

**EU-SERBIA 7<sup>th</sup> SPECIAL GROUP  
ON PUBLIC ADMINISTRATION REFORM**

**10 November 2020**

**Videoconference**

**Operational Conclusions**

***General points***

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

***Strategic framework of public administration reform, including public financial management***

- The Commission welcomed the ongoing drafting of a new PAR strategic framework, including public financial management (PFM), on which it will be consulted by the Serbian authorities once a mature draft is available. It recalled the need to ensure an optimal hierarchical structure and synchronisation between the overarching PAR strategy, the PFM programme and related sub-sector planning documents, in line with the Law on the planning system of Serbia.
- The Serbian authorities confirmed that managerial accountability would be integrated as a cross-cutting issue in the new PAR strategic framework in terms of delegation, horizontal and vertical transfers of responsibility under a specific pillar of the strategy, as well as within public internal financial control (PIFC).

***Policy development and coordination***

- The Commission underlined the importance of a strong quality control role of the Public Policy Secretariat and other Centre of Government institutions in order to ensure effective implementation of the Law on the planning system of Serbia and other relevant legislation, including at the local level where necessary. This relates *inter alia* to the quality of sector planning documents, public consultations, regulatory and financial impact assessments, the use of urgent procedures in the parliament, and the regular publication of the implementation reports on key government and sector planning documents.
- The Serbian authorities committed to catching up with the delays in adopting mid-term plans in line ministries, considering the expired legal deadline of January 2020. The preparation and adoption of mid-term plans for remaining ministries shall be done in phases, depending primarily on the optimisation of current planning framework.

## *Accountability*

- The Serbian authorities committed to catching up with the delays in establishing analytical/strategic units in ministries, to foster effective consolidation of strategic, operational and financial management functions as well as managerial accountability, as foreseen in Serbia's Action Plan on the World Bank's Functional Review, the PAR Council Conclusion of February 2018, and the PIFC Development Strategy 2017-2020. The Serbian authorities intend to adopt the amendments to the regulation on internal organisations and systematisation of job positions and, once adopted, will inform the Commission on the next steps.
- The Commission took note of the fact that it was not yet possible for the parliament to consider the annual reports of independent bodies, due to the COVID-19 state of emergency as well as elections. It encouraged the new parliament to have, in addition to the formal presentation of the reports, a discussion of the recommendations contained in those reports, including of recommendations that might be repeated from previous years as not yet addressed.
- The Commission underlined the importance of amending without further delay the Law on Free Access to Information of Public Importance, in a way that increases the capacity to execute the decisions of the Commissioner for Information of Public Importance and that does not unnecessarily narrow the scope of the law.

## *Public service and Human Resources Management (HRM)*

- The Serbian authorities referred to the COVID-19 pandemic to explain the delays in carrying out recruitment procedures through competitions this year. They informed of their intention to amend the law on civil servants at the beginning of 2021 to allow for the use of additional modules under the HRM management information system, which should help improving the pace and quality of recruitment processes.
- The Commission invited the authorities to look into possibilities of simplifying recruitment procedures to avoid recruitments backlog, both in respect of managerial and non-managerial selections, and offered its and SIGMA's assistance in this regard.
- The Commission underlined that data should be collected for the year 2020 on the number of temporary contracts concluded per category (e.g. in case of increased workload, for replacing an absent civil servant etc.). The Serbian authorities will provide these statistics upon setting up a new IT system, which is envisaged by the end of the first half of 2021, and then start collecting data, envisaged from the second half of 2021. The Commission also stressed the need to collect data on the number of temporary contracts that will be transformed into permanent positions further to the entry into force of this legal possibility in January 2023.
- The Commission underlined its serious concern regarding the lack of progress in phasing out acting senior management posts since the amendments to the Law on civil servants entered into force. It notably regretted that effective mechanisms to enforce compliance with the legal obligations seem to be lacking, as non civil servants have continued to be appointed by the government on an acting basis after the deadline of 1 July 2019, in breach of the law. The Serbian authorities will provide further information on acting positions in line with new human resource management strategic framework that

will contribute to the improvement in this area. The authorities committed to implementing the phasing out of acting senior manager posts in line with the targets and timelines set in the aforementioned new strategy.

- The Commission asked for the collection of data on the number of successful candidates after every step of the selection procedures for senior managers (e.g. the number of competitions that resulted into reserve lists upon finalisation of tests conducted by the Selection Committee; the number of competitions for which the heads of institutions have notified in accordance with article 71(2) of the law on civil servants that no candidate has been selected from the list submitted by the Selection Committee; the number of competitions on which the government failed to appoint the candidate proposed by the head of the institution and has notified the Human Resources Management Service of this failure in accordance with article 72(2); finally on the number of actual appointments decided by the government). Such data is important for the transparency of the selection process as well as to be able to assess the role played in practice by the Personnel committee of the government in further confirming or rejecting the candidates proposed by the heads of institutions. The Serbian authorities informed that they have not been able until now to collect the requested data as the legal obligation to inform the Human Resources Management Service and High Civil Service Council of the outcome of the selection procedure is not systematically enforced.<sup>1</sup> The Commission thus asked for the necessary mechanisms to be put in place as soon as possible, in order to be able to enforce the legal provisions in this respect and for such data to be collected and shared by the authorities.
- On all these matters, the Commission underlined that de-politicisation and professionalisation of the public service are essential for Serbia's European integration reform process. It also stressed the importance of transparent and merit-based recruitment at all levels of civil service for the prevention of corruption, as required by the related interim benchmark that Serbia needs to meet in chapter 23 of the accession negotiations.
- The Commission regretted another postponement of the entry in application of the 2016 Law on the salary system in the public sector. The Serbian authorities confirmed their intention to continue technical preparatory steps throughout 2021 so that the law can start being applied from 2022. The authorities will provide information of the steps and timelines of those technical preparatory steps by the end of June 2021.

### *Service delivery*

- The Serbian authorities committed to catching up with the delays in harmonising special laws with the Law on General Administrative Procedure (LGAP). They will provide by the end of March 2021 data on the total number of laws still to be harmonised and the timelines set for their harmonisation.
- The Serbian authorities also acknowledged the need to avoid the adoption of new secondary legislation not in line with the LGAP.

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<sup>1</sup> In subsequent discussions with the European Commission, the authorities acknowledged the need to collect such data in the future in order to ensure that the law on civil servants (notably articles 71 and 72) is enforced fully and transparently as regards the role of the Personnel Committee of the Government.

## *Public financial management (PFM)*

- The Serbian authorities committed to adopting a new PFM reform programme that includes clear reform objectives, targets and indicators and a realistic timeline for implementation, better encompasses all relevant sub-sector strategies, and improves the overall coordination and monitoring structure. They will consult the Commission once a mature draft of the PFM programme is available.
- The Commission stressed that the integration of the PIFC elements in overarching strategies - PAR strategy and PFM reform programme - does not change the need of having a clear strategic emphasis on PIFC. All PIFC priorities - in particular organisational objectives, decentralised managerial accountability, risk management, control activities, information and communication, monitoring, internal audit and ex-post financial inspection – will need to be properly reflected at strategic level. The Commission invited the authorities to extend the coverage and quality of PIFC in the public sector and to work with other stakeholders to allow for the proper introduction of managerial accountability (including delegation of responsibilities and performance management).
- The Serbian authorities committed to improving further budget transparency by using and implementing the Open Budget Index and SIGMA's recommendations. The Commission notably highlighted the SIGMA's recommendation on the need to explain variations between planned and actual expenditure. The Commission suggested to Serbia to prepare a transparency roadmap indicating clearly the steps needed to move forward with these recommendations.
- The Commission welcomed the adoption of the Public Procurement Law but expressed concerns about the law on special procedures for linear infrastructure projects, as it allows for the circumvention of the Public Procurement Law, and thus also EU rules and standards. It called on Serbia to implement the Public Procurement Law fully and to ensure that all investment projects are subject to its provisions and principles.
- The Commission welcomed the adoption of the Decree on Capital Projects Management and related rulebooks establishing a system for preparation, selection and monitoring of capital investment, which represents a step in the right direction to establish a single mechanism for capital investments. The Commission invited the authorities to ensure that the decree is applied to all capital investments regardless of the type of investment or the source of financing, including those under intergovernmental agreements, ensuring the efficient use of public resources. The Commission also invited Serbia to further clarify the role of the National Investment Committee and the one of the Capital Investment Commission to avoid duplication of mandates.