

EU-SERBIA 6th SPECIAL GROUP ON PUBLIC ADMINISTRATION REFORM

Brussels, 14 October 2019

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.
- The parties agreed that in order to facilitate future policy dialogue, the Commission will provide guidance on the type of administrative and statistical data that the Serbian authorities would need to regularly collect in different PAR areas.

Strategic framework of public administration reform, including public financial management

- The Commission welcomed the increasing quality of the government's annual implementation reports on Serbia's PAR Action Plan and on the public financial management (PFM) reform programme. The Commission also welcomed the ongoing efforts to ensure a more coordinated monitoring and reporting framework.
- The Serbian authorities will draft a new PAR strategy in an inclusive manner together with civil society organisations. They will 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.
- The Commission welcomed that good governance at sub-national level will be among the priorities of the new PAR strategy. The Commission invited the Serbian authorities to reflect on how the Principles of Public Administration could guide administrative capacity building at local government level.
- The Commission underlined the importance of managerial accountability as a cross-cutting issue and invited the Serbian authorities to ensure that different elements of managerial accountability will be addressed in the new PAR strategic framework.

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 and other relevant legislation. The quality control role should not focus on procedural aspects alone but should especially contribute to improved quality of sector planning documents, public consultations, regulatory and financial impact assessments, as well as the reduced use of urgent procedures in the parliament. On the latter, the Commission welcomed the reduction of the number of urgent legislative procedures in recent months.
- On all the above aspects, the Serbian authorities will re-submit the statistics prepared for this PAR Special Group on the basis of additional guidance to be provided by the Commission, in order to clearly distinguish the proportion of procedures conducted in compliance, or not, with legal requirements.
- The Serbian authorities agreed to establish an operative plan/roadmap for the progressive introduction of mid-term planning throughout the year 2020. The Public Policy Secretariat will inform the Commission on the progress made in the next policy dialogue meeting in spring 2020.
- The Commission recalled the importance of transparency and accountability in governmental work, including regular publication of the implementation reports on key government and sector planning documents. The Serbian authorities will provide annual statistical data in this respect during future policy dialogue meetings.

Accountability

- The Serbian authorities confirmed their commitment to establish analytical/strategic units in ministries, to foster effective consolidation of strategic, operational and financial management functions as well as managerial accountability. This is in line with the Serbia's Action Plan on the World Bank's Functional Review and the conclusion of the PAR Council in February 2018. Establishing analytical units is also planned under the Public Internal Financial Control Development Strategy 2017-2020.
- The Commission welcomed the fact that the Serbian parliament had a plenary discussion on the annual reports of independent bodies in July 2019, for the first time since 2014. The Commission underlined the importance of the work of independent bodies and invited the Serbian authorities to provide, in the future, concrete examples of follow-up by the authorities of recommendations of independent bodies.
- The Commission took note of the state of play in drafting amendments to the Law on Free Access to Information of Public Importance. It underlined the importance of not narrowing the scope of the law without proper and evidence-based justification, in particular in the provisions related to companies where the state is a shareholder (current articles 3 and 9). The Commission also invited Serbia to strengthen further the provisions of the draft amendments with regard to the execution of the solutions of the Commissioner for Access to Information of Public Importance.
- The Commission underlined the importance of the aforementioned law for the prevention of corruption, and in meeting the interim benchmark on access to information in chapter 23 of the accession negotiations. The Commission therefore welcomed the fact that the authorities are committed to organising an additional round of exchange of

views on the draft amendments with the Commissioner for Access to Information of Public Importance and SIGMA.

Public service and Human Resources Management

- The Commission underlined its serious concerns 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 Commission raised concerns on the limited capacity of the High Civil Service Council, supported by the Human Resources Management Service, to organise a large number of competitions for senior positions. It also raised concerns on the timeline needed to conduct a number of competitions required to eliminate the current acting appointments.
- The Commission stressed the need to ensure transparency regarding the final selection decisions for the appointment of senior civil service positions, especially since the Law on civil servants neither regulates the mandate of the Personnel committee of the government, nor defines criteria according to which the committee may re-assess candidates who were already selected in a merit-based open procedure.

(Background: The Serbian authorities informed that a Personnel committee of the government takes the final selection decisions on candidates proposed by ministers - after the High Civil Service Council has finalised the merit-based selection procedure - for appointment of senior civil service positions. The Commission stressed that such practice is not transparent and does not increase trust of qualified candidates to apply, especially in view of cases where the Personnel committee of the government has not selected any of the candidates who passed a merit-based selection procedure).

- 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 for the prevention of corruption, as required by the related interim benchmark that Serbia needs to meet in chapter 23 of the accession negotiations.
- Regarding staff retention, the Commission welcomed the recent start of activities in developing such policy, as foreseen by the amended Law on civil servants, and encouraged the authorities to continue their efforts in this regard.
- The Commission regretted another postponement of the entry in application of the 2016 Law on the salary system in the public sector and invited the Serbian authorities to demonstrate the credibility of the undertaken reforms.

Service delivery

- The Serbian authorities acknowledged that the pace of harmonising special laws with the Law on General Administrative Procedure (LGAP) had slowed down in 2019.

- In this context, the Serbian authorities welcomed the Commission's suggestions to avoid duplicating efforts in this area by improving the coordination of the Public Policy Secretariat and the Ministry of Public Administration and Local Self-Government, as well as to take in consideration the need to harmonise secondary legislation with the LGAP.

Public financial management

- The Ministry of Finance committed to actively participating in the upcoming preparation of the new PAR strategy with the aim of further developing, harmonising, streamlining and optimising this sector strategic framework. Within this effort, the Ministry of Finance's high-level officials will lead a process that is inclusive for all the relevant stakeholders and that will ensure the formulation of clear, well-defined and comprehensive policy objectives that are not bound by jurisdictions of individual organizational units.
- Linked to the work on the new PAR strategy, parallel efforts on a new PFM Reform Programme will attempt to further operationalize defined objectives, better encompass all relevant sub sector strategies (Public Internal Financial Control, Public Procurement, Debt, etc.) and improve the overall coordination and monitoring structure.
- The preparation of a new policy framework for PAR/PFM will also include the definition of elements linked to improving budget transparency.
- The Commission took note of the state of play in adopting the Public Procurement Law and in implementing e-procurement. The Serbian authorities committed to adopting this Law by the end of the year and to providing adequate training to ensure its effective implementation as soon as it enters into force (i.e. 1 July 2020).
- The parties agreed that the Serbian authorities would continue discussing with the Commission aspects regarding the Public Investment Management (PIM) decree adopted on 19 July 2019. In this context, the Commission invited the Serbian authorities to ensure that the new decree covers all investments regardless of the source of financing, guarantees the integration of capital projects planning and appraisal in the budget process, and improves the government investment planning and management capacities to control public assets funded by loans from third countries. The Commission also invited Serbia to clarify the role of the National Investment Committee and the one of the Capital Investment Commission to avoid duplication of mandates.