation has been undertaken while the second process of optimisation - although delayed - continues to be in the implementation stage.

The PA has been reportedly reduced by 48,595 (-9.43%) of regular PA employees of around half a million, and cumulative GoS budget savings, December 2013-December 2018, were over EUR 180 million.<sup>313</sup> This figure is smaller if temporary employees are counted (see Annex 9).

Towards the improved government organizational structure the GoS adopted the Optimisation Program (The Law on the WB Loan, 16 May 2016.). Its content was made of a performed horizontal functional review (HFR) of 94 government bodies and 7 vertical functional reviews (VFR) and recommendations. The VFR were conducted for services in the sectors of health, education, social protection, agriculture, and environment protection, etc. The FR recommendations aimed for more efficient optimisation and distribution of functions and resources in selected sectors. These were the bases for preparing a HFR AP and 8 VFRs AP(s). Draft AP for implementation of VFR in MoF and the HFR AP were adopted by the PAR Council. Others were not to be adopted in the same way but by each ministry individually as these do not seat in the Council.

The AP(s) implementation commenced through a consultative process as a part of the effort of optimising the PA. So far there is a poor HFR AP implementation as out of 7 measures one is fully implemented (Establishing conditions for SAB staff on priority tasks retention) and 1 partly (Optimisation of internal SABs organisational structure). There was a full implementation of VFR AP for MoF and for Ministry of Education nearly fully implemented as of 7 measures and 14 indicators only one is not met. The one for Ministry of Agriculture of 4 measures 1.5 were implemented, for Ministry of Health of 5 measures 2 were fully implemented and remaining 3 partly. The VFR AP for Ministry of Labour, in respect to social insurance of 5 measures one is implemented fully and 4 partly, social welfare of 3 measures 2 were fully implemented, and employment of 2 measures one is implemented fully and one partially. Finally, the VFR AP of the Ministry of Agriculture and Environmental Protection has also been in implementation (separately due to the reorganisation of the ministries thus the FR was somewhat out-dated) but without results across its 3 measures yet.<sup>314</sup>

The process has been coordinated by the WB Change Management Team (CMT) placed in the MPALSG with a variable success relative to the SAB collaboration propensity and with some MPALSG ownership. The CMT mandate expires in June 2019 with no clear perspective on the future of the coordination effort.

<sup>312</sup>The red boxed mark only those AP PAR planned results that were reported by the Final Report as not achieved, i.e. below the 50%. Planned results not listed were either achieved or well advanced and are elaborated on.

<sup>313</sup>Three year 2015-2017 report on the Implementation of the PAR Strategy and its Action plan, page 11.

<sup>314</sup>MPALSG, WB, CMT, January 2019, Report on Monitoring and Evaluation.



Finally, a public discussion on the draft Law on Central Register for Citizens has been performed during December 2018.

Next steps within the SO 1 Measure 1.1 AP 2018-2020 include:<sup>315</sup> Completion and implementing the functional reviews AP(s); Finalising central register of citizens and improving existing ones (moved to 1.4); Linking the process of optimisation to performance measurement; Establishing PA Electronic Register; Amendments to the Decree on the Principles for Internal Organisation etc. with the aim of establishing public policy planning units, reporting, communication, harmonisation of capacities and obligations from the National plan for adoption of the EU *acquis* (NPAA), establishing standards for the ratio of the number of operatives and managers 1:5 per performed relevant FR.

**5.3.1.1.2 SO 1 M 1.2: Improvement in decentralisation and de-concentration tasks (SI-3.1.2.2).** (This measure entails two results, of which one was reported “red”: 1.2.2. LSG Finance Framework). Given the GoS prioritisation on fiscal consolidation and rationalisation, preparing and adopting the new Decentralisation Strategy was not prioritised, as its re-assignment of tasks at all levels of government will require additional funds.<sup>316</sup> However, important analytical bases, such as new LSG Information Portal, i.e. LSG Analytical Service Internet portal, were prepared.<sup>317</sup> In fact, the PAR Strategy underlined the existing lack of clarity related to the division of competences between the central and the LSG level, i.e. sector-specific laws do not clearly define whether certain tasks fall within the original (source) or delegated scope of work and consequently there are problems in clearly defining the manner of financing the tasks and clearly establishing vertical and horizontal coordination and oversight. Hence, a need was determined to conduct a detailed analysis of the status of de-concentrated and decentralised tasks based on which it would be possible to determine the key directions of the PA decentralisation and de-concentration efforts.<sup>318</sup>

To that end a comprehensive analytical basis has been prepared by the MPALSG and the PPS that includes: Situational analysis of the state of local self-government in the RS; Study on models of decentralisation in order to achieve functional distribution of competences among individual levels of government in the RS; Articles 4 and 9 of the Law on LSG were amended to cover for new 32 areas of newly established LSG tasks and competences; Cost-benefit analysis of two possible decentralisation models; Inventory of competences and tasks in 32 areas at all levels of government; Functional review in pilot units of LSG and institutions founded by LSG; Analysis of competences in six priority areas relevant to decentralisation (education, health, social protection, environmental protection, agriculture, utilities); Analysis of the best mechanisms for establishing inter-municipal cooperation (with the amended law on the LSG and created models for cooperation).<sup>319</sup>

Finally, as an update to the Final Report, although the support to the LSGs through the grant scheme and municipal packages for property tax management experienced delays due to the grant process, on 24 December 2018 the implementation of 18 packages was approved by the MPALSG. The projects will be implemented in 48 LSG units (18 coordinators and 30 partners) as well as a few other users (i.e. development agencies, CSOs).<sup>320</sup> Important to note is that due to the need for fiscal consolidation, the LSG revenues from taxes on salaries were reduced by the Law on Financing of Local Self-Government with the three amendments in 2016 that redistributed salary tax revenues from local to national level, as a measure related to the LSGs overspending established by the GoS Anti-Corruption Council Report from 23 December 2016.<sup>321</sup>

<sup>315</sup>The next steps in the AP 2018-20 mostly encompass those not fulfilled objectives from the AP 2015-2017, although certain new due outputs and outcomes were added as per the new AP 2018-20.

<sup>316</sup>Thematic/Expert Focus Group on AP PAR Pillar 1 (SO 1) AP 2015: Improved organisational and functional public administration sub-systems, held in MPALSG Serbian-Korean Information Access Centre on 14 November 2018.

<sup>317</sup>Source: <http://rsjp.gov.rs/jls-baza/>

<sup>318</sup> Thematic/Expert Focus Group on AP PAR Pillar 1 (SO 1) AP 2015: Improved organizational and functional public administration sub-systems, held in MPALSG Serbian-Korean Information Access Centre on 14 November 2018

<sup>319</sup>Meeting with MPALSG Sector for System for LSG on 30 November 2018. Article 35 of the Law on LSG was amended to enable new inter-municipal cooperation mechanisms, new database, model and the fund, as "izvorni"-inherent rather than "povereni"-delegated LSGs tasks- a major change.

<sup>320</sup>Source: <http://www.mduls.gov.rs/english/aktivnosti-saopstenja.php>.

<sup>321</sup><http://www.antikorupcija-savet.gov.rs/Storage/Global/Documents/izvestaji/JLS%20poslednja%20verzija%202016.%20ZA%20VLADU5.pdf>

**Textbox 1. Major Final Report Update # 1: Launched New LSG Analytical Service Internet Portal**

After two years of the MPALSG, PPS, and SCTM collaboration, on 20 December 2018 a pioneering online analytical tool was launched at the website of the Public Policy Secretariat (<http://rsjp.gov.rs>) with various data relevant to the local self-government. The database contains a growing number of sets of data useful for policy making to the central and LSG alike, as well as to businesses and citizens. It enables unprecedented amount of LSG relevant data cross tabulation and LSGs comparison, benchmarking, etc. The database will be instrumental for the next steps in the expected decentralization process and for developing an enabling environment for businesses, etc.

Next steps within the SO 1 Measure 1.2 AP 2018-2020 includes: Strategic planning of further reform of the LSG system and the process of decentralisation based on the completed analytical work and usage of the new LSG Information Database. Preparation and adoption of a reform of LSG Reform Program, if not the Decentralisation Strategy due to a potential further lack of GoS support, i.e. prioritisation. Adoption of amendments to the Law on Local Self-Government with the aim of harmonisation with the new regulations and reforming the legal framework for the work of LSG bodies and inter-municipal cooperation (development of a single list of LSG jobs, organisation of 8 instructive seminars, drafting of the Model Statute of LSG, etc. Implementation of delayed support to the LSGs through the grant scheme and municipal packages for property tax management).

**5.3.1.1.3 SO 1 M 1.3: Improvement to the Government's policy management system (SI-3.1.2.3).** (This measure entails three results, of which none was reported "red", i.e. achieved below 50%). The PPS was established in 2014 with the goal of improving the entire policy management process inclusive mutual harmonisation of various strategic plans, and ensuring mechanisms for an evidence-based government policy-making process, which aims at achieving outcomes and impacts (more on PPS see part 3.5). So far a number of following steps were made in order to establish a single policy management: The Strategy and the AP for Regulatory Reform and Improved Policy Management System for the period 2016-2020 was adopted in January 2016; Through the "Stop Red Tape" project, the inventory of administrative procedures with the objective to establish the single administrative register and other requirements of operation for businesses and companies has been further developed with identified 2,450 administrative procedures inclusive of new 188 LSG standardised administrative procedures adopted in 9 areas; A set of annual APIGP were prepared as well as the Coordinating Body chaired by the PM and ministerial groups which meet regularly and report on achieved results; also NARS adopted a much awaited Law on Planning System on 29 April 2018. The law entered into force on 29 October 2018. Also, the Unified Information System (UIS) is under testing and has become operational for public policy document entry in January 2019. For mid-term plans, the UIS will become operational in March 2019. Trainings for its usage and system optimisation are currently underway.

Next steps within the SO 1 Measure 1.3 AP 2018-2020 includes: Further work on registers interoperability; Implementation of the April 2018 LPS and its two accompanying bylaws adopted in January 2019; Further adoption of the prepared Inventory of administrative procedures and its finalisation by 2021. Adoption of the AP for simplification of administrative procedures relevant to doing business; Adoption of the AP for implementation of the Strategy of Regulatory Reform and Improving the Policy Management System for the period 2018-2020. Continue the implementation of November 2018 APIGP and coordination with priority objectives inclusive of those PAR related- Optimisation and E-Government efforts. Wider usage as from early 2019 of already established UIS for policy planning and monitoring and its connection to the APIGP and the MoF system for program budgeting and execution.



### **Textbox 2. Major Final Report Update # 2: The Law on Planning System of the Republic of Serbia adopted by the NARS.**

A full normative framework is now nearly in place by which a range of successive public policy planning system steps will be undertaken inclusive of a two-year harmonization period for other public policy documents. The two accompanying regulations has been adopted in January and February 2019 (on policy management, regulatory and policy impact assessment, and the content of individual policy documents and the regulation on the methodology of drafting mid-term plans); and finally, a new Unified Information System (UIS) for policy planning and monitoring has been established. Initial 2 Trainings of users of the UI system have been done in December 2018 (42 civil servants trained, including 6 IT experts).

**5.3.1.1.4 SO 1 M 1.4: Establishing solid coordination mechanisms enabling harmonised development and functioning of E-Government, and finalising the legal framework and procedures for development of E-Government (SI-3.1.2.4).** (This measure entails three AP planned results, of which none was reported “red”). Strategic E-Government framework has been finalised with the April 2018 adopted Law on E-Government<sup>322</sup>, December 2015 adoption of the 2015-2018 Strategy for E-Government Development with the AP for 2015-2016<sup>323</sup> and new AP for 2018-19, while, also new Law on Population Register was adopted. Additionally, a new Government Office for IT and E-Government has been established. The key objective of reform in this area has been development of e-services, via a new national E-Government Portal, by linking of existing systems to the single data service bus and legal and technical establishment of a number of key registries (population registry, address registry, institutions registry, and registry of employees in state administration).<sup>324</sup> Also, the Stop to Bureaucracy Action Plan (2016) focuses on identifying and eliminating tangible administrative obstacles in services to the citizens. The Prime-Minister’s Office has established a Delivery Unit to develop and co-ordinate implementation of the Plan. Finally, the first National Data Centre was opened in December 2017. It houses key information-communication infrastructure for the efficient functioning of the E-Government system and IT system of the PA.<sup>325</sup>

In the course of ensuring gradual interoperability of ICT systems, the service bus has been established for exchange of six major databases possessing about 80% of all data from official records, as support to the implementation of the Law on General Administrative Procedure (LGAP). This way data among state institutions is directly exchanged without the need for citizens to collect documents at different places. For now the e-LGAP connected the following databases: the registry books maintained by the MPALSG, the data base of the Ministry of Interior, the Tax Administration, the National Pension Insurance Fund, the National Employment Service, and the Central Registry of Mandatory Social Insurance with 14 data bases (registry books – births, deaths, marriages, civic status documents, residence permits, unemployment records, tax debt records, records of beneficiaries of the Pension Insurance Fund, data from the Central Registry of Mandatory Social Insurance).

<sup>322</sup>Law on E-Government (*Official Gazette of the Republic of Serbia*, No. 27/18), Link: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2018/27/4/reg>

<sup>323</sup>Strategy for E-Government Development for the RS for the period 2015-2018 with the AP for 2015-2016 (*Official Gazette of the Republic of Serbia*, No. 107/15). Link: <http://www.mduls.gov.rs/doc/Strategija%20razvoja%20eUprave%20sa%20AP%202015-2018.pdf>

<sup>324</sup>Source: <http://www.euprava.gov.rs>, and meeting with Delivery Unit on 5 December 2018.

<sup>325</sup>Office for IT and E-Government, news item 12 December 2017. Link:<http://www.ite.gov.rs/arhiva-aktuelnosti-2017-kancelarija.php>



So far established e-services includes: e-Baby (Registration of new-borns in maternity hospitals), filing of applications for e-health care cards, e-preschool (enrolment of children in pre-school institutions), replacement of old driver's licences with new ones (in card format), and so on, in total the New national E-Government Portal currently offers a total of 635 services by 141 bodies (85 state bodies and organisations and 56 units of local self-government). Moreover, the National Open Data Portal has been also established with migration conducted for 45 so far opened data sets to the Portal.<sup>326</sup>In December 2017, electronic payments service was initiated (e-Payment+), e-Banking and payment-by-payment cards at the Portal. This was enabled by the agreement between the Regulatory agency for electronic communication and postal services (RATEL) and the Office for information technologies and E-Government, on electronic payments signed on 22 September 2017.<sup>347</sup>

Next steps within the SO 1 Measure 1.4 AP 2018-2020 includes: Preparing the Program for Development of E-Government 2019-2021 in accordance with the new LPS; Improving e-services for electronic exchange of data from official records – e-LGAP Second Stage; Implementing the registry of SABs and organisations (holders of public competences); Adoption of the Draft bylaw on Metaregistra; Establish mechanism for electronic data exchange from official records between bodies; Establish an application for keeping records of citizens of RS within the Central System for e processing and storage of data, and then transfer of data on citizenship to electronic form.

### **5.3.1.2 SO 2: Establishing a coherent public civil service system which is merit-based and improved human resources management (I-3.1.3)**

**5.3.1.2.1 SO 2 M 2.1: Establishing a coherent system of labour relations and salaries in the PA based on transparency and fairness (SI-3.1.3.1).** (This measure entails two planned results, of which both were reported "red" **2.1.1. Merit based and de-politicised HRM**; **2.1.2. Transparent and fair PA Salaries System**).

Modernisation and de-politicisation of civil service across the PA, merit-based hires, improved labour relations, and salaries harmonisation, all proved as a demanding consultative process, which revealed that the adequate HR structure is as much of a challenge or perhaps greater than the number of PA employees. The sought normative framework for regulating the salaries in the PA required a new inventory of all work posts in the PA, its valuation and assigning the same pay for all work posts of the same value. Improved job descriptions and expected results for each work post (development of a catalogue) and simplifying a great number of regulations, along the need for improvement of PA managerial capacities, were necessary steps towards the establishment of the sought system of recruitment, performance appraisal, motivation, and merit based promotion.

The following was done: Policy Framework for HRM has been adopted. Besides future directions for the development of the civil service system, this document includes guidelines for attraction and retention of HR through various up-to-date means. A set of important laws were adopted but now with deferred implementation until 1 January 2020 due to a need for further implementation and budgetary concerns. These are the umbrella Law on Salary System in the Public Sector.<sup>327</sup>The Law on Public Services Employees and the Law on Salaries of Civil Servants and Employees of AP and Units of LSG.<sup>328</sup> Towards further reform of the system of labour relations and establishment of a harmonised merit-based civil service, on 20 June 2018 the NARS adopted amendments to the Law on Public Agencies and draft Law on Salaries in Public Agencies.<sup>329</sup>In addition, on 27 July 2017 the Decree on the Catalogues of Work Posts in public sector organisations was adopted with 70% of all PA work posts. In addition, the GoS on 28 December 2017 adopted

<sup>326</sup>Open Data Portal, link: <https://data.gov.rs/sr/>

<sup>327</sup>Law on Salary System in the Public Sector (*Official Gazette of the Republic of Serbia*, Nos. 18/16 and 108/16). Link: [https://www.paragraf.rs/propisi/zakon\\_o\\_sistemu\\_plata\\_zaposlenih\\_u\\_javnom\\_sektoru.html](https://www.paragraf.rs/propisi/zakon_o_sistemu_plata_zaposlenih_u_javnom_sektoru.html)

<sup>328</sup>The Law on Salaries of Civil Servants and Employees of AP and Units of LSG (*Official Gazette of the Republic of Serbia* No. 113/17). Link: <http://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2017/113/21/reg>

<sup>329</sup>The law on salaries of employees in public agencies and other organizations established by the Republic of Serbia, autonomous province or local self-government unit (*Official Gazette of the Republic of Serbia*, No. 47/18). Link: <http://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2018/47/5/reg>





Decree amending the Decree on the Catalogue of Work Posts in public sector organisations. Finally, the Decree on Codes for Work Posts was also adopted, determining the codes for work posts based on which users of public funds enter data on the work post in which they are employed, elected, or appointed into the HR Registry.<sup>330</sup>

One of the reform goals is to establish a same base salary with same coefficient across the PA, i.e. same salary for same job, and advancement per performance. However, reportedly additional financial analysis is needed in order not to endanger achieved fiscal stability with the law implementation, thus likely gradual implementation. The law implementation has been delayed until 1 January 2020. There is certain resistance in PA parts regarding the new performance measurement, as some are likely to experience slower pay rises. In addition, there is a concern that newly achieved fiscal stability could be endangered with the law implementation, hence positive macroeconomic indicators are hoped for. Clearly, the sought after outcomes may materialise only with the consistent and effective implementation of the above-performed normative work.

Next steps within the SO 2 Measure 2.1 AP 2018-2020 includes: Implementing the set of adopted Laws currently deferred to 1 January 2020; Continued work on developing the General Catalogue of work posts in the PA; Strengthening the capacities of MPALSG, the Administrative Inspection and the HRMS, through increasing the number of employed in these bodies and developing the competencies of all employees in HRM units in SABs.

### **Textbox 3. Major Final Report Update # 3: Amendments to the Civil Service Law adopted on 7 December 2018**

Towards improvement of the process of merit based recruitment and de-politicisation, performance appraisal, integrity and strengthen accountability. One of the key PAR related EU Commission 2016 and 2018 Progress Reports comments were on political influence on PA senior managerial appointments with an estimated 60% of senior managers in acting positions (actual HRMS figures are two thirds), many for an extended period of time. This much awaited law states that "Senior civil servants who have been appointed to the position until the beginning of the application of this law shall remain in office until the expiration of their term, and no later than 1.7.2019". The implementation of this change of the current managerial accountability situation in which these temporary positions are in constant state of expectation of the temporary status extension and thus prone to political influence would be a major step towards de-politicisation and professionalization of the PA in Serbia.

**5.3.1.2.2 SO 2 M 2.2: Improvement of the HRM function in state administration through a strategic approach and introduction of new instruments and strengthening of capacities for HRM (SI-3.1.3.2).** (This measure entails four planned results, of which three were reported "red": 2.2.1. HRM Recruitment and retention; 2.2.2.HRM policy on division of policymaking and implementation; and 2.2.4.HRM management in PA bodies). In relation to the previous measure, this one focused on further reforms of the state administration- a narrower civil service system, focused on defining a new competences framework towards more effective strategic instrument for integrated HR management and development. This framework requires changes in job analysis, the recruitment system, performance appraisal, and development and management of training quality. Although the CSL was appraised by SIGMA as 'a solid foundation for a merit-based, coherent and transparent system for civil service recruitment, promotion and termination of employment' these changes required amendments to the CSL and to related bylaws.<sup>331</sup> So far, the following is accomplished: Performed analysis with recommendations on mandatory legal regulations defining and establishing a coherent labour-legal status for PA employees. Prepared a Policy Paper on Reform of the Civil Service System proposing the directions for future amendments to CSL. PAR Council adopted Policy Framework for HRM and its amendments. Finally, Competences Framework for Civil Servants has been developed and integrated in the recruitment and selection, performance appraisal and promotion in SAB (December 2018 amended CSL).

<sup>330</sup>The Catalogues of Work Posts in public services and other public sector organisations (*Official Gazette of the Republic of Serbia*, Nos. 81/2017, 6/2018, 43/2018). Link: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2017/81/1/reg>

<sup>331</sup> Report for Serbia, Principles of Public Administration, SIGMA, May 2016, page 6.



Next steps within the SO 2 Measure 2.2 AP 2018-2020 includes: The adopted set of laws implementation. Further efforts on building capacities for HRM management in PA bodies, i.e. network, communication, training programs (moved from 2.1.); LSG HRM capacity building; Development of the Centre for Assessment and Development of Competences and Career Development in the HRMS in order to establish the institutional management of the career of civil servants employed in the priority areas, talents and managers;

**5.3.1.2.3 SO 2 M 2.3: Development and harmonisation of basic HRM functions for the wider PA system (AP and LSG) with sustainable professional development system for PA employees (SI-3.1.3.3).** (This measure entails four planned results, of which none were reported “red”). Further reforms of the wider state administration- especially the Autonomous Province (AP) and the LSGs, were focused on establishing a merit-based HRM system and improve professional capacities by extending professional training to all public servants. To that end the legislative framework for the development of the HRM function in AP and LSG was established, with strengthened function of professional development overall HRM capacity of LSGs.

The Law on the National Academy for Public Servants (NAPA) was adopted, whereby the NAPA was established as the central national institution for professional development of PA in the RS. The National Academy was assigned the facilities of a former state-owned research institution in a central Belgrade municipality of Vozdovac. A process towards producing technical documentation for the facility reconstruction is finished.

In March 2016, the Law on Employees in AP and LSG was adopted doubling the coverage of the civil service system from 23,237 civil servants in SAB and services of the GoS by additional 29,818 employees in AP and LSG.<sup>332</sup> This Law for the first time in a comprehensive manner regulated the labour status in AP and LSG. Towards the law implementation the following bylaws were adopted: Bylaw on criteria for classification of job posts and criteria for job descriptions public servants in AP and LSG; Bylaw on criteria for classification of job posts and criteria for job descriptions for employees in AP and LSG; Bylaw on conducting internal and open competitions for filling of posts in AP and LSG; Decision establishing the Council for professional training in units of LSG (the Council held 15 sessions and issued two calls for trainers accreditations).<sup>333</sup>

Also was adopted the Strategy for Professional Training of Employees in LSG of the RS, on 12 March 2015.<sup>334</sup> The Strategy defined a new concept of establishing a coherent, lasting and sustainable system of professional training for LSG employees. It elaborated the types of professional training, the coordination between state and local bodies in this field, the model of financing the preparation and delivery of the trainings. The AP for the Strategy for the period 2015-2016 has been fully implemented.

The MPALSG also adopted a Rulebook on establishing the program of general professional development of civil servants from state administration bodies and Government services, in use during 2017 and 2018.<sup>335</sup> The Rulebook on criteria and requirements for accreditation of professional training providers for public servants in LSG was also adopted. A public call was issued resulting in 354 accreditations for implementers of professional development programs for LSG staff;<sup>336</sup> and Rulebook determining the List of programs of general professional training of employees in units of local self-government was adopted.<sup>337</sup> The programs were implemented in LSG units during 2017 for 1,360 attendees. Training topics covered the LGAP implementation (758 trainees), project preparation and implementation (602 trainees). Finally, the Rulebook

<sup>332</sup>The Law on employees in autonomous provinces and local self-government units (*Official Gazette of the Republic of Serbia*, Nos. 21/16, 113/2017). Link: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2016/21/1/reg>

<sup>333</sup>Decision establishing the Council for professional training in units of LSG (*Official Gazette of the Republic of Serbia*, No. 105/16).

<sup>334</sup>Strategy for professional development of employees in local units self-government in the Republic of Serbia and Action Plan for Implementation of the Strategy for the period 2015 -2016 (*Official Gazette of the Republic of Serbia*, No. 27/15). Link: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2015/27/1/reg>

<sup>335</sup>*Official Gazette of the Republic of Serbia*, No. 6/17.

<sup>336</sup>Rulebook on criteria and requirements for accreditation of professional training providers for public servants in LSG (*Official Gazette of the Republic of Serbia*, No. 49/17)

<sup>337</sup>Rulebook determining the List of programs of general professional training of employees in units of local self-government (*The Official Gazette RS* No. 95/17)



on establishing the mandatory elements of programs of general and specific professional development of civil servants in LSG units was adopted.<sup>338</sup> The Council for the Professional Development of LSG Staff issued 38 opinions on proposals for special programs of professional development of LSG staff.

Towards strengthening HRM capacities of LSG employees in total 128 trainings were implemented for 2,368 trainees during the first half of 2018. 605 trainer accreditations were also awarded, 240 at the national level and 365 at the LSG level. Also was formed a SCTM Network for HRM made of 272 coordinators, 133 in LSGs and 139 in SAB representatives. Advisory support has also been provided to the LSGs in implementing the Law on Employees.

The program of Municipal Support Packages has been successfully finalised for 20 LSGs and numerous model acts have been developed. The data and information received from training courses and communication through the SCTM Network for HRM and through informal communication with units of LSG indicate that the majority of LSG units have to a greater or lesser degree harmonised their organisation and functioning with the new legal framework and have established their capacities for HRM.<sup>339</sup>

GoS adopted NAPA proposed 4 Civil Servants Professional Development programs on 7 February 2019.

Next steps within the SO 2 Measure 3 AP 2018-2020 include: Ensuring premises and other capacities for the exercise of the mandate of NAPA; Adoption of remaining bylaws for implementation of the Law on NAPA and other special laws regulating professional development in certain PA parts; Introducing the system of accreditation of professional PA training providers; Adoption of a general act on the program of vocational training of trainees; Establishing the Centralised records of PA Programs of professional development; and providing support to further development of the system for professional development of employees in LSG by strengthening the capacities of LSG to perform the function of professional development falling within their competences and by developing and implementing a program of professional development.

### 5.3.1.3 SO 3: Improved public finances and procurement management (I-3.1.4)

**5.3.1.3.1 SO 3 M 3.1: Preparation of Public Finances Reform Program (SI-3.1.4.1).** (This measure entails one planned result. This is a first of the three fully implemented AP measures.)

The PFM RP 2016-2020 was adopted by the GoS on 28 November 2015 and amended on 25 December 2015, with a set ambitious PFM reform measures per the recommendations of the Serbia Public Expenditure and Financial Accountability (PEFA) Performance Report.<sup>340</sup> This took place albeit strained MoF and other SAB capacities especially in terms of formulating indicators and costing of activities included in the PFM RP 2016-2020, and short deadline in the light of the EC recommendation for PEFA usage.<sup>341</sup>

The program included six areas: Sustainable mid-term macro-fiscal and budget framework; Public expenditures planning and budgeting; Efficient and effective budget execution; Effective financial control; Accounting, monitoring and financial reporting; and External public finance oversight. The program was monitored semi-annually and annually and there were two PEFA reports.<sup>342</sup> Revised PFM RP and new 2019-2021 AP are under finalisation and due for adoption early 2019.

The AP report for the period December 2015 to December 2017 states that 49% of planned activities were implemented, the 2017 budget deficit was 3.1% rather than as forecasted at 7%, May 2017 Adoption of PIFC strategy, the annual increase in the level of the program budgets preparations 61% in 2015, 82% in 2016, and 85% in 2017, while the number of public procurement contracting bodies publication of the procurement

<sup>338</sup> Official Gazette of the Republic of Serbia, No. 49/17 - Annex 6.

<sup>339</sup> Meetings with SCTM on 21.9.2018 and 28 November 2018.

<sup>340</sup> Serbia Public Expenditure and Financial Accountability (PEFA) Performance Report: Repeat Assessment June 29, 2015, page link: <https://pefa.org/sites/default/files/RS-Jun15-PFMPR-Public.pdf>

<sup>341</sup> Meeting with MoF on 30 November 2018.

<sup>342</sup> At its session held on 3 November 2016 the Government of the Republic of Serbia made the Decision No.: 40-9496/2016-1 adopting the first report on implementation of the Public Financial Management Reform Program 2016-2020 for the period December 2015 – June 2016. The first annual report on implementation of the Program covering the period December 2015 – December 2016 was adopted by the Government on 30.3.2017.



plans on the Portal for Public Procurement reached around 90% for 2017 against the target of 85%.<sup>343</sup> The report also noted significant progress in improving the coverage and quality of reporting on budget execution, continued implementation of multi-annual program budgeting at all levels of government, and through improvement of laws, regulations and public procurement procedures.

In 2015, local PEFA assessment was done also for six LSGs.<sup>344</sup> Two Swiss State Secretariat for Economic Affairs (SECO), Swiss Agency for Development and Cooperation (SDC) and Swedish International Development Cooperation Agency (SIDA) financed PFM reform efforts base their interventions on this assessment. The first, RELOF- Local Finance Reform.<sup>345</sup> And the second, United Nations Development Programme (UNDP) Enhancement of Municipal Audit for Accountability and Efficiency in PFM.<sup>346</sup>

Next steps within the SO 3.1 Measure 1 AP 2018-2020 include: Finalising the PFM RP revision and adopting new AP (due 1Q 2019); Amendments to the Law on Public Property; Development and implementation of 14 regional trainings for public property management at the local level; Realisation of LSG projects within the framework of the grant scheme for improving the management of public property at the local level (moved from 1.2.). Development and implementation of 20 packages of direct technical support to LSG to improve public property management at the local level (moved from 1.2.).

**5.3.1.3.2 SO 3 M 3.2: Improvement to the budget planning and preparation process (SI-3.1.4.2).** (This measure entails two planned results, of which none was reported “red”, i.e. achieved below 50%). Since the mid-2000s, there were efforts to replace line item with program budgeting towards results-based rather than input-based budgeting. The 2015 Budget System Law made it obligatory. Since then a high coverage with the new method was achieved at the level of budget beneficiaries. The LSGs have prepared 2017 budgets accordingly, for the first half of 2017 the coverage was 60.69%.<sup>347</sup> There is also an increase in the harmonisation of program structures of budget beneficiaries with the Instructions for preparation of program budgets (82% in 2016). Other results include: Improved harmonisation of budget structures of budget beneficiaries; Improved program information; Gender sensitive indicators have been introduced; Training courses have been delivered for budget preparation and reporting and, Performance-based reporting started in 2017.

With respect to the procurement and customisation of the software for public finance management, which links planning, reporting, and control, the Budget Information System (BIS) for budgeting was developed in 2016 and it enables easier and more efficient entry of financial plans of budget beneficiaries. Easier access has been enabled to financial plans of budget beneficiaries, along with better analysis process and aggregation of financial plans of budget beneficiaries.

Mid-term planning improvement by the adoption since 2015 of the Economic Reform Programs (ERP) harmonised with the Fiscal Strategy (FS) for a current year with three-year projections, program budgeting with projections for the two subsequent years, the Medium-term Expenditure Framework (MTEF) for PAR and other sectors within the planning for Sector Budget Support (SBS). Each of four cycles of ERP, the last 2018-2020, included a mid-term macroeconomic and fiscal policy framework, as well as specific prioritised structural reforms, directly supporting the macroeconomic framework, removing obstacles to economic growth and increasing competitiveness of the national economy. The last adopted FS, for 2019, includes projections for 2020 and 2021.<sup>348</sup>

- Over the past three years gender responsive budgeting-the most advanced example in the Balkans-has been gradually introduced and implemented through the program budgeting and the gender

<sup>343</sup>Report on the implementation of the Public Finance Management Reform Program 2016-2020 for the period December 2015 - June 2017. Link: <http://www.mfin.gov.rs/pages/article.php?id=12054>

<sup>344</sup>Source: <https://pefa.org/country/serbia>

<sup>345</sup>Source: <http://lokalnefinansije.rs/en/home/>

<sup>346</sup>Source: <http://www.rs.undp.org/content/serbia/en/home/projects/enhancement-of-municipal-audit-for-accountability-and-efficiency.html>

<sup>347</sup>AP PAR 2015-2017 Final Report, page 31

<sup>348</sup>Fiscal Strategy for 2019 with projections for 2020 and 2021. Link: <http://www.pravno-informacionisistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2018/92/1/reg>



budget analysis and income and expenditure restructuring in order to promote gender equality.<sup>349</sup> As no new financing requirements were allowed the integration of gender equality into the programs has done by reallocating the existing. Initially in 2016 and 2017 budget users started the process of introducing gender-responsive budgeting by introducing gender equality principles through a single program objective. In 2018 the obligation increased by at least one program objective and related program activities and gender responsive indicators.<sup>350</sup> A total of 35 budget users introduced elements of gender-responsive budgeting (gender-responsive goals and indicators) into their proposals for financial plans for 2018 and the projections for the next two fiscal years. For 2019 there was 40 budget users. Both MoF plans with guidelines for introducing gender-responsive budgeting in the process of preparation and adoption of the RoS budget are posted on the MoF website.<sup>351</sup> Training and consultation sessions were held in the period from May to September of 2017.

However, introduction of implementation of capital projects based on priorities in order to strengthen predictability in implementation is yet to take place due to a pending set of needed rulebooks, although a by-law was adopted on 28 June 2017 on the content, method of preparation and evaluation, as well as monitoring and reporting on implementation of capital projects.<sup>352</sup> The aim is to improve mechanisms for more systematic control of readiness of capital projects for implementation and their more efficient planning through a comprehensive costs/benefit analysis, selection and prioritisation, in order to identify economically viable and strategically relevant projects. However, the deadline for preparation of five bylaws was very short (120 days for 5 rulebooks) thus causing delays. For now, Rulebook on requirements, manner and procedures of capital maintenance, depending on type of capital project was adopted on 9 March 2018. Another special challenge is adjusting the activities in this field with other SA bodies. In fact, at the Council for PAR on 27 March 2017, during the AP PAR 2016 Report discussion the Ministry of Construction, Transport and Infrastructure shared disagreement on the timeline for the decree adoption in relation to other activities.

Next steps within the SO 3 Measure 3.2 AP 2018-2020 include: Adopting four remaining rulebooks on planning and implementing capital investments: Rulebook on content of integrated data base of capital projects; Rulebook on contents, deadlines and procedure for submission of investment documentation; Rulebook on detailed requirements, manner, criteria and benchmarks for capital projects evaluation and selection; the Rulebook on detailed requirements, manner, criteria and benchmarks for ranking of capital projects; Finally, acquisition and customisation of software for public investments management; Development of a module for performance reporting within the IT system for budget preparation; Conduct training for 150 civil servants to prepare program performance reports; Capacity building of LSGs for the implementation of the program budgeting process in accordance with the methodology for program budgeting; Organisation of 24 regional training for all LSG and direct technical support for 12 LSG.

**5.3.1.3.3 SO 3 M 3.3: Improvement to the financial management system and control and internal audit (SI-3.1.4.3).** (This measure entails three planned results, of which two were reported “red”: **3.3.2. FMC on Central Level Awareness**; and **3.3.3. Internal Audit Function with Budget Users**). The MoF CHU drafted a new PIFC Strategy in 2016, which was adopted by the GoS on 13 May 2017.<sup>353</sup> The other two planned results are yet to be achieved: Improved FMC and IA systems. The percentage of public funds beneficiaries that have established the IA is not satisfactory and the FMC is of uneven quality among the budget beneficiaries.<sup>354</sup> A constant increase of public internal auditors and the number of established internal audit units are yet to

<sup>349</sup>Meeting with CEP on 04 December 2018.

<sup>350</sup>Instructions for the 2018 introduction of gender responsive budgeting <http://www.mfin.gov.rs/UserFiles/File/budzetski%20korisnici/2018/PLAN%20ROB.pdf>

<sup>351</sup><http://www.mfin.gov.rs/pages/article.php?id=13643>,

MoF Instructions for the 2019 introduction of gender responsive budgeting: <http://www.mfin.gov.rs/pages/article.php?id=13645>.

<sup>352</sup>Decree was adopted on the content, method of preparation and evaluation, as well as monitoring and reporting on implementation of capital projects (*Official Gazette of the Republic of Serbia*, No. 63/07)

<sup>353</sup>Strategy of development of PIFC in the Republic of Serbia for the period 2017–2020 (*Official Gazette of the Republic of Serbia*, No. 51). Link: <http://www.mfin.gov.rs/UserFiles/File/strategije/Strategija%20IFK%202017%202020.pdf>

<sup>354</sup> “Of the public funds beneficiaries, those that introduced IA with a single internal auditor account for 63%...”, Consolidated Report on the Status of PIFC in RS in 2015, December 2016, MoF, Central Harmonisation Unit, p. 18.



contribute sufficiently to mitigating the weaknesses of internal control and raising managerial accountability to optimum levels. Thus, the new PIFC Strategy is to fully enable IA. So far results include: Increased number of units of IA and conducted audits; Increased number of certified auditors from 189 in 2013 to 377 in 2017, i.e. to 392 by mid-2018;<sup>355</sup> The CHU established and further improved its website, and e-learning platform towards more effective independent learning for the process of new auditors' preparing for certification, and started publishing audit reports; The CHU has conducted oversight of work of IA units in all ministries and in all three organisations of mandatory social insurance after 3-4 years; The software for reporting on PIFC is being upgraded, in 2017 there were 454 reports compared to 373 in 2016, a 21% increase. The CHU upgraded and redesigned FMC training materials and presentations, making them more user-friendly. Finally, CHU has been providing capacity-building support for IA to LSGs Units, including training on FMC for LSG staff and managers and coaching field visits to LSGs.

Next steps within the SO 3 Measure 3.3 AP 2018-2020 include: Completion of implementation and monitoring of the PIFC 2017–2020 Strategy; Short term engagement of expert from the Twinning Project Support to Further Development of PIFC in order to conduct the assessment of needed professional, administrative and institutional capacities of the MoF so to ensure full functionality of Measure 3.3: Improving the financial management and control of public spending and internal audit of the Department for Internal Control and Internal Audit; Improvement of existing PIFC software, which will enable users to electronically access and submit annual reports to CHU; Development of guidelines for a joint IA; Two PIFC software trainings; Four management workshops on PIFC as good governance tool.

**5.3.1.3.4 SO 3 M 3.4: Functional improvement to budget inspection (SI-3.1.4.4).** (This measure entails one planned result. This is the second of the three fully implemented AP measures).

The Budget Inspection enforces the law in the field of material-financial operation by budget beneficiaries. Recommendations were made to its strengthening in terms of HR and development of methodology with standards and methods ensuring transparency in its work through its web page, etc. Also, as evidenced by the Chapter 32 screening report, simultaneous development of the internal control and internal audit and budget inspectorate, is needed to enable clear differentiation of each role. Over the reporting period Budget Inspection acted on 14 times more calls (around 300 annually) than the baseline value, which included acting on calls received from the Treasury Administration for potential temporarily freezing the transfer of the relevant share of salary tax in units of LSG in case of their failure to settle their obligations.<sup>347</sup>

To the above needs, the Rulebook on internal organisation and systematisation of posts in the MoF was adopted in August 2017, increasing the number of systematised posts in the budget inspectorate, from 10 to 23 (there are 16- end 2017), while for the premises deficit a suggestion is to use across the country those available premises of the MoF. In addition, new amendments to the Budget System Law clearly differentiated the work of the budget inspection and that of internal audit. The change was primarily aimed at having the Budget Inspection no longer performing its tasks on the basis of a work plan defined in advance, but only act on the basis of work program based exclusively on received reports, complaints, and requests for inspection from SAB, organisations, legal and physical persons (it does not act ex ante preventively, but only ex post, based on a report or complaint). Additionally, in October 2017 a decree was adopted on the work, competences and insignia of the budget inspectorate prescribing in more detail the manner of operation of the budget inspectorate in view of the frequent changes of the Budget System Law. Its annual reports are regularly published on the MoF website. Also introduced in 2017 are information for how to file electronic complaints, which offer improved access by citizens to submit suspicions and knowledge of irregularities and illegal actions in the use of budget funds and other public funds, but this has also led to greater work load, which is a specific challenge in view of the low number of budget inspectors.

In order to address the above-mentioned needs, the Rulebook on internal organisation and systematisation of posts in the MoF was adopted in August 2017, increasing the number of systematised posts in the Budget Inspectorate, from 10 to 23 (there were 16- end 2017). With regard to the lack of office space, a suggestion

<sup>355</sup>Meeting with UNDP on 7 December 2018



was to use available premises of the MoF across the country. In addition, new amendments to the Budget System Law clearly differentiated the work of the Budget Inspection and that of internal audit. The change was primarily aimed at having the Budget Inspection no longer performing its tasks on the basis of a work plan defined in advance, but only act on the basis of work program based exclusively on received reports, complaints, and requests for inspection from SAB, organisations, legal and physical persons (it does not act ex ante preventively, but only ex post, based on a report or complaint). Additionally, in October 2017 a decree was adopted on the work, competences and insignia of the budget inspectorate prescribing in more detail the manner of operation of the budget inspectorate in view of the frequent changes of the Budget System Law. Its annual reports are regularly published on the MoF website.<sup>356</sup> Also introduced in 2017 are information for how to file electronic complaints, which offer improved access by citizens to submit suspicions and knowledge of irregularities and illegal actions in the use of budget funds and other public funds, but this has also led to greater work load, which is a specific challenge in view of the low number of budget inspectors. This now has been remedied by the employment of the maximum allowed Budget Inspection employment in order to increase the number of performed inspection controls.

Next steps within the SO 3 Measure 3.4 AP 2018-2020 include: Adopt methodology of work and a by-law on work, competences, and insignia of the budget inspection and elaborating in more detail and more clearly the uniform standards and procedures for conducting budget inspection control in accordance with the Law on the Budget System.

**5.3.1.3.5 SO 3 M 3.5: Improvement to the public procurement system (SI-3.1.4.5).** (Consist of only one AP planned result, of 47. This is a third of the three fully implemented AP measures.)

The adopted 2014-2018 Strategy for Development of Public Procurement defined priority reform areas: Improvement of the regulatory framework; Strengthening institutional cooperation; Improving efficiency and sustainability of the public procurement (PP) system, and fighting irregularities in the PP system. With the AP implementations results achieved, a full harmonisation with the EU directives resulted in the opening on 13 December 2016 of negotiating Chapter 5 on PP. Also, the GoS Committee for Economy and Finance adopted a Conclusion on 1.10. 2018 about a public discussion of the draft Law on Public Procurement.

The improvements to the PP system is indicated by the reduction of the average duration of the open procurement procedure (call publishing to contract signing) in two ways: The PP procedure lasts less (in 2014 the average duration of the open procedure was 77 days, 61 days in 2016 and 63 days in 2017), while the procedure of low value procurement in 2014 lasted on average 37 days, 29 days in 2016, and 30 days in 2017; and there is a reduced share of cancelled procedures in the total number of PP procedures from 13% in 2014, to 10% in 2017.

Another indication is the average number of bids per a PP procedure, an earlier trend of its reduction has been stopped at 2.9 as it was in 2015, while in 2017 the average number of bids per public procurement procedure reached 3, the highest level during the past five years.<sup>357</sup> Furthermore, there is an increase to 93% in open, i.e. competitive procedures compared to closed- negotiated without the call at 2%. In addition, the introduction of framework agreements led to reduction of a number of procurements at the web portal and enabled to more entities signing of a number of multiyear contracts with one PP procedure. Also, the share of foreign bidders in 2016 increased significantly relative to 2015, from 2% to 5%, but then in 2017 was at 3%.<sup>347</sup>

Furthermore, in 2016 a total of 18,880 contracts were signed through centralised PP procedures, which is 85% more than in 2015, with a parallel hike of their share in the total contracts value, from 10.7% in 2015 to 15% in 2016. However, in 2017 16,242 contracts concluded but with an increase of the share of the total value of contracts from 15% in 2016 to 18% in 2017. The PP Portal has continued increase in the number of

<sup>356</sup> Source: <http://www.mfin.gov.rs/pages/issue.php?id=12884>.

<sup>357</sup>Data taken from the Report of the Public Procurement Office for 2017, 31.3.2018, [http://www.ujn.gov.rs/ci/izvestaji/izvestaji\\_ujn](http://www.ujn.gov.rs/ci/izvestaji/izvestaji_ujn)



visits since 2014. The average daily number of visits in 2014 was 4,586; in 2015 6,225; in 2016 7,058, and in 2017 it was 8,148 visits.<sup>347</sup> The level of complaints was not evidenced.

Next steps within the SO 3 Measure 3.5 AP 2018-2020 include: Develop the e-procurement system after conducted assessment of best EU practices (submitting e-bids, e-auctions, e-dynamic procurement system, e-catalogues, etc.) Drafting and adoption of bylaws arising from the new Law on Public Procurement harmonised with EU directives; Created and published standard forms for publishing public procurement advertisements; General models of tender documentation developed and published; Designed and published models of framework agreements; Prepared analysis and recommendations for improvement of competition in the public procurement market; Strategy for development of public procurement system developed and adopted 2019-2022; Published guidelines for Green Procurement Promotion.

#### **5.3.1.4 SO 4: Increased legal certainty and improved business environment and quality of service provision (I-3.1.5)**

**5.3.1.4.1 SO 4 M 4.1: Improvement of the legislative process and Government public policy management (SI-3.1.5.1).** (This measure entails one planned result, reported “yellow”, i.e. achieved above 50%). Earlier in this report covered April 2018 adoption of the LPS and January/February 2019 adopted its two regulations are the major updates also related to this measure compared to the AP Final Report. Regulatory Reform efforts towards improved business enabling environment, reduction of legal uncertainty, and increasing competitiveness of the national economy, date back to 2003, when the legislative technique Regulatory Impact Assessment (RIA) was introduced, followed by the first Regulatory Reform Strategy for 2008 – 2011. The Republic Public Policy Secretariat (PPS) was established in April 2014, for more details see part 3.5. The PPS inherited competences of the Office for Regulatory Reform and Regulatory Impact Assessment. Apart from issuing opinions on draft laws and appendices to the RIA, the PPS was also mandated to issue opinions on proposed strategic documents of the GoS in order to assess harmonisation of proposed strategic documents with the already adopted strategic frameworks. Numerous reports, including SIGMA, noted variable quality and content of RIAs.

In response to the above new PPS mandate, the new Strategy of Regulatory Reform and Improvement of the Policy Management System 2016-2020, was adopted in January 2016, which established a new strategic framework for improved planning, better quality of regulations and strategic documents, the legislative process, reduction of administrative procedures for citizens and businesses, and improving the business environment.<sup>358</sup> In addition, in cooperation with the HRMS and GIZ, the PPS is continually investing efforts in strengthening the administrative capacities of SAB. In 2015, a special training program for civil servants was developed in the field of policy management (techniques for planning, regulatory impact assessment, monitoring, reporting and evaluation of policies). So far, 92 training events, for 1,086 participants, were delivered.<sup>359</sup>

Concrete results include increased share of number of draft laws complying with the adopted methodology for regulatory impact assessment (RIA) in the total number of draft laws submitted for opinion to the PPS for which RIA is required: 2015: 53%, 2016: 89.6%, and 2017: 88% (target: 65%). In fact, in 2017 the PPS issued 154 opinions, whereas during the first half of 2018 there were 77, thus a proportionally similar rate. Given the recent adoption of the LPS and its two bylaws, it is expected that the share of proposed strategic documents harmonised with the adopted methodology for RIA submitted for opinion to the PPS will also increase. Regarding the opinions issued on public policy documents, the PPS issued 44 opinions in 2017, and 19 during the first half of 2018. The GoS adopted 38 public policy documents during 2017, and 13 in the first half of 2018. In 2017 and first half of 2017 the GoS adopted three documents without the PPS opinion. Due to the cooperation with SAB, of the 38 adopted policy documents in 2017, 22 were harmonised with the RIA methodology (57.9%), and in the first half of 2018, there were seven of these (53.8%).

<sup>358</sup>The Strategy and the AP for Regulatory Reform and Improved Policy Management System for the period 2016-2020 Link: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2016/8/1/reg>

<sup>359</sup>Source: <https://rsjp.gov.rs/fokus/#obuke>





This measure "has moved", so next steps are due within the SO 1 Measure 1.3 AP 2018-2020 include: With adoption of the LPS on 29 April 2018 and its two bylaws in January 2019, this measure came near to a full implementation completion. Still, with the bylaws adoption it is expected that the share of proposed strategic documents harmonised with the adopted methodology for impact assessment will increase.

**5.3.1.4.2 SO 4 M 4.2: Improvement in administrative procedures and operation of conduct of state administration bodies (SI-3.1.5.2).** (Also see part 5.3.1.1.4, SO 1 and M 4)(This measure entails four planned results, of which none were reported "red"). Over the past period three normative acts were prepared important for improving services to citizens and strengthening systemic approach to performing administrative procedures: On 1 March 2016 NARS adopted a new Law on General Administrative Procedures (LGAP).<sup>360</sup>In the meantime GoS adopted decree on acquiring and providing data on facts recorded in official records,<sup>361</sup> and prepared a Decree on single administrative point. A Coordinating Body (with 7 meetings within the reporting period) also has been established, yet to get fully effective per the set targets for harmonisation of special laws with the LGAP.<sup>362</sup> Correspondingly, the assigned SIGMA Principle 5 indicator, extent to which legal framework for good administration is in place an applied, also showed progress, by in 2017 achieved target of 3 compared to the 2014 baseline of 2.

An Unified Public Register of administrative procedures has been established, so far with identified 2,500 administrative procedures for gradual optimisation and digitalisation, due to be finalised by 2021. In cooperation with the HRMS, 31 trainings for 448 civil servants have been implemented for this process in which a total of 85 bodies and organisations took part. Instructions for the implementation of an analysis for the optimisation have been produced as well as a methodology for calculating administrative costs for each procedure. A new Internet portal was established in order to provide opportunity to businesses to suggest online an administrative procedure for optimisation.<sup>363</sup>

- The LGAP implementation implies costs for SAB and time needed to enable the exchange of data, especially given that not all registries are publicly available or regularly updated, or maintained in electronic format, and that the HR SAB capacities are limited. Hence, the purpose of this mechanism is to simplify legal regulations in all areas through harmonisation of special laws, which regulate special administrative procedures with the provision of LGAP. The harmonisation deadline of 1 June 2018 has passed, and in 2018 GoS achieved harmonisation of 32 Laws from 40 anticipated, with remaining number of 200 more,<sup>364</sup> thus slowed down linking of bodies and institutions via the e Government Portal. Coordinating body for harmonisation of special laws with the LGAP provided the notification that the process of harmonisation of special laws with the LGAP continues after 1 June 1 2018.<sup>365</sup>In addition, there are only 4 employees in unit for monitoring and supervision over the implementation of LGAP. Harmonisation of the GAP Law is rather uneven. MPALSG has no capacity and the sector that should carry this job has only a few people. The problem is not only in number of people but also about quality.<sup>366</sup>

<sup>360</sup>Law on General Administrative Procedures (*Official Gazette of the Republic of Serbia*, No. 18/16). Link:

[https://www.paragraf.rs/propisi/zakon\\_o\\_opstem\\_upravnom\\_postupku-2016.html](https://www.paragraf.rs/propisi/zakon_o_opstem_upravnom_postupku-2016.html)

<sup>361</sup>Decree on acquiring and providing data on facts recorded in official records (*Official Gazette of the Republic of Serbia*, No. 56/17).

<sup>362</sup>The decision on the establishment of the coordinating body (*Official Gazette of the Republic of Serbia*, No. 82/16).

<sup>363</sup><https://www.epapir.rs/jp.gov.rs/>

<sup>364</sup>Thematic/Expert Focus Group on AP PAR Pillar 4 (SO 4) AP 2015: Increased legal certainty, business environment, and quality of services, held in MPALSG Serbian-Korean Information Access Centre on 26 November 2018.

<sup>365</sup>Source: <http://www.mduls.gov.rs/doc/Obavestenje-Koordinacionog-tela-o-primeni-cl-214-ZUP.pdf>

<sup>366</sup>Meeting with SCTM on 28 November 2018.

**Textbox 4. Major Final Report Update # 4: New one-stop-shops in 8 LSG units**

In October 2018, the MDULS announced a call to the interested LSGs for co-financing of 90%. In total 8 LSGs from across Serbia signed in with the MDULS to establish new one-stop-shop i.e. single administrative point, the LSGs of Pirot, Krusevac, Lazarevac, Sabac, Bela Palanka, Sombor, Zitiste, and Smederevska Palanka. This way citizens and business will at the same time visit only one place and receive sought administrative service (e.g. obtaining driving licence, vehicle registration, or new ID) at a greatly reduced cost, i.e. time. To this end, it was developed a Catalogue of procedures and competences, a preliminary analysis, coordination with authorities possessing certain official records, improved data exchange electronically among authorities, etc.

- Towards more effective and efficient delivery of services to citizens, the GoS increased use of modern IT technologies in conducting the administrative procedure. A Decree has been adopted on 7 June 2017 on acquiring and providing data from the official records.<sup>367</sup> This decree provided a legal basis for establishment of the E-Government Portal of RS (the IT system for LGAP), enabling exchange of data from official records through e-services for acquiring and providing data. The e-LGAP includes data from increased number of registers, such as those on births, residence, IDs, unemployment, social security and so on. Furthermore, in terms of enabling the effectiveness of new services, the new LGAP also introduced minor sanctions for authorised civil servants in a case they fail to provide requested data in time, although all SAB are obliged to exchange data contained in official records. In practice, such exchange does not always take place. Only if data cannot be exchanged electronically, the exchange it should be done in a conventional way.<sup>374</sup>

With the above legal and technical framework on administrative procedures in place, an exchange of data from official records has begun and facilitation of the improved services to the citizens and businesses. The LGAP has for the first time regulated the single administrative point enabling parties to receive all relevant information and services in one place.

In terms of implementing the above for a flagship GoS project “Baby, Welcome!” a single administrative point has been established. The Project commenced in May 2016 and since 9 January 2017 all 76 maternity wards in Serbia are implementing it. Instead of 7 days, now parents can register a new-born in 15 minutes with only one form and free of charge. The process includes filing an electronic form at the E-Government Portal after which parents are notified by a text message (SMS) that the procedure has been completed while the birth certificates is delivered by mail. So far, 90% of new-borns are registered that way, a testimony to a level of satisfaction with the service.<sup>347</sup> Further example includes integrated procedure under the Law on Planning and Construction, the registration of new companies with the Company Registration Agency, and services provided to citizens through the national single electronic administrative point, the E-Government Portal. Numerous other e-services were enabled and are available to citizens and businesses (see part 5.3.1.1.4, SO 1 and M 4).

An important update to the Final Report include results related to a new national system of LSGs one-stop-shops now materialised in its inception, on the bases of the new 2016 LGAP that regulated a single administrative point and the 188 standardised administrative procedures adopted in 9 areas based on which units of LSG will act in a uniform manner to requests by citizens and the economy across the country, and thus bring administrative services closer to citizens and businesses.<sup>368369</sup>

Next steps within the SO 4 Measure 2 AP 2018-2020 include: Further development i.e. establishment of more LSG one-stop-shops; Further training courses on LGAP for inspectors; Increased number of PA bodies with ensured preconditions for electronic communications with parties in the administrative procedures; Further

<sup>367</sup>The decree on acquiring and providing data on facts recorded in official records (*Official Gazette of the Republic of Serbia*, No. 56/17).

<sup>368</sup>Source: <https://www.nabavke.com/javne-nabavke-tenderi-srbija/javni-poziv-za-prijavu-jedinica-lokalne-samouprave-i-gradskih-opstina-za-dobijanje-podrske-prilikom-uspostavljanja-jedinstvenog-upravnog-mesta/ministarstvo-drzavne-uprave-i-lokalne-samouprave/beograd/1744860>

<sup>369</sup>The 188 models presented at the SCTM site <http://www.skgo.org/pages/display/405>



harmonization process and establishing monitoring system for LGAP; Harmonisation of 78 laws with the Law on Inspection Control.

**5.3.1.4.3 SO 4 M 4.3: Reforms to inspection oversight, reducing administrative costs, increasing inspectee's legal security (SI-3.1.5.3).** (This measure entails three planned results, of which none were reported "red"). This measure addressed the negative effects of a missing single, systemic law on inspection supervision and its implementation. Previously, the inspection services were regulated with a great many numbers of laws, decrees, rulebooks and other bylaws that resulted in inconsistencies, contradictions and conflict of legal norms and a significant difference in acting that led to legal uncertainty, unnecessary costs for businesses and citizens and inefficient allocation of public resources. Also a preventive action was missing, i.e. inspection was in a position to act only once the damage had been done, rather than preventively. Finally, there was not a single law regulating inspection supervision, the competences and obligations of parties involved, coordination of inspection work and more effective and efficient use of inspection resources.

To that end, a new single legal framework for inspection supervision has been established and since then systemically implemented. A new Law on Inspection Supervision was adopted on 15 April 2015 with AP and a set of bylaws, as well as the June 2018 amendments.<sup>370</sup>In addition, on 23 July 2015, a decision was taken to establish the Coordination Commission, in effect since 4 August 2015.<sup>371</sup>

Towards systematic law implementation, assisting businesses to comply, and enabling transparency of the law implementation, the specific checklists for all inspection services have been completed by November 2016, and published.<sup>372</sup>A guide was also produced and made public.<sup>373</sup>In fact, a key result of the law has been harmonising the inspection practices, enabling predictability for business environment, and reducing administrative costs. The specific benefits on the ground are achieved through the following measures: (i) publishing of prepared check-lists that inform business about the type, scope and method of inspection; (ii) mandatory issuing of the order to conduct inspection; (iii) established standardised procedures, types and formats of inspection; (iv) established proportionality of the inspection measures to the assessed risk and irregularities with the subject of inspection; (v) established unison format for inspection visits minutes recording; and (vi) ensured work coordination of all inspections.<sup>374</sup>

Monitoring the law implementation takes various forms inclusive of considering the results of supervision of unregistered entities based on data from the Business Registry Agency (SBRA). Based on 2016 monthly reports, there were 245,392 conducted inspection supervisions with 3,656 unregistered entities identified. It was also found, through on-site inspection examination, that rights related to residential premises were abused by using business premises for illegal conducting of business. Moreover, during the initial implementation period the number of registered entrepreneurs rose by 71.3% (May 2015: 2,427, May 2016: 3,844, June 2016: 4,313) while there was also a decrease in the number of de-registered entrepreneurs by 26.7%. Additionally, a MPALSG inspection services survey revealed that 78.2% surveyed local inspections improved their results, especially in terms of preventive supervision (88% of national, 67.8% of local inspections), the advisory role of inspections (75% of national, and 69.6% of local), regulating unregulated entities (75% of national inspections), and creating uniform practice (63% of national, 40.6% of local inspections).<sup>375</sup>

In contrast to 2016, the monitoring results for 2017 indicate reduced intensity. In fact, per the end-2017 monitoring of a number of assigned indicators, further efforts were needed towards the increase of: Number of inspection services represented in the Coordination Commission (Achieved 33 to the 2017 target of 36); Number of inspectors who have taken the professional examination (Achieved 825 to the 2017 target of

<sup>370</sup>Law on Inspection Supervision (*Official Gazette of the Republic of Serbia*, No. 36/15).

<sup>371</sup>Decision about establishing the Coordinating Commission (*Official Gazette of the Republic of Serbia*, No. 66/15).

<sup>372</sup>Source: [www.inspektor.gov.rs](http://www.inspektor.gov.rs)

<sup>373</sup>Guidelines for the implementation of the Law on Inspection Supervision. Link:[http://www.mduls.gov.rs/doc/dokumenta/inspekcijski-nadzor/Vodic%20za%20primenu\\_ZoIN\\_9%20novembar%202015.pdf](http://www.mduls.gov.rs/doc/dokumenta/inspekcijski-nadzor/Vodic%20za%20primenu_ZoIN_9%20novembar%202015.pdf)

<sup>374</sup>Thematic/Expert Focus Group on AP PAR Pillar 4 (SO 4) AP 2015: Increased legal certainty, business environment, and quality of services, held in MPALSG Serbian-Korean Information Access Centre on 26 November 2018.

<sup>375</sup>Source: <http://www.mduls.gov.rs/inspekcijski-nadzor.php>



1,700); Number of informed and trained participants (Achieved 213 to the 2017 target of 1,500; and the Number of inspection services which use the system of integrated inspection supervision (Achieved 0 to the 2017 target of 13).<sup>347</sup>

The work of the Coordination Commission, in place since June 2017, has focused on coordination and cooperation of inspection. Inspection supervision is performed by seven working groups and two technical teams: There are 11 working groups for: combating illegal trade; safety of structures; food; protection of natural resources; public health; hospitality industry; and internal supervision. The two teams include one on fighting informal work and another for transport of passengers and goods in road, water, and rail transport. During the period November 2017 to June 2018, the working groups met 33 times and developed 18 plans of inspection supervision activities, with the aim of combating the grey economy and improving conditions for doing business. The Commission website contains pages for each inspection with published supervision plans, annual reports and control lists, aimed at increasing the transparency of their work. The website also offers an online survey on the level of business satisfaction with inspection supervision.<sup>376</sup> The newsletter is also published on the Coordination Commission website.<sup>377</sup>

In addition, in terms of capacity building, initial national target of inspection staff trained for 2016 of 1,300 was exceeded as there were in total 1,530 inspectors trained. Moreover, in 2017 and 2018, 1,558 inspectors passed the inspector examination. The 2016 Program for general professional training of civil servants introduced the program of continued training for inspectors "Inspection Oversight". These lead to a gradually increasing a number of trained inspectors' numbers under this program, 2016:93, 2017:96, and 2018:212 (see table 10). Development of the e-Inspector software is underway and will enable a single platform for all inspections and will largely contribute to the standardisation of the work of inspections with the option of insight into the more than 300 registers that exist across the country. The Labour Inspectorate, Market Inspection, Sanitary Inspection and Administrative Inspectorate are about to transition to e-Inspector and by mid-2020 the other inspections are also to join.<sup>378</sup>

#### **Textbox 5. Major Final Report Update # 5: Further inspections reform steps in 2018**

Towards modernisation and increased effectiveness of the inspection services the June 2018 amendments to the Law on Inspection Supervision introduced further mechanisms for the inspections strengthening such as unannounced inspection visits, "secret customer", joint supervision, penalty reduction and inspection assistance when offence self-admitted, enabled inter-municipal (LSGs) joint inspection, a "trusted" subject status, etc. Moreover, coordination has been established among 41 inspections thus positive results on reducing grey economy (in the field of registration of entrepreneurs). The procedure, type and form of inspection supervision is standardised and check lists are published so that businesses can know in advance about the type, scope and manner of inspection.

Next steps within the SO 4 Measure 4.3 AP 2018-2020 include: Further improvement of the work of the 6-members Coordinating Commission and AP preparation per a conducted analysis; Due public procurement of the hardware, per the prepared technical specifications, and development of software for e-Inspector towards further improvement of the inspection work (organisation, planning, and transparency); Facilitate professional examination for more inspectors; Organise more information and capacity building i.e. training events for more inspectors; Inspections to start using the system of integrated inspection supervision; Implementation of the pilot project for 5 inspections.

**5.3.1.4.4 SO 4 M 4.4: Introduction and promotion of mechanisms that ensure the quality of service delivery (SI-3.1.5.4).** (This measure entails one planned result that was reported "red": **4.4.1. Public Services Quality Management System**). The PAR Strategy has not foreseen this quality management measure as such but

<sup>376</sup><http://inspektor.gov.rs/ankete.php>.

<sup>377</sup>[http://inspektor.gov.rs/dokumenta\\_komisije/19/Info%20list%20Osaveze%20privrede%20web.pdf](http://inspektor.gov.rs/dokumenta_komisije/19/Info%20list%20Osaveze%20privrede%20web.pdf).

<sup>378</sup>Evaluation focus group on SO 4.



rather was recognised as an integral part of the new SIGMA 2014 Principles, especially the Principle 3 - Providing Public Services. Focused on its importance under this measure, the development of a public services quality management system was envisaged through several efforts including the citizens, CSO, business and PA satisfaction surveying, analysis of shortcomings (the gaps) in the field of public services quality management, and responding to these while in the compliance with the Principles, and gradual introduction of public services quality management systems.

The first effort envisaged surveys of satisfaction with the quality of public services of citizens, civil society, businesses, and PA employees. The project “Towards Good Administration Focused on Citizens”, funded by the UK Good Governance Fund (GGF), supported the promotion of the implementation of the new LGAP and the established new administrative services, i.e. the efforts of the MPALSG and other PA institutions. The following activities were undertaken: a dedicated website was created, intended to monitor the official PA bodies' records data exchange (now mandatory per new LGAP), as well as to facilitate online collection of complaints.<sup>379</sup> A Club of Good Administration has been initiated intended to promote best practices and efficient work of LSGs. The idea was that by joining the club per defined criteria a single LSG unit becomes an example of best practice promoted and commended by the MPALSG. Additional intention was to provide guidelines to LSGs on how to build and strengthen LSG level efficient and accountable administrative services to citizens and businesses. Since a limited implementation level, despite notable efforts and important accumulation of valuable experience, this effort achieved no progress per the assigned indicator: The extent to which recommendations for development of the public services quality management system reflect the Principles of Public Administration (2017 target was 40%).<sup>347</sup>

Among other relevant surveying efforts assisted by the CSOs, there was a public campaign called “I am the centre of attention”, which is part of a two-year (completed in May 2018) project “Partnership for Good Administration”, implemented by the European Movement in Serbia and the European Policy Centre (CEP) with the support of the USAID.<sup>380</sup> The campaign was focused on establishing communication between citizens and PA/SAB by collecting information from citizens on the quality of PA and ensuring the feedback from relevant authorities to such information. The focus of the four nationwide CSO workshops (LSGs: Kraljevo, Kovacica, Niska Banja, and Kladovo) was on most widespread services such as issuing of personal documents, services in primary health care, and services in the education sector relevant to enrolment of children in pre-school and primary schools. This effort resulted in two important studies and four policy briefs. Furthermore, another important CEP's coordinated effort in terms of surveying was the so-called WeBER platform which gathered CSOs in the Western Balkans. This platform, besides promotion of dialogue relevant to the PAR processes, has performed a series of surveys and published a report (national and regional) that provides not only the citizens, PA, and business surveyed information related to the quality management, but also specific recommendations for the services improvement (and the PAR agenda in general) that are coherent with the Principles.<sup>381</sup>

At the time of the AP design not planned a newly encompassed effort was establishment of the MPASLG Serbian-Korean IT Access Centre on 20 December 2017 as a part of global Korean Government supported network of such centres. The centre's mandate, per the signed contract of the two governments on 6 July 2017, is mainly to provide citizens' access to Internet, new trainings and new GoS e-services, and promote ICT cooperation between the two countries. Its secondary mandate is to facilitate delivery of trainings for civil servants, business, and other. The centre has 50 PC workstations.<sup>382</sup>

Finally, further effort towards surveying and gap analysis, with due results, include a new 3-year project “Improving Good Government and Social Inclusion at Local Level”, implemented from 1 January 2018 to end

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<sup>379</sup>Source: <http://dobrapravars/>

<sup>380</sup>The project “Partnership for Public Administration Reform and Public Services in Serbia – Partnerships”. Link: <https://cep.org.rs/en/projects/partnership-for-public-administration-reform-and-public-services-in-serbia-partnerships/>

<sup>381</sup> National PAR Monitor Serbia 2017/2018 Report, December 2018, Link: [Http:// www.par-monitor.org/posts/national-par-monitor-serbia-2017-2018](http://www.par-monitor.org/posts/national-par-monitor-serbia-2017-2018)

<sup>382</sup>Report by the MPASLG Serbian-Korean IT Access Centre provided to the evaluation team on 2 December 2018.



on 31 December 2021 in 99 LSG units, by UNOPS, MPASLG and SCTM, and SDC funded, focused on support the application of principles of good government in certain LSG units.<sup>383</sup>

#### **Textbox 6. Major Final Report Update # 6: One year on, the MPASLG Serbian-Korean IT Access Centre (SKIP)**

The first SKIP Centre as a part of the MPASLG has opened on 20 December 2017. Apart from the education of the GoS officials, it aims to enable citizens and start-up companies to have the free access to all the services provided by the Centre. The objective of this ICT equipped facility is to implement the free access and introduce the developments of the ICT especially regarding the services provided by the E-Government, as well as to raise the citizens' technological literacy and promote the Serbian-Korean cooperation. Over the past year besides it become important service point to citizens but it also became a PAR collaborative hub. First training was on 19 January 2018 and since then implemented were over 500 training programs with over 13,662 participants including fore mostly citizens but as well as the PA, CSO, and businesses. The centre also developed an online application related to the on-going programs and available opportunities for citizens. Besides many for citizens, the so far PAR related training themes for the SAB included: Improved inspections work, address register establishment, E-babies service, e-LGAP implementation, and so on. The centre frequently appeared in media and internet, over 400, and received a commendation from the Government of Korea as the best such centres globally. In fact, since the centre functions within the MPASLG it become a frequent venue not only for citizens but for other PAR stakeholders too, including important events such as signing agreements and promoting new PAR partnerships, efforts and achievements.

Next steps within the SO 4 Measure 4.3 AP 2018-2020 include: Further efforts towards functional feedback mechanism and its implementation, i.e. systematic satisfaction surveying of citizens, CSOs, PA and businesses, analysis of shortcomings in the field of public services delivery, and further gradual introduction of public services quality management systems; Development of a feasibility study on the use of block chain technology in the PA of the RS and the implementation of a pilot project; Further development of the MPASLG Serbian-Korean IT Access Centre through various seminars and trainings on e-services; Consider acting upon the detected gaps and recommendation per the referenced WeBER Report.

#### **5.3.1.5 SO 5: Increased citizens' participation and accountability of public administration (I-3.1.6)**

**5.3.1.5.1 SO 5 M 5.1: Improvement in public participation in PA and increased information on PA and public finances (SI-3.1.6.1).** (This measure entails two planned results, of which none were reported "red"). This measure's objectives included increased transparency of PA data and information and increased citizens and CSO involvement in policy development, implementation and monitoring. Certain advances were made while full system-wide solutions are still due and with the GoS increased prioritisation of these objectives the systemic results are expected in the coming years. Back in 2007 GoS ratified the European Charter of Local Self-Government and thus committed to strengthening participation of citizens in the work of the LSGs.<sup>384</sup> The commitment was reaffirmed in 2017 when the GoS became signatory of the Supplementary Protocol to the European Charter of Local Self-Government guaranteeing the inclusion of citizens in the work of local government.<sup>385</sup>

Monitoring of key assigned indicators show relative progress. The WEF Transparency in Government's policy-making indicator Principle 2 shows a full attainment of a rather modest target-below the 2010 value or any WEF medians. However, SIGMA 2017 Monitoring Report noted that there has not been significant progress since 2015 in the transparency of procedures for Government decision-making. Yet certain new 2018 normative advances are likely to facilitate future improvements. An indicator of Reduced number of complaints filed to the Commissioner for Information of Public Interest also show progress, from 3,929 in 2014 to 3,474 in 2017.

<sup>383</sup>Source: [https://www.swisspro.org.rs/uploads/files/79-414-swisspro\\_factsheet.pdf](https://www.swisspro.org.rs/uploads/files/79-414-swisspro_factsheet.pdf)

<sup>384</sup> The Law ratifying the European Charter on Local Self-Government of 2007, Link: <http://www.hnv.org.rs/docs/Evropska%20povelja%20o%20lokalnoj%20samoupravi.pdf>

<sup>385</sup>Source: <https://rm.coe.int/local-and-regional-democracy-in-serbia-monitoring-committee-rapporteur/168074fb82>



Specific advances towards increased PA data and information transparency include MoF publishing of Civic Guide to the Budget of the RS, towards increased public understanding of the RS budget.<sup>386</sup> Some LSGs also published similar guides, does it, too, e.g. LSG Zrenjanin, although it is not compulsory.<sup>387</sup> Only the publication of budget execution reports in the *Official Gazette* is compulsory. Around half of the LSGs publish their budget execution reports on Internet. The MoF also uploads its budget execution reports on its webpage at least twice a year. MoF has in the past published a newsletter of public finance every month, but has stopped doing so after July 2018.<sup>388</sup>

Towards ensuring increased citizens and CSO involvement in GoS policy cycle, through obligatory consultative process, on 20 June 2018 the NARS adopted amendments of the Law on Public Administration and the amendments of the Law on Local Self-government.<sup>389</sup>

Furthermore, a due adoption of the prepared amendments to the Law on Free Access to Information of Public Significance is to enforce the PA pro-active publication and updating of public information, inclusive of e-application of information booklets. However, more than 70 CSOs submitted unified amendments to the proposal. The intention of this joint action was to point to the "harmful provisions brought by the amended proposal of the Law". Namely, the proposed amendments to the law do not enable future insight into the works of certain public enterprises, thus limiting accountability for management of these.<sup>390</sup>

Further advances came from the Open Government Partnership (OGP). OGP is an international initiative, which is non-obligatory and does not involve performance measurement. The first AP for the OGP for the period 2014-2016 was implemented as well as the second AP OGP 2016-2018, while the third one for the period of 2018-2020 was adopted on 29 December 2018.<sup>391</sup> In the course of developing the AP(s), cooperation with the civil society improved and commitments have been defined to enhance the key value that the OGP promotes in building a modern PA, which is good service to its citizens.<sup>392</sup>

#### **Textbox 8. Major Final Report Update # 7: June 2018 normative changes, from public discussions on drafted laws to public participation in drafting laws**

An important advance took place on 20.6.2018 when the NARS adopted amendments of the Law on Public Administration. With the amendments to the law article 77 now the "State administration bodies are obliged to provide conditions for public participation during the preparation of draft laws, other regulations and acts, in accordance with this Law". On the same occasion the same changes were adopted for the amended Law on Local Self-government. Together with the relevant clauses of the new LPS, a set of important norms were established towards ensuring increased citizens and CSO involvement in policy development, implementation and monitoring.

The second AP the Open Data initiative has been implemented and the national open data portal has been established with an increasing number of data sets included.<sup>393</sup> In addition, towards active public participation in supervision of policy implementation and active communication between citizens and institutions a new interactive Internet portal entitled "Good Administration" has been developed. The portal is intended to

<sup>386</sup>Citizen guide through the budget of the Republic of Serbia. Link:

[http://www.mfin.gov.rs/UserFiles/File/dokumenti/2017/Gradjanski%20vodic%20kroz%20budzet\(1\).pdf](http://www.mfin.gov.rs/UserFiles/File/dokumenti/2017/Gradjanski%20vodic%20kroz%20budzet(1).pdf)

<sup>387</sup>Source: <http://www.zrenjanin.rs/1-522-507-0/Gradjanski-vodic-kroz-budzet>

<sup>388</sup>Source: <http://www.mfin.gov.rs/pages/issue.php?id=1568>

<sup>389</sup>Amendments to the Law on State Administration (*Official Gazette of the Republic of Serbia*, No. 47/2018),

<sup>390</sup>Source: <http://civic-forum.eu/civil-dialogue/csos-law-social-protection-serbia>

<sup>391</sup>*Official Gazette of the Republic of Serbia*, No. 105/18 AP for implementation of the Open Government Partnership 2016-2017(*Official Gazette of the Republic of Serbia*, No. 93/16). Link: <http://ogp.rs/akcioni-plan-2016-2017/>

<sup>392</sup>Source: <http://ogp.rs/>

<sup>393</sup>Source: <https://data.gov.rs/sr/>



inform citizens on PAR progress and the mandatory exchange of data from official records.<sup>394</sup> A related short animated film has been also produced and posted on YouTube channel of the MPALSG.<sup>395</sup> The MPALSG website also contains information on the citizens' rights in administrative procedures with respect to exchange of data from official records, with an option of filling in the questionnaire or sending a letter to the MPALSG.

An additional effort includes the project "The state by the measure of citizens – what kind of state do we want in the future?" implemented during 2016 by the MPALSG and the Centre for Applied European Studies, with the support of the Open Fund Foundation. During six events, the project involved the professional and general public in the consultations on identifying the key directions for PAR. The project results are an important part of the reform process in terms of awareness and development of a new vision of the PA.<sup>396</sup>

In terms of needed increased CSO involvement in policy development, implementation, monitoring and sustainability, a major concern is that GoS has not adopted the draft strategy prepared by the OCCS, the draft "Strategy for Creating an Incentive Environment for the Development of the Civil Society". The initial draft of the strategy was outlined in June 2015, but it was not until March 2018 that the MPALSG proposed a new draft. Once adopted, the GoS is to for the first time define a comprehensive set of measures towards sustainable development of civil society.<sup>397</sup>

In fact, the GoS is yet to fully devote itself to establishment and implementation of the norms and necessary PA mechanisms for enabling citizens' fundamental and democratic participation in public policies, inclusive of the establishment of the Council for Cooperation with the CSO. Per the 2013 recommendations from the Office for Cooperation with Civil Society (established in 2011), the Council is to advise GoS on the strategic guidelines and monitor the yet to be adopted strategy implementation, as well as giving opinions on public policies and draft legislative and strategic frameworks that influence the development of CSO in RS.<sup>398</sup>

In the absence of the strategy and its implementation a large number of CSOs do not have sustained funding, especially on the LSG level, as noted in the EC's 2018 Progress Report: "The lack of financial sustainability of CSOs influences the potential of social entrepreneurship to address the needs of the local community and stimulate employment and economic growth".<sup>399</sup>

Next steps within the SO 5 Measure 5.1 AP 2018-2020 include: Further efforts towards increased transparency of PA pro-active publication and updating of public information, inclusive of e-application of information booklets; Further efforts towards increased CSO involvement in CSO agenda of the GoS, i.e. adoption of the drafted Strategy for Creating an Incentive Environment for the Development of the Civil Society, and establishment of the Council for Cooperation with the CSO; Development of Guidelines for the composition of working groups for the drafting of public policy and regulations, as well as the preparation and adoption of bylaws that regulate consultations with the interested public in the process of drafting regulations and documents of public policies; Improved open data agenda through new legal framework for open data and re-use of information in accordance with the European Directive on the re-use of public sector information; Joining the Open Data Charter, the organisation of activities in order to promote the concept of open data and support to applications development based on open data; Analysis of a comparative practice regarding electronic voting; Law development on Referendum and People's Initiative with the aim of improving mechanisms for declaring citizens; Bylaw development on Content of Websites and Publication of Electronic Services of Public Administration Bodies, after the adoption of the Law on Electronic Administration

<sup>394</sup>Source :<https://www.dobrauprava.rs>

<sup>395</sup>Source: <https://www.youtube.com/channel/UC1bE6tBH-rppor6T9IIBuXw>

<sup>396</sup>Source: <http://www.mduls.gov.rs/latinica/zajedno-u-promene.php>

<sup>397</sup>Source: <https://civilnodrustvo.gov.rs/upload/documents/zakoni/Predlog-Nacionalne-strategije-za-stvaranje-podsticajnog-okruzenja-za-razvoj-civilnog-drustva.doc>

<sup>398</sup>Source : <http://civilnodrustvo.gov.rs/enabling-environment/legal-framework/legal-framework.244.html>

<sup>399</sup>EC Serbia 2018 Progress Report, April 2018. Link: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>



**5.3.1.5.2 SO 5 M 5.2: Strengthened integrity and ethical standards of PA employees and reduced corruption**

(SI-3.1.6.2). (This measure entails two planned results, of which one was reported “red”: 5.2.1. PA Employee Ethical Standards and Integrity).

This measure's objectives included improved PA employee's integrity and ethical standards and improved protection of whistle-blowers. The GoS is yet to adopt a prepared and publicly discussed draft new Law on the Anti-Corruption Agency (ACA), which includes clearer and more stringent rules on the accountability of appointed positions and is to introduce reduction of corruption risks and improve efficiency of the Anti-Corruption Agency and strengthening its independence.<sup>400</sup>

Since the law is not adopted, PA managers are still not obliged not to develop and adopt their integrity plans. This way the deadline for the development of (second generation) integrity plans was extended until the draft Law on ACA is adopted. Still, so far result is not discouraging. Monitoring the assigned indicator, a good progress was observed, just short from the target. To the 2014 baseline: 49% and 2017 target of: 60%, there was 57.5% of PA bodies and organisations that have adopted their integrity plans (as per the current law) in compliance with the dynamics and guidelines prescribed by ACA.<sup>347</sup>

In fact, the old Law on the Anti-Corruption introduced the obligation for all state administration bodies and organisations, bodies of AP and LSG, public services and public enterprises, to adopt integrity plans, as a document resulting from self-assessment of institutional integrity.<sup>401</sup> The integrity plan includes: (i) identified areas and processes which are especially prone to risks of corruption; (ii) assessment of risk intensity relative to risk of corruption; (iii) legal and other measures for preventing and removing risks, (iv) deadlines for implementation and; (v) information on persons responsible for implementing the integrity plan. During the development of the plan the following documents are to be used: the updated version of the European Code of Good Administrative Behaviour; the Code of Conduct for Civil Servants of the RS, the Code of Good Administration proposed by the Ombudsman, as well as examples of the Code of Conduct of the employees adopted by individual LSGs.<sup>402</sup>

Monitoring the implementation of objectives was established in 2015. The High Civil Service Council developed two reports, for 2015 and 2016. These reported an increase in the number of PA disciplinary procedures related to the second generation of integrity plans.<sup>403</sup> At the AP and LSG level, it is prescribed, by the Article 196 of the Law on Employees in Autonomous Provinces and Units of Local Self-Governments that each LSG shall adopt an integrity plan within one year of the Law coming into effect.

The first Law on Whistle-Blower Protection is in effect from 5 June 2015.<sup>404</sup> The Law was introduced gradually in parallel to a media awareness campaign “Whistle-Blowers Growing Stronger”. A data centre was developed and adequate ICT equipment provided to judicial bodies. The HRMS also introduced relevant training module targeting relevant PA employees (see table 10). Thus, a carefully planned implementation process has been designed.

Monitoring the assigned indicator, very good progress was observed. The number of reports by the ministry in charge of judiciary on cases before courts related to whistle blowing: against the 2014 baseline (0), the 2017 target of 1 was achieved. A report on the first year of implementation of the law has been published on the website of the Ministry of Justice.<sup>405</sup> The report included data collected by the Group for coordination of implementation of the AP, and the 2013-2018 National Anti-Corruption Strategy, through questionnaires addressing the labour and administrative inspectorates which are in charge of enforcement of the law.<sup>347</sup>

The report confirmed that all ministries have procedures for internal whistle-blowers regulated by rulebooks on internal whistle blowing and have appointed persons authorised to receive information and conduct

<sup>400</sup> The draft Law on the Anti-Corruption Agency published on the website of the Ministry of Justice, Link: <https://www.mpravde.gov.rs/sekcija/53/radne-verzije-propisa.php>

<sup>401</sup> The Law on the Anti-Corruption Agency, Link: <http://www.acas.rs/zakoni-i-drugi-propisi/zakoni/o-agenciji-za-borbu-protiv-korupcije/>

<sup>402</sup> Source: <http://www.skgo.org/vesti/detaljno/1875/model-kodeksa-ponasanja-sluzbenika-i-namestenika-za-gradoveopstinegradske-opstine>

<sup>403</sup> Code of Conduct for Civil Servants, amendments, and reports on implementation, Link:

[http://www.suk.gov.rs/sr/visoki\\_sluzbenicki\\_savet/akti\\_saveta.dot](http://www.suk.gov.rs/sr/visoki_sluzbenicki_savet/akti_saveta.dot)

<sup>404</sup> Law on Whistle-Blower Protection (*The Official Gazette* No. 129/2014) Link: [https://www.paragraf.rs/propisi/zakon\\_o\\_zastiti\\_uzbunjivaca.html](https://www.paragraf.rs/propisi/zakon_o_zastiti_uzbunjivaca.html)

<sup>405</sup>Source: <http://www.mpravde.gov.rs/tekst/14518/finalni-izvestaj-o-godinu-dana-primene-zakona-o-zastiti-uzbunjivaca.php>



procedures in case of internal whistle blowing. All employees have received information on the rights under the Law on Whistle-Blower Protection. The report noted an increase in PA internal whistle-blowing, one before passing of the law and two after. Reported external PA related whistle-blowing trend was sharper. One case within 6 months from the law and after one year ten more. In 2015, a total of 55 criminal proceedings related to whistle blowing were opened in Serbian courts, of which 33 were concluded; in 2016, 295 proceedings started, of which 241 were completed. According to the Supreme Court of Cassation, since the law is in force end June 2017 in total 427 criminal proceedings were initiated based on information via whistle-blowers, of which 364 were completed.<sup>406</sup>

Although referred to as a “gold-standard”, with excellent initial results, certain gaps in the law became apparent. Due to mild penalties, the judgments issued by courts are not always respected when a court decided favour of the whistle-blower. There is also a need to establish a mechanism for the protection of whistle-blowers from retaliation.<sup>406</sup>

On 5 March 2018, the GoS adopted the MPALSG proposed Regulation on funds to support programs or missing amount of funds for programs of public interest implemented by associations. The regulation focuses on improving fiscal transparency and raising the level of accountability in the use of budget funds. The provisions of the Regulation further regulate the transparency of the process of awarding financial support to associations and other CSO from budget funds by introducing the mandatory drafting and publishing of Annual Plans of Public Calls. In addition, the Regulation also contains anti-corruptive provisions, elaborates the implementation of evaluation and monitoring of supported projects and ensures the option of including citizens’ representatives in the commissions for awarding funds. In addition, the Office for Cooperation with Civil Society has published for SAB a manual and methodology of planning, monitoring the implementation of the CSO implemented programs and projects so as to enable monitoring of the awarded funds.<sup>407</sup>

Next steps within the SO 5 Measure 5.2 AP 2018-2020 include: Adoption of (or new ) draft Law on the Anti-Corruption Agency; Increased rate of developed integrity plans in PA institutions inclusive of LSGs; Introducing the obligation to attend training on ethics and integrity for all employees in PA; Define provisions related to the introduction of risk assessment of corruption by regulations in the process of drafting regulations and adopting the Methodology for assessing the risk of corruption in regulations; Development of a comparative analysis for the introduction of ethics and integrity officers in PA, analysis of the legal framework, and development of guidelines with recommendations for implementation; Establishment of a mechanism for monitoring the implementation of the recommendations of the ACA after introducing an assessment of the risk of corruption in the drafting process; Preparation of the first Annual Report of the ACA on the degree of fulfilment of the recommendations from the opinion on the assessment of the risk of corruption in the provisions of the draft laws in areas that are particularly at risk of corruption.

**5.3.1.5.3 SO 5 M 5.3: Strengthened mechanisms of external and internal PA control (SI-3.1.6.3).** (This measure entails two planned results, of which one was reported “red”:**5.3.1. Development of External Control Mechanisms**). This measure’s objectives included strengthening external control of the PA and strengthening the internal control by the Administrative Inspectorate. The first result is related to the improvement of the legal framework and conditions of operation of five independent bodies: The Ombudsman, the Commissioner for Information of Public Interest and Personal Data Protection, the Commissioner for Equality, the Anti-Corruption Agency, and the State Audit Institution, which conduct external oversight of PA. The second result is related to strengthening the Administrative Inspectorate, which performs internal control.

New amendments to the Law on Ombudsman were drafted, as well as amendments to the Law on Free Access to Information of Public Interest, and amendments to the Law on the Anti-Corruption Agency. The amendments to the Law on Ombudsman include upgrade of the existing mechanisms available to the Ombudsman through introducing the possibility of sanctions and a sort of free legal aid for citizens.

<sup>406</sup> Source: <https://www.balkanicaucaso.org/eng/Areas/Serbia/Whistleblowers-in-Serbia-a-model-law-184197>

<sup>407</sup>[https://www.civilnodrustvo.gov.rs/upload/documents/Kancelarija/Dokumenta\\_Kancelarije/METODOLOGIJA%20online.pdf](https://www.civilnodrustvo.gov.rs/upload/documents/Kancelarija/Dokumenta_Kancelarije/METODOLOGIJA%20online.pdf)



The amendments to the Law on Free Access to Information of Public Interest have raised certain CSO concerns (see previous AP measure). These are coupled with additional CSO concerns related to the appointment procedure of a new Commissioner for information of public importance and protecting personal data, as his/her current mandate expired on 22 December 2018 and the new one is yet to be appointed.<sup>408</sup>In addition, the new Personal Data Protection Act will enter into force in August 2019. To that end, eight digital rights organisations across Europe on 4 December 2018 sent a letter to the NARS, seeking a transparent process of selecting a new Commissioner.<sup>409</sup> The letter stressed the utmost importance that the new Commissioner be appointed as soon as possible, through a transparent procedure in accordance with the law, and that the function is assigned to the best candidate in accordance with each of the individual conditions. The letter also called on the NARS, which elects the Commissioner, to provide the highest standards when selecting a new Commissioner in order to respect the foundations of a free, innovative and open digital society that will establish the highest level of personal data protection as per the EU General Regulation on the protection of personal data (GDPR) and the Council of Europe Convention. Amendments to the Law on the Anti-Corruption Agency are expected to bring a distinction between conflict of interest and accumulation of public functions. The key existing law improvements refer to specific conflict of interest, incompatibility, and accumulation of public functions. The new law on ACA is to regulate timely exclusion of any private interest from performing public functions thus enable avoidance of the conflict occurring before it is reported. Another important due novelty is the prescribed deadline of five years for the ACA to initiate a procedure to decide on existence of conflict of interest.

As for improvement of the conditions of operation of five independent bodies, the results were limited. At its 28<sup>th</sup> session on 2 November 2017, the GoS made the decision establishing a work group tasked with identifying the needs for use of government buildings and official premises by the SAB and other state authorities and developing the plan for implementation of identified need. Further steps are expected. Ensuring adequate premises to resolve the accommodation issues of Ombudsman, and State Audit Institution is still due. Additional, although premises for Commissioner for Protection of Equality have been ensured, improvement of the working premises is further needed.

The plan of conducting the functional analysis of the Administrative Inspectorate was planned by the AP in order to determine the necessary structure and the needed number of staff to perform its legal mandate. In 2016, within a project by the Norwegian Embassy “Managing Change – Strengthening Capacities of the MPALSG”, a number of different findings were identified towards strengthening the inspection capacities as well as the MPALSG. The results included plans for the MPALSG resource allocation, and functions identified according to the scope of competences and the legal framework. In line with the findings and recommendations, a reorganisation of the MPALSG was performed and the Rulebook was developed on internal organisation and systematisation of posts within the MPALSG. The planned next phase never took place.

Furthermore, the strengthening capacities of the Administrative Inspectorate took place only to a certain extent due a shortage of employees, i.e. inspectors. Currently there are 17 administrative inspectors, although 28 were allowed in terms of the maximum number of employees. Hiring is not only made difficult by the freeze in the PA employment buy by a strict condition in terms of the experience needed for the job that is missing on the job market.<sup>410</sup>Despite that, good results were achieved in terms of the percentage increase of the number of supervised entities. During 2017, the inspectorate conducted 1,430 inspections and acted on 1,800 complaints, to the 2014 base values of 1,400 and 1,230, respectively, and the target value of 10% increase for each year.<sup>347</sup>

Next steps within the SO 5 Measure 5.3 AP 2018-2020 include: Further strengthening of external control of the PA, i.e. the five independent bodies; Adoption of the three draft laws prepared amendments:

<sup>408</sup> Thematic/Expert Focus Group on AP PAR Pillar 5 (SO 5) AP 2015: Increased citizens’ participation and public administration accountability, held in MPALSG Serbian-Korean Information Access Centre on 26 November 2018.

<sup>409</sup>Source: <https://www.sharefoundation.info/en/organisations-from-across-europe-insist-on-a-transparent-appointment-of-the-commissioner-in-serbia/>

<sup>410</sup>Meeting with the Administrative Inspectorate on 5 December 2018.



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**Final Report 21042019**



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Amendments to the Law on Ombudsman, Amendments to the Law on Free Access to Information of Public Interest, and the Amendments to the Law on the Anti-Corruption Agency; Improving the conditions of operation (adequate space, i.e. offices and number of employees) of three independent bodies: the Ombudsman, Commissioner for Equality, and State Audit Institution; Further strengthening of capacities of the Administrative Inspectorate; Adopt Amendments to the Law on the Prohibition of Discrimination in order to be in full compliance with the EU *acquis*, the scope of the exceptions to the principle of equal treatment, and -definition of indirect discrimination.