

On the basis of Article 38(1) of the Law on the Planning System of the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, No. 30/18),

The Government hereby adopts

THE STRATEGY FOR PUBLIC ADMINISTRATION REFORM
IN THE REPUBLIC OF SERBIA FOR THE PERIOD 2021–2030

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Acronyms

AP	Action Plan
APIGP	Action Plan for the Implementation of the Government Programme
BV	Base Value of the indicator for the respective year
CAF	Common Assessment Framework (Quality Management)
CHU	Central Harmonisation Unit
CSO	Civil society organisation
EC	European Commission
EU	European Union
FMC	Financial Management and Control
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
HRM	Human Resource Management
HRMS	Human Resource Management Service
ICT	Information and communications technologies
ILM	Internal Labour Market
IMF	International Monetary Fund
IMPG	Inter-Ministerial Project Group
IPFC	Internal Public Financial Control
IPA	EU Instrument for Pre-Accession Assistance
ITE	Office for IT and e-Government
LBS	Law on the Budget System
LPS	Law on the Planning System
LSG	Local Self-Government
LSGU	Local Self-Government Unit
MEI	Ministry of European Integration
MoF	Ministry of Finance
MoI	Ministry of Interior
MLEVSA	Ministry of Labour, Employment, Veteran and Social Affairs
MPALSG	Ministry of Public Administration and Local Self-Government
NAD	National Priorities for International Assistance
NAPA	National Academy for Public Administration
NES	National Employment Service
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
OSS	One-stop shop(s)
PAR	Public Administration Reform
PDIFRS	Pension and Disability Insurance Fund of the Republic of Serbia
PEFA	Public Expenditure and Financial Accountability Assessment
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Programme
PPD	Public Policy Document
PPS	Public Policy Secretariat
RGA	Republic Geodetic Authority
SAB	State Administration Bodies
SCS	Senior Civil Servant
SBS	EU Sectoral Budget Support

SCTM	Standing Conference of Towns and Municipalities
SDG	Sustainable Development Goals
SIGMA	Support for Improvement in Governance and Management (joint initiative of the OECD and the EU)
SKIP	Serbian–Korean Information access centre
STA	State Audit Institution
TA	Tax Administration
TV	Target Value of the indicator for respective year
UIS	Unified Information System for Public Policy Planning, Implementation Monitoring, Coordination and Reporting

I. Introduction

1. Strategic framework and reasons for the new Strategy enactment

The Strategy for Public Administration Reform in the Republic of Serbia (hereinafter: 2014 PAR Strategy) was enacted on 24 January 2014 and detailed in two action plans for the periods 2015–2017 and 2018–2020. Following the first external evaluation of the 2014 PAR Strategy, the Public Administration Reform Council issued a [Conclusion](#) supporting the findings and the recommendations of that evaluation, thus initiating the process of drafting the Public Administration Reform Strategy for the period 2021–2030 (hereinafter: PAR Strategy), focused on service delivery policy, human resource management (hereinafter: HRM) and capacity management, as well as on improving coordination in the implementation and monitoring of the public administration reform, and further alignment of all public policy documents pertaining to the public administration reform.

In accordance with Article 32 of the Law on the Planning System of the Republic of Serbia (hereinafter: LPS), the commencement of the drafting of the PAR Strategy was publicly announced in August 2019, and the official consultation process was initiated (consultations also existed before; for more details see Appendix 4: The process of preparing the PAR Strategy and description of the consultation process). A public call for participation of citizens' associations in the work of the Special Working Group responsible for drafting the PAR Strategy (hereinafter: Special Working Group) was published, based on which representatives of six civil society organisations were included as equal members. Based on the Decision on the establishment of the Special Working Group for the drafting of the Public Administration Reform Strategy for the period after 2021, a total of 121 representative of state bodies participated in the work of the Special Working Group, including independent state bodies, citizens' associations, the Chamber of Commerce of the Republic of Serbia and the Standing Conference of Towns and Municipalities (hereinafter: SCTM). Representatives of the EU Delegation to the Republic of Serbia and SIGMA/OECD were involved in the work and the official correspondence of the Special Group the entire time. The Special Group remained open to the participation of other stakeholders (for instance, *Transparency Serbia* did not participate in the public call, but after expressing interest it took part in the meetings, as did the UNDP). In the year of preparation, more than 57 official working group meetings per thematic area were organised as well as a large number of individual meetings with various stakeholders.

For the purpose of further aligning the PAR Strategy with the European Principles of Public Administration, as well as facilitating the process of national and EU monitoring of progress in the area of public administration reform (hereinafter: PAR), the PAR Strategy structure and the work of working sub-groups follow the thematic areas of the EU/OECD Principles of Public Administration, plus the local self-government system reform as a priority area in the next ten years.

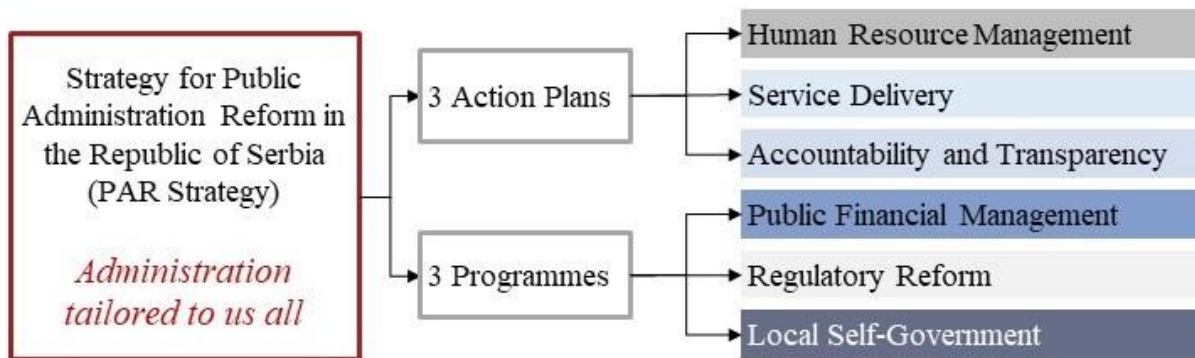


Figure 1. Planning framework and documents pertaining to the public administration reform

As an umbrella document, the PAR Strategy was developed in parallel with three hierarchically lower-level public policy documents, i.e. programmes in the area of a) planning and coordination of public policies, b) public financial management (hereinafter: PFM), and c) local self-government system. The areas of HRM, service delivery, and accountability and transparency were developed through the Action Plan for the Implementation of the Public Administration Reform Strategy for the period 2021–2030 (hereinafter: PAR Strategy Action Plan).

In the oncoming period, the area of internal audit and financial management and control will be incorporated into the Public Financial Management Reform Programme, i.e. no special public policy document (strategy) will be adopted. Once it has expired, the Plan of Priority Activities to Reduce the Administrative Burden in the Republic of Serbia ‘Stop to Bureaucracy’ is to be included in the Programme for the Simplification of Administrative Procedures and Regulations ‘e-Paper’ (hereinafter: the ‘e-Paper’ Programme). The e-Government Development Programme is no longer to be planned as a separate public policy document – instead, it is to be drafted as an operational plan with outlined special activities and the resources necessary for their implementation during a certain period.

Considering that PAR is one of the preconditions for a successful EU-integration process, the PAR Strategy was designed to match the framework by which the EU measures the candidate countries’ progress in the PAR area, as well as to provide specific solutions to internally mapped challenges for the upcoming period.

Table 1 Mapped applicable and future PPDs and other planning documents for the PAR area

Thematic area	Existing planning documents	Future planning document
Public policy planning and coordination	Regulatory Reform and Improved Public Policy Management Strategy 2016–2020	Future public policy management regulatory reform programme
Human resource management	Strategy for Professional Development of Civil Servants in the Republic of Serbia Strategy for Professional Development of Employees in Local Self-Government Units in the Republic of Serbia	
Public service delivery	Plan of Priority Activities to Reduce the Administrative Burden 2019–2021 (<i>Stop to Bureaucracy</i>) E-Government Development Programme 2020–2022 Programme for the Simplification of Administrative Procedures and Regulations ‘e-Paper’ 2019–2021	

Accountability and transparency	Lateral public policy documents: <ul style="list-style-type: none"> • AP for Chapter 23 • AP for the Implementation of the Open Government Partnership 	
Public financial management	Public Financial Management Reform Programme 2016–2020 Strategy for the Development of Internal Financial Control in the Public Sector 2017–2020 Public Procurement Development Program 2019–2023	Future Public Financial Management Reform Programme
Local self-government system		Future Local Self-Government System Reform Programme

2. Key results and challenges

Efforts were made to **bring public administration closer to citizens** through reform activities in the previous period, which contributed to better results at the local level (opening of one-stop shops, inter-municipal cooperation, data opening, stability of public finances, digitalisation of services, better inspection coordination, introduction of budget planning, gender-sensitive budget planning, introduction of medium-term planning, regulation of the normative framework of public policy planning, etc.). The rising trend in the achievement of the results of the 2014 PAR Strategy implementation is seen in the annual reports on the implementation of this strategy during the period 2018–2020 (57% of results in 2019, 46% of results in 2018, 23% of results during the period 2015–2017). However, the rate of the achievement of results is only at a half-way of the total number of planned results due to lack of capacities to implement changes, over-ambitious plans and insufficiently efficient coordination.

The implementation of **fiscal consolidation measures** provided **the fiscal framework for reforms in various sectors**. As a result, a stable economic environment was established, with stable public finances, which improved the credit rating and helped receive favourable evaluations by all the relevant international financial institutions. Thanks to the macroeconomic and fiscal stability, the Republic of Serbia had enough space to help the economy with the fiscal and monetary measures in mitigating negative effects of the coronavirus pandemic that outbreaked in 2020. Due to the responsible fiscal policy in the previous period, in response to the crises caused by the pandemic, a significant package of fiscal and monetary measures was applied, which supported the economy and citizens, preserved jobs, equipped the health system and provided assistance to the most vulnerable groups. A comprehensive package of measures that provided assistance to the economy, estimated at 12,5% of GDP, and whose positive effects were reflected in macroeconomic indicators (unemployment, a smaller decline in economic activity, etc.)¹. All these measures, with a simultaneous shock on the revenue side, resulted in a significant increase in the fiscal deficit and public debt. Stabilization and return of these categories to a sustainable path are expected in 2021 and in the medium term. In the medium term, gradual stabilization of public finances and directing the fiscal space to the growth of public investments in order to recover and grow the economy is expected. Further improvements in the area of the public financial management will be elaborated in the new Public Financial Management Reform Program 2021-2025.

In addition to these significant results in the area of fiscal stability, rationalisation and digitalisation, the implementation of the LPS and **improvement of the public policy planning system** were initiated, as well as the implementation of amendments to the Law on Civil Servants with the introduction of **competencies** and further professionalisation of civil servants. Legal preconditions for greater involvement of citizens in administrative affairs were enabled with the amendments to the Law on Local Self-Government, the LPS and amendments to the Law on Public Administration, which introduced mandatory public consultations in the earliest stages of the process of adoption of new laws and public policy documents.

Through the **digitalisation and e-Government development**, significant results were achieved with **the shift in the administration focus – the administration went from being a regulatory service to a citizen-centric service**. This may best be seen through open contact centres G2G and G2C, changed websites of the Government and public administration bodies,

¹ More details in Economic Reform Program 2021-2023 (ERP) <https://www.mfin.gov.rs/dokumenti/program-ekonomskih-reformi-erp/>

data exchange without the exchange of documents (via the e-ZUP system), as well as the opening of a free IT access centre for citizens and administration – Serbian–Korean Information access centre (SKIP centre). With the establishment of the Office for Information Technology and e-Government (Office for IT and e-Government), institutionalisation was conducted for the purpose of improving e-Government. Moreover, the number of users of e-services and e-users on e-portals (e-ZUP, *Baby, Welcome to the World*, e-Kindergarten, Online Vehicle Registration, e-Foreigner, Unified Information System of Local Tax Administration (UIT LTA), e-Registration, e-Scheduling for PCR testing, Mailbox, electronic signature application, etc.) has been increasing as well as the number of data sets and bodies available through/on the Open Data Portal. The establishment of the State Data Centre contributed to the faster development of e-Government. It includes the information and communication infrastructure of the Republic of Serbia and enables cloud computing in the Government (data sharing over the network). This helped circumvent the issue of having to provide additional space and equipment maintenance. In order to improve the procedures and the overall work of e-Government, the Government marked the establishment of an additional State Data Centre in Kragujevac as an important project, open not only to public administration but also to businesses and other entities.

A quick response to the crisis caused by the Covid-19 pandemic has been the best indicator of the implementation of public administration reforms and readiness to cope with the crisis so far. At the beginning of the crisis, a central national website (www.covid19.rs) was created, with all key information on the development of the pandemic in the country, as well as a website (www.covid19.data.gov.rs) showing the number of citizens in self-isolation and people suffering from Covid-19, as well as individuals tested, hospitalised and deceased on the territory of the Republic of Serbia. Innovative initiatives: “Be a Volunteer” and “Information on the Covid-19 virus” (the website for publishing the latest pandemic-related information) were launched; as well as the application for applying for a movement permit during the movement ban; “Digital Solidarity”; PCR testing on personal request, as well as the service of e-notification of PCR test results and a Viber service that provides all the necessary information about the pandemic. The Government established a unified Coordination Commission for Inspection Supervision www.inspektor.gov.rs. The contact centre is connected to all local self-governments, which enables applications of citizens and businesses, that are not under the purview of central-level inspections, to be forwarded to the competent local inspections. The Republic of Serbia rose to the challenges in the area of education by ensuring that the school year ended successfully amidst the pandemic through the use of an online e-learning platform: <https://mojaskola.rtsplaneta.rs/>.

An important contributing factor in the response of the Republic of Serbia to the challenges posed by the pandemic has been the use of open data, as one of the results of the public administration reform process so far. Thus, the Open Data Portal has been enriched with new open pandemic-related data sets, such as: the Register of primary health care institutions dedicated to Covid-19, Report on data about persons suffering from Covid-19, Covid-19 epidemiological reports, Register of stores for the supply of citizens aged 65 years or over.

The situation caused by the Covid-19 pandemic raised the question of the existence of an adequate IT structure that could support the work and the operations under the new circumstances. The particular challenge was to mitigate the effects of rationalisation of the number of employees without compromising the existing quality of work of the public administration, which is why in some areas the emphasis was placed on digitalisation and e-Government. Considering that the Programme for Modernisation and Optimisation of the Public Administration covered two rather complex processes – the process of rationalisation for fiscal consolidation and the process of optimisation and modernisation of the public

administration – making their implementation plan over-ambitious, the procedure is still in the implementation phase.

The biggest challenges for the following period – as mapped in the national monitoring reports – are going to be the simplification of processes and administrative procedures before they are made digital, the balance of appropriate administrative capacities and optimised public administration, professional administration, administration as an efficient citizen service, reduction of administrative costs, and lack of a unified service policy.

II. Vision and overall objective

The PAR Strategy was built on the results achieved in the earlier period 2014–2020, and the process of its preparation was used to reassess the directions and the challenges the administration had faced in the previous period.



Administration tailored to us all has existed since 2015 as a process of shifting the focus from the administration as the regulator towards citizens and other end users oriented service. By this Strategy *Administration tailored to us all* is the vision and an attempt to establish in the next ten-year period:

- ✓ Administration tailored to citizens and business – efficient, accountable, transparent public administration that delivers quality and easily accessible services to citizens and businesses alike;
- ✓ Administration tailored to civil servants – depoliticised, professional and effective public administration;
- ✓ Administration that is the champion of changes and reforms for a full EU membership – public administration operations are based on European values and contribute to the sustainable development goals, rule of law, social cohesion and well-being of the society as a whole.

Objectives, measures and activities established for each of the thematic areas defined in the PAR Strategy should contribute to the improvement of the legislative and the organisational framework, institutional and staff capacities, as well as to enable the creation of a citizen-oriented organisational culture.

The public administration reform process will be based on the principles of depoliticisation, professionalisation, development of human resources in the administration and their competencies, modernisation and digitalisation, openness to change and innovations, reliability and predictability (legal certainty), openness, transparency and participation, accountability, efficiency, effectiveness (result-oriented), decentralisation, social accountability, consistency in the application and the implementation of reforms within a sustainable public finances framework.

The overall objective that must be achieved with the PAR Strategy is: further improvement of public administration operations and the quality of formulation of public policies in line with the European Principles of Public Administration; delivering high quality services to citizens and businesses; as well as professional public administration which will significantly contribute to economic stability and improvement of the standard of living.

Indicators (level of influence)	BV²	TV³
Government effectiveness (World Bank) – percentile rank (0–100)	(2019): 53.37	(2020): 53–56 (2025): 60–63 (2030): 60–63
Satisfaction of citizens and businesses with services delivered by public administration (synthetic indicator based on selected data of the Balkan Barometer)	(2020): 4	(2025): 6.5 (2030): 9

² BV - Base Value of the indicator for the respective year

³ TV – Target Value of the indicator for respective year

III. Public policy planning and coordination

1. Situation analysis

The strategic framework for the reform of the public policy management system and the regulatory reform is established in three key public policy documents – the 2014 PAR Strategy (Specific objective 1. *Improvement of organisational and functional public administration subsystems*) and the Regulatory Reform and Improved Public Policy Management Strategy and the e-Paper Programme 2019–2021.

The institutional framework for public policy management was set up with the establishment of the Public Policy Secretariat (hereinafter: PPS), and the regulatory framework was completed with the adoption of the LPS and by-laws for its implementation. Together, they represent the first ever coherent framework for development planning, public policy management and medium-term planning. Nevertheless, the quality of strategic planning is still deemed to be poor, which means that the focus should be placed on an impact assessment of public policy documents and regulations, in particular the financial impact assessment and the monitoring of their implementation. There is an obvious nonconformity of hierarchically lower-level planning documents with hierarchically higher-level ones, which makes it more difficult to prioritise challenges and adequately overcome them.

An additional challenge is the issue of human capacities, development of necessary tools and skill-building through training. It would entail an institutionalisation of organisational and analytical units for strategic planning and a number of implemented training for improving analytical skills of civil servants. Medium-term planning – a new obligation introduced in the LPS – establishes a direct link between the planned public policies and the budget. In view of the fact that this is a new practice, it is necessary to intensify the training in the upcoming period, in order for civil servants to gain the necessary knowledge and practice in drafting such plans.

In 2019 and 2020, as a response to identified gaps, a public policy management training needs analysis was carried out within the framework of complementary support for the public administration reform; manuals and training modules were developed, covering the entire public policy management cycle. The Unified Information System for Public Policy Planning, Implementation Monitoring, Coordination and Reporting (hereinafter: UIS) was established, and its impact on the coherence of public policy documents will be seen in the years to come. The Local Self-Government Analytical Service was also set up, as assistance in drawing up development plans of local self-government units (hereinafter: LSGU).

The quality of the legislative drafting process was particularly improved with respect to impact assessment and public participation. However, the legislative process was not systematically reviewed, nor was the elimination of unnecessary regulations continued – it having been initiated during the implementation of the first regulatory reform. There is also the practical issue of delays in the drafting and adoption of by-laws, as well as mutual harmonisation of laws once the National Assembly has adopted an umbrella law.

Considering that the **Public Policy Management and Regulatory Reform Programme** – a hierarchically lower-level policy document – is being drafted in parallel [with the Strategy] as part of a specific objective [1.1] of the PAR Strategy, measures for the achievement of this objective are not elaborated in the PAR Strategy. Instead, the PAR Strategy merely describes the [policy] courses of action which will serve as a basis for defining the specific objectives of the Programme and expand on the measures for their achievement.

2. Specific objective

In the long-term following objective is envisaged: the business environment in Serbia is to be competitive, with a public administration guided by EU Principles of Good Governance, as a result of a well-designed (realistic and fact-based) and widely accepted (transparent, inclusive, well-communicated) process of planning public policy documents and regulations and their consistent implementation.

Outcome indicator	BV	TV
Regulatory quality indicator – World Bank ranking	(2019) 60.10	(2021): 61 (2022): 62 (2023): 63 (2024): 64 (2025): 65 (2027): 66 (2030): 70
Indicator of alignment and quality of policy planning	(2021) /	(2021): / (2022): 3 (2023): 4 (2024): 4 (2025): 5

Specific Objective 1. of the PAR Strategy is taken over as the overall objective of the Public Policy Management and Regulatory Reform Programme and will be elaborated through 4 specific objectives:

- Regulatory reform in the function of improving the business environment and decreasing the burden for citizens and economy
- Strengthening capacities and use of instruments for quality planning and monitoring of the implementation of public policies and regulations
- Effective policy coordination
- Increasing the level of civil society, businesses and other stakeholder participation in early phases of public policy and regulation development and monitoring of the effects

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Public policy planning and coordination*, as well as indicators for specific objectives of the Public policy management and regulatory reform Program.

IV. Human resource management

1. Situation analysis

The normative framework for the civil service system (governing the scope, employment status and HRM principles) is set by the Law on Civil Servants, the Law on Salaries of Civil Servants and State Employees, the Law on the Budget System, budget statutes adopted for each calendar year, and accompanying by-laws and special collective agreement, while the employment status of employees in autonomous provinces and local self-government units is regulated by the Law on Employees in Autonomous Provinces and Local Self-Government Units, the Law on Salaries in State Bodies and Public Services, relevant by-laws and special collective agreement. On the other hand, the legal work status of employees in public agencies are governed by general labour regulations and the Law on Public Agencies. In addition, a public agency can, under a separate law, be entrusted with certain state administration tasks, that stipulate special solutions in relation to the legal work status of employees in line with the position of the public agency as public authority. The employer of a public agency's employees is the agency itself having the status of a legal entity, unlike civil servants and employees in autonomous provinces and LSGUs whose employer is the Republic of Serbia, autonomous province or local self-government unit and that is why certain matters related to HRM are regulated separately.

The position of employees in public institutions is regulated by special laws in those areas for which they are established, and by subsidiarity the general regime of employment is set by the Labour Law. Because of the need to systemically regulate the work of the public administration and establish a harmonised legal work status of employees in public administration that is merit based, in 2017 the Law on employees in public services introduced major changes in that part of the public administration and established common principles and systemic solutions related to HRM. They are based on meritocracy in all public bodies, yet with respect to idiosyncrasies of some parts of public administration, leaving the possibility that specifics are still regulated within a concrete work area. However, the implementation of this Law is closely related to the wage system reform that has been postponed, so since 2017 only those propositions are being implemented that apply to work organisation in systematisation acts, i.e. defining job positions in institutions that are aligned with the Catalogue of Jobs in Public services and other Public Sector Organisations, and that are the precondition for the wage system reform.

In pursuance of the 2014 PAR Strategy, the HRM normative framework governing the civil service has evidently improved contributing to the establishment of a consistent civil service system and improvement of state civil service by introducing the competency system to all HRM functions and by establishing a quality legal basis for merit based employment, strengthening the competitive recruitment procedure and professional development of civil servants. Under the Human Resource Management Service (hereinafter: the HRMS), a Career Management Centre was established in mid-2018 performing competency assessment and supporting career development.

In the previous period the reform process in this area was carried out in the Ministry of the Interior that by adopting its Development Strategy 2018–2023 has become the first state administration body where competencies have become a criterion for the selection, appraisal, development and advancement of employees.

Particular attention was paid to the reform of professional development in public administration which resulted in creating the relevant legal framework and the National

Academy for Public Administration (hereinafter: the NAPA), which ensured the right of equal access to and quality of professional development for all employees in public administration. New, more modern, general training programmes and, for the first time, manager training programmes for both civil servants and LSGU employees were developed. Professional development is also one of the prerequisites for the improvement of other HRM elements, especially work performance assessment, promotion and rewards.

A significant progress has been made in connection with the digitisation of professional development processes within the Central Records of Professional Development Programmes in Public Administration which has been upgraded with the learning management system (LMS) as well as modern forms of learning, such as mentoring, coaching and e-learning.

Along the NAPA, the HRM institutional framework also includes the Ministry of Public Administration and Local Self-Government (hereinafter: the MPALSG), the Administrative Inspectorate, the Ministry of Finance, the HRMS, the High Civil Service Council, the Ministry of European Integration, the Government Appeals Board, the General Secretariat of the Government, and the Public Administration Reform Council (as a Government's PAR coordination mechanism), with their respective purview.

The key challenge for public administration is how to retain quality staff in relevant jobs why a monitoring framework for staff outflow status and retention measures to be undertaken is established. HRMS issued the Instruction on the methodology for monitoring the situation related to the outflow of staff from state administration bodies which offers the possibility for preventive action in terms of timely response to employee dissatisfaction and taking retention measures. Also, in order to retain staff, the internal labour market has been innovated which should contribute to retention of quality staff since it ensures greater mobility of employees to appropriate jobs in public administration in accordance with their competencies. Another challenge is the fact that personnel plans, as a key human resource planning instrument, have not been adopted since the introduction of fiscal consolidation measures. In the implementation of this Strategy it is necessary to improve staff planning, better address priorities and needs of administration bodies for qualified employee profiles to perform effective work and strengthening of analytical capacities of HRM units in order for them to perform a more prominent role in the strategic planning of administration bodies. With the development of the HRM IT system the prerequisite will be set for an analytical approach to staff planning, yet it is necessary to strengthen the planning capacity, both at local and central level. The issue of acting positions is one of the problems that deserves special approach given that depolitisation of officials in positions is set high among priorities in the EU accession process. Regardless of it, the stability at those positions is the prerequisite for further professionalization through professional development measures and the need for institutional continuity. This requires a broad dialogue on the present state, as well as roles and expectations towards official at positions, their qualifications, competences and responsibilities. Through the dialogue with all relevant stakeholders it is necessary to develop a new common framework for managing officials at positions to be embedded into acts. Until then, a communication mechanism must be established between all relevant actors in the recruitment process of officials in positions in order to consider which measures in the existing legal framework could best address the negative practice of acting positions.

To respond to future challenges adequately, and to ensure comprehensive action, the HRM in public administration will address three segments, namely: 1) an improved recruitment process in public administration, 2) an efficient career management system applied in practice and 3) a functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of competencies, knowledge, skills and abilities of public administration staff developed and applied.

2. Specific objectives

In the next ten years, the course of reforms will aim towards a well-run, professional, motivated and efficient public administration which is an attractive employer, promotes merit and innovation, is able to implement government goals and meets citizens' expectations.

In order to have a citizen-oriented public administration which is at the same time an enabling environment for employees pursuing those interests, the aim is to ensure further development of the civil service by:

- Attracting and employing staff with the necessary competencies (Specific objective 2);
- Promoting and retaining competent and motivated staff who achieve their career goals in an enabling environment (Specific objective 3);
- Innovating the system of professional development and professional exams in public administration based on the analysis of needs for the improvement of competencies, knowledge, skills and abilities of public administration staff (Specific objective 4).

Specific objective 2: An improved recruitment process in public administration

Under this objective, it is expected that by the end of 2030 state administration will be perceived as a desirable employer who applies transparent procedures, identifies better the staff needed by state administration who have adequate job competencies, and has more efficient recruitment and selection procedures, including merit-based appointment of senior civil servants.

Outcome indicator	BV	TV
Meritocracy and effectiveness of recruitment of civil servants (SIGMA principle)	(2019): 3	(2021): 3 (2022): 4 (2023): 4 (2024): 4 (2025): 4 (2027): 5 (2030): 5

To achieve **Specific objective 2**, the following measures have been planned:

- Improvement of personnel planning and promoting state administration as a desirable employer;
- Improvement of the selection process and the process of induction of new employees;
- Improvement of the procedure for merit-based filling of senior civil service positions, and their induction.

Specific objective 3: An efficient career management system applied in practice

Under this objective, by the end of 2030, the emphasis will be on attracting and retaining competent civil servants by providing conditions for career development, innovation, stronger motivation and increased mobility. The human resource function in state administration will be further enhanced; adequate delegation of authority with regard to HRM will be ensured as well as professionalisation of the senior civil service through an effective implementation of a dedicated HRM policy for senior civil servants.

Outcome indicator	BV	TV
Degree to which the career management system for the civil service is developed	(2020): 1	(2021): 1 (2022): 1 (2023): 2 (2024): 3 (2025): 4 (2027): 4 (2030): 4

Specific objective 3 will be achieved and an efficient career management system will be established through the following measures:

- Creating an environment to have efficient, innovative and motivated civil servants;
- Development of institutional and administrative capacities for HRM;
- Strengthening the professionalisation of the senior civil service/managers.

Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied

The objective implies further building a functional and innovative system of professional development across public administration and linking it with the concept of lifelong learning and the education system. At the same time, the reform process is extended to cover professional exams in the state administration system in the Republic of Serbia that have so far been, for no good reason, outside the development processes and improvements which can contribute to achieving the desired competence of public administration staff. Further modernisation of training programmes is expected as well as their tailoring to the needs of the system concerned and its employees, including process standardisation.

Outcome indicator	BV	TV
Degree to which the system of professional development in public administration is normatively and practically based on the analysis of needs for the advancement of knowledge and skills, i.e. competencies of employees in public administration	(2019): 1	(2021): 3 (2022): 3 (2023): 3 (2024): 4 (2025): 4 (2027): 5 (2030): 5

To achieve **Specific objective 4**, the following measures have been planned:

- Improvement of the unified system of professional development in state and LSGU bodies;
- Improvement of professional development programmes in state and LSGU bodies and of the manner of their organisation and delivery;
- Improvement of the normative framework governing professional development in public administration;
- Process of standardisation and the establishment of the quality system in the area of professional development in public administration, with full application of ICT;
- Establishment of a planning and management system for lifelong professional development in public administration (lifelong professional development master plan);
- Establishment of instruments for cooperation between institutions responsible for professional development of employees in state and other bodies;
- Introduction of uniform criteria, benchmarks and standards in the field of professional exams in state administration;
- Development of cooperation with higher education institutions to support schooling and/or additional education of staff for/in public administration.

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Human Resource Management*.

V. Service delivery

1. Situation analysis

Reform processes in this area can be grouped into two branches: the development of e-government, which is implemented through the e-Government Development Programme in the Republic of Serbia 2020–2022 and regulatory reform and simplification of administrative procedures (primarily implemented through the Regulatory Reform and Improved the Public Policy Management System Strategy 2016–2020 and the “e-Paper” Programme as a continuation and upgrade of the *Stop to Bureaucracy* Plan of Priority Activities to Reduce Administrative Burdens in Republic of Serbia). However, service delivery policy is not implemented through a single national umbrella policy, nor is a single coordination mechanism fully established for all public policy documents in the field of services.

When it comes to the area of PAR and service delivery, several years ago the Government had identified the development of e-government as one of its priorities. In June 2020, the e-Government Development Programme 2020–2022 was adopted along with an Action Plan for its implementation, which, *inter alia*, will help develop 300 new electronic services and services for citizens and business in the next two years and thus strengthen the entire system of service delivery in the Republic of Serbia. The Republic of Serbia is the first country in the region of Southeast Europe to adopt the Artificial Intelligence Development Strategy 2020–2025.

The Law on Electronic Government, which was adopted in 2018, determines the legal framework for the functioning of electronic government in the Republic of Serbia and harmonisation with European regulations in that domain. One of the key results of this law is the establishment of interoperability of databases between state authorities and electronic data exchange (currently 23 data sets from eight institutions and 321 government bodies are interoperable, and over 1.4 million data exchanges have been registered since January 2017, however, some of the key state registers, such as the address register and the business unit register, are not interoperable yet, but their integration is ongoing). The law prescribes the obligation to use ICT in the work of public administration bodies, both in administrative proceedings and in communication with citizens, businesses and organisations. By-laws have also been adopted, but it is still necessary to work on completing the legal framework in the field of e-government.

The planning framework for the simplification of procedures and services was set by the Regulatory Reform and Improved Public Policy Management System Strategy 2016–2020 and the “e-Paper” Programme, as well as the accompanying methodologies used in the operationalisation of simplification, optimisation and elimination of unnecessary administrative procedures and services. The coordination of simplification, optimisation, abolition and digitisation of procedures, i.e. services is coordinated by the PPS in close cooperation with Office for IT and e-Government and other bodies in charge of the management of administrative procedures.

The legal framework for the simplification of administrative procedures was set by the Law on General Administrative Procedure which also introduced for the first time the term “one-stop shop” – where clients can get more information and services in one place, whether it is electronic (e-Government portal) or a physical place. However, a by-law regulating the conditions and criteria for the establishment of one-stop shops has not yet been adopted. This law emphasises the obligation to exchange data from official records between administrative bodies as one of the important conditions for achieving the principles of economy and

efficiency of public administration and its transformation into a real service for citizens. Emphasis is put on the exchange of data, not on the exchange of administrative documents. The harmonisation of sectoral regulations with this law is delayed, and the capacities of the MPALSG to supervise its implementation are insufficient.

Institutionally, in the previous period, strategic planning and normative tasks in the field of e-government were assigned to the MPALSG, and in 2017, the Office for Information Technologies and Electronic Government was established as a Government service, with additional support from Government expert teams. At the beginning of 2018, the Government Coordination Council for the Development of Electronic Government was established, the task of which is to coordinate activities on the development and implementation of strategic acts in the field of development and functioning of e-government, as well as to monitor the situation, needs, development and application of standards in the introduction of the e-government system. In December 2016, the Government adopted the Operational plan for the establishment of the Single Registry of administrative procedures and other conditions for business, Instructions for carrying out the mapping and the Form for mapping administrative procedures related to business. By the same Government Decision a coordination mechanism was established and entrusted to PPS and all state administration bodies were obliged to map procedures they implement. In the Operational plan, PPS was assigned to coordinate the simplification of procedures with relevant state administration bodies and prepare a Program with the Action plan to systematically simplify and decrease the administrative burden and establish the Single Registry of administrative procedures and conditions for business. The next step in developing a coordinated institutional framework in this area the Government took in 2019 by establishing the Coordination body for monitoring the implementation of the "e-Paper" Programme for 2019-2021 that coordinates the simplification and digitalisation process, respectively services with expert and technical support from PPS. In order to achieve the overview and ensure a coordinated reform and improvements in this area, by the Law on Ministries the PPS is assigned with the management of the Single Registry of administrative procedures for the business and citizens. Thus the institutional development management is completed through modernisation and public services transformation in line with needs and achieved level of development.

However, in the state administration system there is currently no body that has the exclusive competence to formulate policy in the field of service delivery. Improvements in this area, since the adoption of the "e-Paper" Programme in 2019 are in most cases carried out coordinated but there are also cases when individual state administration bodies carry out a large part of the activities independently without central coordination. In addition, mechanisms for quality control of administrative services provided by state administration bodies have not been established.

The key challenge in this area is the unsatisfactory quality of services provided to end users, unequal access to services, public administration practices, as well as insufficiently available and clear information on services. In addition, the relatively high costs of providing services adversely affect investment and employment volumes. Insufficient use of the potential that open data offers to improve the work process is reflected in lower innovation of companies and start-ups in the development of new services and products, quality of public services and savings in public administration. In this regard, it is necessary to focus on the process of service delivery and the satisfaction of the end user with the process and service, but also to establish a unique system for monitoring, evaluating and reporting on the quality of public services to ensure high quality and inform the public. An additional challenge is the fact that the Law has not determined any institution that deals with the policy of service delivery in a standardised way, i.e. by means of coordination and quality control.

2. Specific objectives

The focus of reforms in the field of service delivery by 2030 is the establishment of an adaptable public administration that provides integrated user-oriented services in a short period of time, at reasonable costs, especially taking into account minority and vulnerable social groups.

This requires the establishment of a system for the development of new, user-centric services and optimisation of existing services by continuously involving the wider community in the process of service development and using innovative tools, following the EU values and applying its standards in this area. Efficient provision of quality services will also depend on the capacity of public administration to effectively use large data sets, artificial intelligence and block chain technology to quickly identify spaces for optimising existing and developing new services, as well as for improving internal background processes in service delivery.

The intention of this strategy is to systematically establish a framework for the development, management and control of service delivery policy, with the active involvement of end users in the development of new and optimisation of existing services so that they are as consistent as possible with their needs. In order to achieve and enable time and cost efficient service delivery, it is necessary to strengthen human and technical-technological capacities for service delivery and to establish an efficient system of control and quality assurance of provided services with constant checking of end user satisfaction. In order to achieve this Serbia started with the development of the Registry of administrative procedures that needs legal embedding. The respective Act has already been prepared and is in the process of adoption, by which the cornerstone is set for a good coordination and a single system for developing and optimising services and managing quality of service delivery. The Registry will enable public access to all information on procedures, respectively services that public administration offers at the second grade of digital sophistication at least. Apart from all necessary information for users, the Registry will also contain all needed information for implementing those procedures, making it the most efficient instrument for the development of the required infrastructure for data exchange ex officio, digitalisation and simplification. The Registry will be managed by PPS with technical support from ITE, that is one of key bodies in creating the service policy, but also coordination and simplification of public services. It will enable quality control and support in creating new services, updating and revision of existing with timely publishing on the eGovernment Portal. Thus a fully coordinated system of creating, mapping, simplifying, repeal and digitalisation of public services will be established.

Steps needed to be undertaken as from the second year on of the Strategy's implementation are directed towards further standardisation and coordinated quality increase of service delivery with the establishment of a dedicated state administration body/agency for external monitoring, control and quality assurance in service delivery. Key institutions in this area (MPALSG and PPS) will prepare an analysis and feasibility study in order to most efficiently include the new body into the system of improvement, modernisation and transformation of public services, clearly determine its role so as to make sure that all segments are covered and geared in creating and implementing the development in this area.

Specific objective 5. Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience

Outcome indicator	BV	TV
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SIGMA's average score for service delivery for all four pillars (SIGMA Monitoring Report)	(2019): 3	(2021): 4 (2022): 4 (2023): 4 (2024): 4 (2025): 5 (2027): 5 (2030): 5
The GDP share of the administrative burden on citizens and businesses	(2018): 3,11%	(2021): 3,00% (2022): 2,90% (2023): 2,85% (2024): 2,80% (2025): 2,75% (2027): 2,55% (2030): 2,40%

In order to achieve the **Specific objective 5**, the implementation of the following measures is envisaged:

- Development of new and optimisation of existing services tailored for end users;
- Raising human and technical-technological capacities of public administration for service delivery to end users;
- Improving the system of service quality control and quality assurance.

Through this objective, the achievement of the objectives and the performance of the Programme of Electronic Government Development in the Republic of Serbia, the e-Paper Programme as well as the parts of the National Programme for the fight against the grey economy in Serbia pertaining to inspectoral supervision, will be monitored.

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Service Delivery*.

VI. Accountability and transparency

1. Situation analysis

The situation analysis in the field of accountability and transparency in public administration relies mostly on the findings from the OECD/SIGMA report on monitoring public administration reform in the Republic of Serbia from 2015 and 2017, as well as from the annual reports on the progress of the Republic of Serbia in the accession to the European Union process. Managerial accountability is of particular interest for the Negotiation chapter 32 within PIFC. The PIFC Strategy 2017-2020 dealt with this topic and was the main policy document in this area. Its main objective was to improve the public administration in the Republic of Serbia through strengthening the accountability of senior positions and employees in the public sector. On the other hand, part of this thematic area is monitored especially through the Revised Action Plan for Negotiating Chapter 23 and Judicial Development 2020–2025 and the Public Financial Management Reform Programme.

Managerial accountability is defined in the Law on Budget System, and further elaborated by the Rulebook on Financial Management on Control and Methodological Guidelines developed by the Central Harmonisation Unit. By relevant paragraphs in the Law on Budget System, as well as through the PIFC Rulebook from 2009, accountability for good management was embedded into the Serbian legal framework for the first time.

LPS expands managerial accountability to policy making (vertical component), introduces measurable indicators and monitors the implementation of planning documents. However, one of the biggest challenges in this area concerns the management at the central level, which indicates the need to establish horizontal and vertical performance-oriented management in public administration bodies, as well as a sufficiently developed principle of division of accountability and reporting mechanisms between the "political" and "professional" segments of public administration bodies.

Available data indicate that the risks of corruption are inadequately managed in public administration bodies and that the recommendations of independent state bodies⁴ to improve the organisation, efficiency and effectiveness of public administration bodies are not used sufficiently. With this in mind, it was noted that it is necessary to further regulate and systematise the obligations of public administration bodies that are important in the field of preventing corruption, strengthening integrity and identifying irregularities and fraud.

The legislative and institutional framework for transparency and publicity of work has been greatly improved with the adoption of the LPS, but also with the establishment of the Open Data Portal, which is a central place where open data of public institutions are combined and made available to citizens, private and non-governmental sectors. It is important to note that the obligation to announce the beginning of the preparation of public policy documents and draft laws, consultations and public hearings has been introduced. The introduction of the obligation significantly affects the increase of transparency in the process of drafting public policy documents and laws. However, data needs to be published more up-to-date, both proactively and reactively. An additional challenge is the insufficient amount of data published in a machine-readable format, which allows faster and easier search, analysis and use.

In 2020, the fourth Action Plan for the Implementation of the Open Government Partnership Initiative for the period 2020–2022 has been adopted, which contains specific

⁴ Agency for fighting corruption, State audit institution, Fiscal Council

measures to increase the transparency of public administration, public participation in decision-making, as well as for open data.

One of the common causes of problems in the area of accountability and transparency is the inadequate consideration of reports by independent state bodies in the National Assembly. With this in mind, it is necessary to further develop mechanisms for the implementation and reporting to the public on the implementation of the recommendations of the National Assembly concerning the improvement of the situation in the areas within the scope of competence of independent state bodies.

Starting from the complexity of the area and the fact that there are other strategic documents related to certain aspects, this strategy in this part focuses on EU/OECD principles concerning 1) rationality and adequacy of the entire central government organisation and managerial accountability, 2) the right to access information of public importance and 3) the existence of functional mechanisms for the protection of the right of citizens to good administration and protection of the public interest.

2. Specific objective

The objective of the PAR Strategy in this area includes the establishment of a public administration in which citizens have confidence in terms of impartial, professional performance of public affairs and in which efficient systems of supervision and monitoring of work have been established, enabling performance management and ensuring efficiency.

Specific objective 6. Increased level of accountability and transparency at all levels of the government should to greater extent enable a public administration that is accountable for the results, achieving the objectives in line with principles of “sound management”⁵. It should also enable the establishment of a more efficient ethical infrastructure in public administration, with sustainable capacities, as well as reduce the risk of corruption and unethical behaviour to a minimum. Emphasis will also be placed on regular publication of open data and informing the public on all aspects of the work of public administration in order to enable citizens to monitor and influence its work, including reports on the achievement of objectives from public policy documents.

Outcome indicator	BV	TV
EC's annual assessment of progress in the area of accountability	(2020): no	(2021): no (2022): yes (2023): yes (2024): yes (2025): yes (2027): - (2030): -
SIGMA indicator: accessibility of public information	(2017): 21/30	(2021): 22/30 (2022): - (2023): 24/30 (2024): -

⁵ „efficiency, effectiveness, economy“

		(2025): 30/30
		(2027): -
		(2030): -

In order to achieve the **specific objective 6**, the implementation of the following measures have been envisaged:

- Establishment of systemic solutions for managerial accountability in public administration bodies;
- Improvement of the vertical and horizontal system of control and monitoring of work in public administration (Establishment of a management mechanism according to the performance of public administration bodies);
- Strengthening of integrity and ethical standards in public administration;
- Improvement of the proactive publication of data held by public administration bodies;
- Improvement of reactive transparency, acting according to regulations from the scope of work of independent state bodies, i.e. according to the recommendations of independent state bodies.

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Accountability and Transparency*.

VII. Public financial management

1. Situation analysis

The Strategic Framework for PFM Reform is defined by the PAR Strategy and the Public Financial Management Reform Programme (hereinafter: PFMRP). Although it does not exist as a separate negotiating chapter, the areas of the PFM are significantly contained in seven negotiating chapters, five of which are open. The 2014 PAR Strategy covers the areas of budget planning, public procurement management and financial control, which are elaborated in detail through the PFMRP 2016–2020 together with a sustainable fiscal and budgetary framework, budget execution, financial, reporting and external control of public funds. In 2019, the Revised PFMRP 2016–2020 for the period from July 2019 to December 2020 was adopted (hereinafter: Revised PFMRP) as well as an action plan for its implementation. Public Procurement Development Programme for the period 2019-2023 aims at increasing the efficiency and transparency and reducing irregularities in public procurement, in line with the overall objective of the PRMRP.

By adopting the Public Internal Financial Control (PIFC) Strategy for 2017-2020, the government undertook a series of reform measures aimed at the improvement of managerial accountability in the public sector and public finance management in line with principles of internal financial control. Based on the results of previous PIFC Strategies, the focus was on the implementation and improvement of financial management and control and internal revision and the integration into the comprehensive public sector management system.

The adoption of the LPS established an adequate legal framework that systematically regulates the harmonisation of the planning system and budget planning, as a basis for strengthening the links between the budget and planning documents. The adoption of the Decree on the Management of Capital Projects established a legislative framework for the full integration of planning and evaluation of capital projects into the budget planning process. The Law on Public Procurement was adopted, which encourages the participation of small and medium enterprises in public procurement procedures, as well as more efficient protection of rights in those procedures. The Law on Budget System will be amended during the harmonisation with EU regulations in order to improve the regulatory capacities for preserving fiscal stability.

Improving the credibility of macroeconomic projections and more realistic revenue and expenditure planning have significantly contributed to improving fiscal performance. The increase in the compliance of the programme structures of budget users with the Instruction for the preparation of the programme budget (from 61% in 2016 to 87% in 2019) contributed to the transparency of the budget. The IT capacities of the Ministry of Finance have also been significantly improved through the development of new and improvement of existing information systems. The transformation of the Tax Administration in the next phase implies analysing the legal framework and creating technical preconditions in order to remove the restrictions for the modernisation of its business processes. An important challenge for the Customs Administration is the establishment of an automated export and import system and a customs decision management system, which are prerequisites for EU accession. The institutional structure of public procurement has been strengthened, and a fully functional e-procurement system has been established. The implementation of the accounting reform is in the initial phase, in which it is necessary to strengthen the cash accounting system in accordance with IPSAS standards. The capacity of the Department for the Suppression of Irregularities and Fraud in the Handling of European Union Budget Inspection Funds has been strengthened by

improving the legal framework and methodological material. Most of the recommendations from the Progress Report from Chapter 32 related to the area of internal financial control in the public sector for 2019 have been processed, and in the forthcoming period it is necessary to:

- Prepare and adopt a new mid-term approach to PIFC, aligned with LPS with special focus on managerial accountability;
- Adopt and apply guidelines based on lessons learned from pilot projects carried out in 2019;
- Carry out a comprehensive environment mapping for the national inspection and determine a clear system for detecting irregularities for both, EU funds and the national budget.

The State Audit Institution continued to increase the impact of its audit work and to monitor the implementation of its audit recommendations.

Based on the performance-based analysis of the Revised PFMRP based on indicators, ending with July 2020, 44% of all planned activities were fully implemented, 40% were partially implemented and 16% were not implemented. The implementation of the PFMRP has contributed to the stabilisation of public finances and the improvement of macroeconomic performance. The level of public debt was in a stable downward trajectory – from 71.2% in 2015 to 52.9% at the end of 2019, while in seven years the unemployment rate decreased by more than 50%. Despite the progress, there have been some delays in the implementation of PFMRP activities. The reasons for this are various and are mostly of a technical nature. The lack of administrative capacity due to the limited employment of new staff, as well as the staff turnover, have been identified as a huge challenge and this challenge will be given special attention in the new PFMRP.

2. Specific objective

In the next ten years, the objective is for the Republic of Serbia to manage its public finances in a way that ensures fiscal and macroeconomic stability, effective financing of national policy priorities, transparency of public finances and effective control over public spending.

In the forthcoming period, the PFMRP should contribute to the achievement of a better balanced and sustainable budget, with stable public debt per GDP through strengthening of financial management and control, the audit control process and linking budgetary planning to Government's priority goals and public policies. The PFMRP follows the budget cycle as a whole so that budget execution is linked in the best possible way to the various policies of the Government, and thus contributes to increasing the transparency of these processes. In short, the PFMRP is an expression of the Government's commitment to implement a comprehensive set of interrelated and timed reforms in the field of public financial management in the broadest sense, aimed at increasing accountability, ensuring sound financial management and good governance by improving the efficiency and effectiveness of public resource management in the Republic of Serbia in order to pave the way for a smooth transition to the EU public administrative framework.

Specific objective 7. Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies.

Outcome indicator	BV	TV
Real growth of gross domestic product (GDP)	(2020): -1%	(2021): 6.0% (2022): 4.0% (2023): 4.0% (2024): - (2025): - (2027): - (2030): -
General government debt in GDP	(2020): 59%	(2021): 58.7% (2022): 57.9% (2023): 56% (2024): (2025): - (2027): - (2030): -

To achieve **Specific objective 7** of the PAR Strategy, specific objectives of the PFM RP have been defined as follows:

- Improved capacities for budget planning and management of public investments and fiscal risk monitoring;
- Efficient collection and management of budgetary funds;
- Improvement of budgetary discipline, and a more transparent use of public funds;
- Improvement of the application of the internal financial control system in the public sector;
- Improved accounting in the public sector with the application of International Public Sector Accounting Standards (IPSAS);
- Strengthening of external supervision of public finances.

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Public Financial Management*, as well as indicators for specific objectives of the PFM Program.

VIII. Local self-government system

1. Situation analysis

The general framework of this area consists of the Constitution of the Republic of Serbia, the Law on Local Self-Government, the 2014 PAR Strategy, as well as the European Charter of Local Self-Government. In addition to this umbrella PAR Strategy, other public policy documents provide direction, such as the Strategy for Regulatory Reform and Public Policy Management, PFM RP, Strategy for Professional Development in Local Self-Government Units, Public Procurement Strategy, e-Paper Programme and others. The preparation of the Programme for the Reform of the Local Self-Government System in the Republic of Serbia is underway, which should determine the objectives and measures for ensuring further decentralisation, more functional distribution of tasks and competences and more intensive development of local self-government positions and organisations in the public government system.

One of the systemic challenges for the reform of the local self-government system is asymmetric decentralisation. Due to the monotypic (uniform) system of local self-government, there is a disproportion between the size of the local self-government and the tasks assigned to it. In order to solve the problem in the manner of assigning new tasks to local self-government, the MPALSG has prepared and published a Unified List of Tasks at the Local Government Level. However, the assignment of tasks to local self-government and efficient administrative actions is not accompanied by the provision of the necessary financial, human and other resources. Also, supervision over the implementation of entrusted tasks is not continuous or sufficiently developed, and inspection supervision rarely has a preventive and advisory character.

Full implementation of the LPS and UIS is a great challenge for local self-government in the field of planning and coordination. The MPALSG, in cooperation with the PPS, has launched a new analytical service for LSGUs, which should provide unified and comparable socio-economic data on LSGUs from several important databases. The implementation of LPS at local level has started, but its full implementation supported by UIS is a huge challenge for local self-government both in the area of planning, but also in coordination and linkages with budget preparation.

Due to changes in the financing system and the stagnant growth of the share of total LSGU incomes in GDP, long-term planning, especially capital investment planning, has been hampered, which adversely affects the stability and predictability of LSGU financing. Uneven organisational and administrative capacities, as well as the lack of adequate human, technical and financial resources in the local self-government units is a significant problem in the efficiency of administrative procedures.

In the field of HRM, and especially professional training at the local level, the key results are reflected in the establishment of the Council for Professional Development of Employees in Local Self-Government Units, NAPA and the Human Resources Management Network established by the SCTM.

In order to achieve this objective, it is planned to draft a hierarchically lower document, i.e. Local Government System Reform Programme, this strategy will not elaborate measures that contribute to the achievement of Specific Objective 6.1, but will descriptively provide courses of action on the basis of which the specific objectives of the Local Self-Government System Reform Programme will be defined with measures for their implementation.

2. Specific objective

The objective is to build a modern, professional and efficient local self-government that is capable of providing quality public services to citizens and the economy, to apply the principles of good governance in its work and to improve the quality of life of citizens and contribute to the balanced development of the Republic of Serbia.

The new and improved system of local self-government implies redefining the position and importance of local self-government by applying the principle of subsidiarity in the management of public affairs, full participation of citizens and local community in the decision-making process at the local level, further development of capacities of local self-government. It encompasses reforming and improving its organisation in compliance with the needs of the local community, a stable and sustainable system of local government financing that provides predictability and adequacy of local government revenues, long-term local development planning supporting local economic development. The improved system of local self-government also implies continuing the reform of improving the efficiency of local government work and local public services delivery by strengthening of the quality and accessibility of their services to citizens and businesses, improvement of inter-municipal cooperation and mutual relations of different levels of public authority in the joint management of public affairs contributing to the overall development of the Republic of Serbia.

Specific objective 8: An established system of local self-government which enables the effective and sustainable exercise of citizens' rights to local self-government

Outcome indicator	BV	TV
Compliance of the local self-government system with the key principles of the European Charter of Local Self-Government	(2020): 3	(2021): 3 (2022): - (2023): 3 (2024): 4 (2025): 4 (2027): 5 (2030): 5
Share of LSG expenditures and consolidated public expenditures in the Republic of Serbia	(2019): 14.75%	(2021): 15% (2022): 15,5% (2023): 16,3% (2024): 17% (2025): 18.00% (2026): 18,5% (2027): 19.0% (2028): 20% (2029): 21% (2030): 22%
The capacity of LSGUs to implement the principles of good governance	(2018): 39%	(2021): 43% (2022): - (2023): 50% (2024): -

		(2025): 55% (2026): (2027): 60% (2028): (2029): 65% (2030): 70%
Availability and quality of implementation of priority public services by LSG	(2022): Index developed	(2021): - (2022): Index developed (2023): to be determined in 2023 (2024): - (2025): - (2027): - (2030):

Specific Objective 8. of the PAR Strategy is taken over as the general objective of the Local self-government system reform Programme and will be elaborated through 4 specific objectives:

- Enhanced status and accountability of local self-government
- Enhanced financing system that enables adequate and predictable financing of local self-government
- Enhanced organisation and capacities of local self-government
- Enhanced quality and accessibility of administrative, utility and services of public institutions of local self-government to all users

Note: Sources of public policy documents referred to above are provided in [Appendix 2](#): Situation analysis of each thematic area, options impact assessment report, and description of measures, which also contains a detailed analysis of the thematic area *Local Self-Government System*, as well as indicators for specific objectives of the Local self-government system reform Program.

XI. PAR Strategy Action Plan Implementation Costs

An integral part of the PAR Strategy 2021–2030 is the Action Plan for its implementation **during the period 2021–2025. This Action Plan contains** elaborated measures and activities which contribute to the achievement of specific objectives of the PAR Strategy, **including an estimation of costs, i.e. funds required for their implementation.** Costing for the 2021–2025 Action Plan for the Implementation the PAR Strategy was done in line with the Handbook for determining the costs of public policies [and regulations]⁶ and the Methodology for calculating the standard costs of developing planning documents. **Methodology-wise, the cost estimation is based on the costing of additional, direct and variable expenses of new activities or an expanded scope of existing activities,** which are necessary for the implementation of the measures planned in the Action Plan and the achievement of specific objectives of the PAR Strategy. Accordingly, when costing was being done, standard activities of the bodies were not considered, but only additional or an expanded scope of existing activities which the MPALSG and the relevant institutions of the Republic of Serbia had included in their budgets and programme activities within those budgets.

The total estimated additional funds compared to the baseline year of 2020, which are necessary for the implementation of the planned measures and activities during the period 2021–2025, are RSD 2,100,682,650. The total estimated additional funds per year of implementation are as follows: in 2021 – RSD 303,438,070, in 2022 – 538,435,020, in 2023 – 416,739,860 in 2024 – 258,146,680, in 2025 – 583,923,020.

Out of the determined total amount of estimated additional funds, RSD 53,685,000 have been committed within the limits of expenditures and revenues stated in the Law on the Budget of the Republic of Serbia for the year 2021 with projections for 2022 and 2023. Estimated additional funds in the amount of RSD 243,513,070 will be provided from international development funds. The remaining needed amount of RSD 6,240,000 for 2021 are only conditionally committed and will be planned in compliance with available donor funds.

For the period 2022–2025, further additional funds estimated at RSD 678,342,470 are committed, whereas the amount of RSD 1,118,902,110 had not been committed at the time the Action Plan was being drafted, however they will be planned during the regular budgetary procedure in compliance with their balance capacity and expenditure and cost limits set for that purpose. As for activities for the implementation of which funds have not been committed, the corresponding sources of funding will be determined in the course of the Action Plan implementation, and their implementation will be subject to funds availability.

As for the Local Self-Government System Reform Programme 2022–2025, an Action Plan for its implementation for the 2021–2023 period as well as the estimations of the associated costs for the planned activities and the fulfilment of the measures and objectives have been made. The costing did not include expenses related to the authorities' regular activities, but

⁶ The costing principles and methodology presented in the Handbook are based on examples of good practice and are in line with the guidelines contained in SIGMA's collection of toolkits and experiences as well as the European Commission Costing Guidance — 2019 Methodological Guidance for Costing of Structural Reforms.

rather included the costs of additional activities only. A total of RSD 812,032,125.00 is required for the implementation of the planned activities for the 2021–2023 period.

Out of the total estimated funds, RSD 29,200,000.00 or around 3.5% of the total planned funds has been committed within the limits of expenditures and expenses expressed in the Law on the Budget of the Republic of Serbia for 2021, with projections for 2022 and 2023. Estimated RSD 702,507,125.00, or close to 87% of the total funds, have been committed from international development funds (including the conditionally committed funds – projects and programs currently in the approval process). Finally, estimated additional funds in the amount of RSD 80,325,000.00 have not been committed (nearly 10% of the total funds), thus their planning will be done subject to the availability of international development funds. In terms of activities for which no funds have been committed, the sources of funding for their implementation will be determined in the course of the Action Plan implementation, and their implementation will be possible subject to the committed funds.

The total estimated cost of implementing the PFM RP 2021–2025 is set at RSD 7,749,477,700.00: RSD 1,609,662,400.00 is to come out of the state Budget and RSD 6,139,815,300.00 out of development aid (donations and loans).

The total funds for the implementation of activities from the Public Policy Management and Regulatory Reform Programme 2021–2025 have been estimated at RSD 538,946,000.00.

In terms of the total additional funds required for the implementation of the Programme activities, the allocation of RSD 20,858,000.00 is planned out of the state Budget, and RSD 518,088,000.00 out of donor support funds.

Out of the total funds, RSD 465,557,000.00 have been committed, while further RSD 73,389,000.00 have been conditionally committed. In terms of activities for which no funds have been committed, the sources of funding for their implementation will be determined in the course of the Action Plan implementation, and their implementation will be possible subject to the committed funds.

Summary cost tables of the Action Plan 2021–2025 for the implementation of the Strategy for the Public Administration Reform in the Republic of Serbia 2021–2030, and three Programmes

Public policy documents, total estimated funds per year, in thousands of RSD	2021	2022	2023	2024	2025	TOTAL
Action Plan 2021–2025 for the implementation of the Strategy for the Public Administration Reform in the Republic of Serbia 2021–2030	303,438.07	538,435.02	416,739.86	258,146.68	583,923.02	2,100,682.66
Public Financial Management Reform Programme 2021–2025	1,643,827.8	1,646,658.2	1,874,336.2	1,694,122.6	890,532.9	7,749,477.7
Public Policy Management and Regulatory Reform Programme 2021–2025	29,323.00	145,981.3	127,039.02	115,212.02	121,390.66	538,946.00
Action Plan 2021–2023 for the implementation of the Local Self-Government System Reform Programme 2021–2025	276,884.31	269,579.92	265,567.89			812,032.13
TOTAL PER YEAR (in thousands of RSD)	2,253,473.18	2,600,654.44	2,683,682.97	2,067,481.3	1,595,846.58	11,201,138.48

Public policy documents, estimated funds per source of funding, in thousands of RSD	Budget RS		Donor support	
	Committed	Conditionally committed	Committed	Conditionally committed
Action Plan 2021–2025 for the implementation of PAR Strategy 2021–2030	133,685.00	973,653.07	838,255.54	155,089.05
Public Financial Management Reform Programme 2021–2025	1,572,997.5	36,664.9	3,973,548.6	2,166,266.7
Public Policy Management and Regulatory Reform Programme 2021–2025	20,858.00	0.00	444,699.00	73,389.00
Action Plan 2021–2023 for the implementation of the Local Self-Government System Reform Programme 2021–2025	9,200.00	20,000.00	569,542.48	213,289.65
TOTAL (in thousands of RSD)	1,736,740.5	1,030,317.97	5,826,045.62	2,608,034.4

Summary cost tables per year, per objective, and per measure of the Action Plan 2021–2025 for the implementation of the Strategy for the Public Administration Reform in the Republic of Serbia 2021–2030

In thousands of RSD	2021	2022	2023	2024	2025	TOTAL
Specific objective 2: AN IMPROVED RECRUITMENT PROCESS IN PUBLIC ADMINISTRATION	9,072.50	22,187.80	18,387.50	13,909.92	10,189.92	73,747.64
Measure 2.1: Improvement of personnel planning and promoting state administration as a desirable employer	1,800.00	15,587.80	2,507.50	707.50	707.50	21,310.30
Measure 2.2: Improvement of the selection process and the process of induction of new employees	6,860.00	3,000.00	15,880.00	13,202.42	9,482.42	48,424.84
Measure 2.3: Improvement of the procedure for merit-based filling of senior civil service positions, and induction	412.50	3,600.00	-	-	-	4,012.50
Specific objective 3: AN EFFICIENT CAREER MANAGEMENT SYSTEM APPLIED IN PRACTICE	11,812.50	94,842.00	77,300.00	66,600.00	102,444.00	352,998.50
Measure 3.1: Creating an environment to have efficient, innovative and motivated civil servants	2,400.00	13,278.00	29,300.00	31,500.00	35,304.00	111,782.00
Measure 3.2: Development of institutional and administrative capacities for HRM	7,200.00	76,500.00	48,000.00	35,100.00	67,140.00	233,940.00
Measure 3.3: Strengthening the professionalisation of the senior civil service/managers	2,212.50	5,064.00	-	-	-	7,276.50
Specific objective 4: A FUNCTIONAL AND INNOVATIVE SYSTEM OF PROFESSIONAL DEVELOPMENT AND PROFESSIONAL EXAMS IN PUBLIC ADMINISTRATION BASED ON THE ANALYSIS OF NEEDS FOR THE IMPROVEMENT	56,530.47	41,675.19	49,472.34	19,751.33	254,693.33	422,122.66

OF STAFF COMPETENCIES, KNOWLEDGE, SKILLS AND ABILITIES DEVELOPED AND APPLIED						
Measure 4.1: Improvement of the uniform system of professional development in state and LSGU bodies	45,420.00	-	1,200.00	-	-	46,620.00
Measure 4.2: Improvement of professional development programmes in state and LSGU bodies and of the manner of their organisation and delivery	5,050.47	11,783.31	11,783.31	-	-	28,617.09
Measure 4.3: Improvement of the normative framework governing professional development in public administration	2,820.00	-	5,760.00	2,394.00	-	10,974.00
Measure 4.4: Process standardisation and the establishment of the quality system in the area of professional development in public administration, with full application of ICT	-	24,731.88	21,941.03	8,689.33	6,865.33	62,227.57
Measure 4.5: Establishment of a planning and management system for lifelong professional development in public administration (lifelong professional development master plan)	-	-	-	840.00	1,800.00	2,640.00
Measure 4.6: Establishment of instruments for cooperation between institutions responsible for professional development of employees in state and other bodies	-	-	3,388.00	568.00	568.00	4,524.00
Measure 4.7: Introduction of uniform benchmarks and standards in the field of professional exams in state administration	-	1,920.00	2,160.00	900.00	240,000.00	244,980.00
Measure 4.8: Development of cooperation with higher education institutions to support schooling and/or additional education of staff for/in public administration	3,240.00	3,240.00	3,240.00	6,360.00	5,460.00	21,540.00

Specific objective 5: PUBLIC ADMINISTRATION PROVIDES SERVICES IN AN EFFICIENT AND INNOVATIVE MANNER MATCHING THE NEEDS OF END USERS AND ENHANCES THEIR USER EXPERIENCE	102,981.91	248,989.45	170,158.50	101,698.46	160,395.91	784,224.23
Measure 5.1: Promoted development of new and optimisation of existing services tailored for end users	51,221.00	168,753.95	101,275.00	41,875.00	8,275.00	371,399.95
Measure 5.2: Raising human and technical-technological capacities of public administration for service delivery to end users	40,266.00	42,000.00	44,066.00	50,046.16	48,696.16	225,074.32
Measure 5.3: Improved system of service quality control and quality assurance	11,494.91	38,235.50	24,817.50	9,777.30	103,424.75	187,749.96
Specific objective 6: INCREASED LEVEL OF ACCOUNTABILITY AND TRANSPARENCY AT ALL LEVELS OF THE GOVERNMENT	2,683.50	45,138.01	64,996.88	34,557.54	34,318.88	181,694.81
Measure 6.1: Establishment of systemic solutions for managerial accountability and decentralisation of authorities in public administration bodies (increasing autonomy)	1,843.50	494.00	14,363.00	-	1,726.83	18,427.33
Measure 6.2: Improvement of the vertical and horizontal system of supervision and monitoring of work in public administration (established mechanism for performance management of public administration bodies)	-	9,053.86	14,048.86	-	-	23,102.72
Measure 6.3: Strengthening integrity and ethical standards in public administration	-	4,954.50	1,800.00	1,965.49	-	8,719.99
Measure 6.4: Promoting proactive disclosure of data held by public administration bodies	840.00	-	1,200.00	-	-	2,040.00

Measure 6.5: Improving reactive transparency, acting according to regulations within the purview of independent state bodies, i.e. according to the recommendations of independent state bodies	-	30,635.65	33,585.02	32,592.05	32,592.05	129,404.77
OPERATIONAL PLAN	120,357.19	85,602.57	36,424.64	21,629.43	21,880.98	285,894.81
Measure 1: Ensure efficient coordination and monitoring of PAR Action Plan measures and activities	36,741.83	12,551.59	25,668.62	11,713.41	11,514.96	98,190.41
Measure 2: Ensure efficient coordination of donor support to PAR	21,726.00	21,760.62	3,760.62	3,760.62	3,760.62	54,768.48
Measure 3: Establishing a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level	3,762.00	3,762.00	-	-	-	7,524.00
Measure 4: Harmonisation, standardisation and continuous PAR communication in public administration	11,450.60	8,210.60	3,600.00	3,600.00	3,600.00	30,461.20
Measure 5: Increasing visibility and communication of the PAR process and results	46,676.76	39,317.76	3,395.40	2,555.40	3,005.40	94,950.72
TOTAL PER YEAR (in thousands of RSD)	303,438.07	538,435.02	416,739.86	258,146.68	583,923.02	2,100,682.65

Summary table of committed and conditionally committed funds for specific objectives and measures

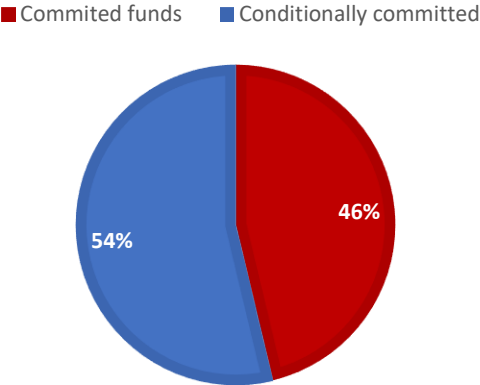
	Budget RS		Donor support		TOTAL
	Committed	Conditionally committed	Committed	Conditionally committed	
SO 2.	672.50	0.00	31,806.30	41,268.84	73,747.64
M 2.1	0	0	16,206.30	5,104.00	21,310.30
M 2.2	260.00	0	15,600.00	32,564.84	48,424.84
M 2.3	412.50	0	0	3,600.00	4,012.50
SO 3.	6,412.50	200,364.00	82,208.00	64,014.00	352,998.50
M 3.1	0	0	61,808.00	49,974.00	111,782.00
M 3.2	6,000.00	198,900.00	20,400.00	8,640	233,940.00
M 3.3	412.50	1,464	0	5,400	7,276.50
SO 4.	0.00	275,441.32	135,257.35	11,424.00	422,122.67
M 4.1	0	0	46,620.00	0	46,620.00
M 4.2	0	0	28,617.09	0	28,617.09
M 4.3	0	540.00	10,434.00	0	10,974.00
M 4.4	0	27,461.32	34,766.26	0	62,227.58
M 4.5	0	0	2,640.00	0	2,640.00
M 4.6	0	0	2,820.00	1,704.00	4,524.00
M 4.7	0	242,100.00	2,880.00	0	244,980.00
M 4.8	0	5,340.00	6,480.00	9,720.00	21,540.00
SO 5	120,000.00	295,465.77	362,399.86	6,358.60	784,224.23
M 5.1	0	42,292.00	329,107.95	0	371,399.95
M 5.2	120,000.00	100,542.32	4,532.00	0	225,074.32
M 5.3	0	152,631.45	28,759.91	6,358.60	187,749.96
SO 6	0.00	139,964.77	23,365.22	18,364.82	181,694.81
M 6.1.	0	9,360.00	3,325.50	5,741.83	18,427.33
M 6.2.	0	0	20,039.72	3,063.00	23,102.72
M 6.3	0	0.00	0	8,719.99	8,719.99
M 6.4.	0	1,200.00	0	840.00	2,040.00

M 6.5.	0	129,404.77	0	0	129,404.77
OPERATIONAL PLAN	6,600.00	62,417.21	203,218.81	13,658.79	285,894.81
M1	0	31,338.53	61,173.09	5,678.79	98,190.41
M2	0	15,042.48	39,726.00	0	54,768.48
M3	0	0	7,524.00	0	7,524.00
M4	6,600.00	14,400.00	9,461.20	0	30,461.20
M5	0.00	1,636.20	85,334.52	7,980.00	94,950.72
TOTAL	133,685.00	973,653.07	838,255.54	155,089.05	2,100,682.66

The graphs below show in greater detail the ratio between and the sources of committed funds and conditionally committed funds, as well as estimated costs per specific objective with additional detailed information.

Graph 1 shows the total funds ratio (committed vs. conditionally committed) compared to the total estimated costs.⁷

COMMITTED VS CONDITIONALLY COMMITTED FUNDS

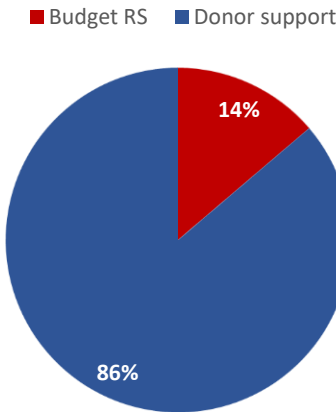


Graph 1. Committed vs. conditionally committed funds ratio

Committed funds	971,940.54
Conditionally committed	1,128,742.12
Total	2,100,682.66

Graph 2 shows the sources of committed funding

SOURCE OF FUNDING OF COMMITTED FUNDING



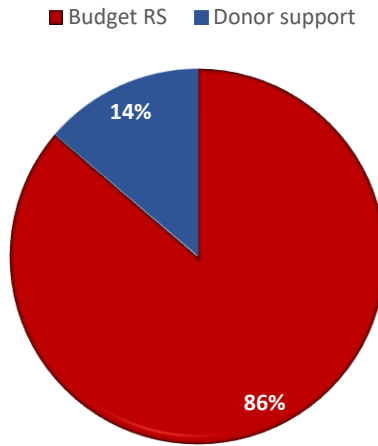
Graph 2. Ratio of committed state budget funding and donor support

Budget RS	133,685.00
Donor support	838,255.64
Total	971,940.64

⁷ Conditionally allocated funds will be released subject to budget or donor funds availability.

Graph 3 shows the ratio between the sources of conditional funding.

SOURCE OF CONDITIONALLY COMMITTED FUNDS

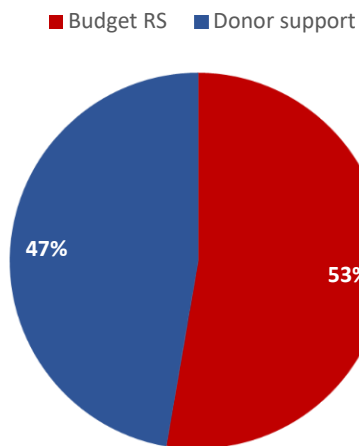


Graph 3. Ratio of conditionally committed budgetary to donor support funds

Budget RS	973,653.07
Donor support	155,089.05
Total	1,128,742.12

Graph 4 shows the ratio of budgetary funding to donor support when it comes to the total estimated costs (including committed/conditionally committed funds).

RATIO BETWEEN BUDGETARY AND DONOR FUNDING



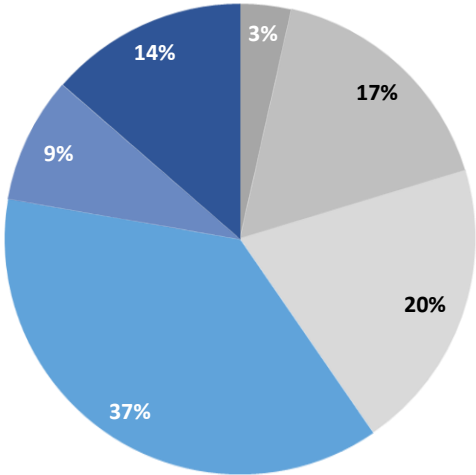
Graph 4. Ratio between budgetary funding and donor support

Budget RS	1,107,338.07
Donor support	993,344.59
Total	2,100,682.66

Graph 5 shows estimated costs per specific objective defined in the PAR Strategy Action Plan.

ESTIMATED COSTS PER SPECIFIC OBJECTIVE

■ SO 2 ■ SO 3 ■ SO 4 ■ SO 5 ■ SO 6 ■ OPERATIONAL PLAN

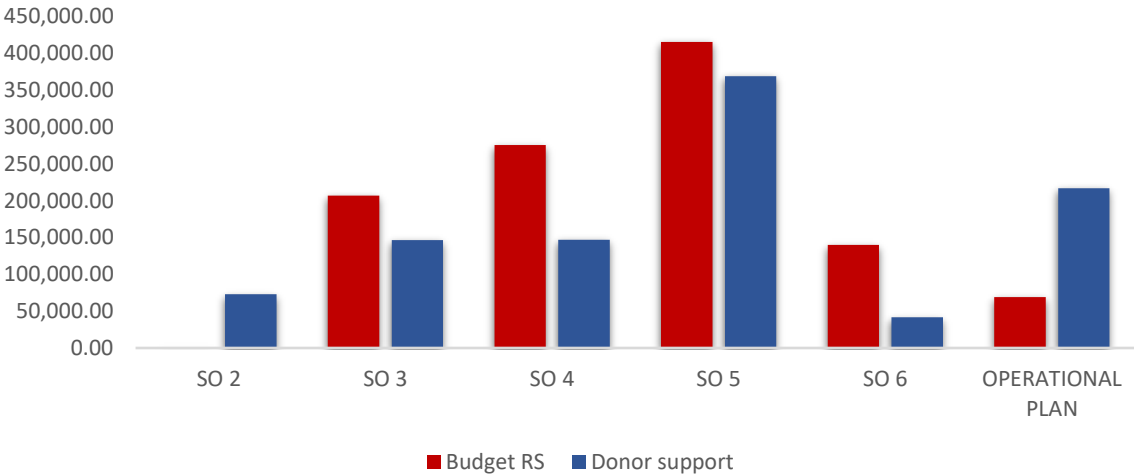


Graph 5. Estimated costs per specific objective

Specific objective 2.	73,747.64
Specific objective 3.	352,998.50
Specific objective 4.	422,122.67
Specific objective 5.	784,224.23
Specific objective 6.	181,694.81
Operational Plan	285,894.81
Total	2,100,682.66

Graph 6 shows sources of funding per specific objective defined in the PAR Strategy Action Plan.

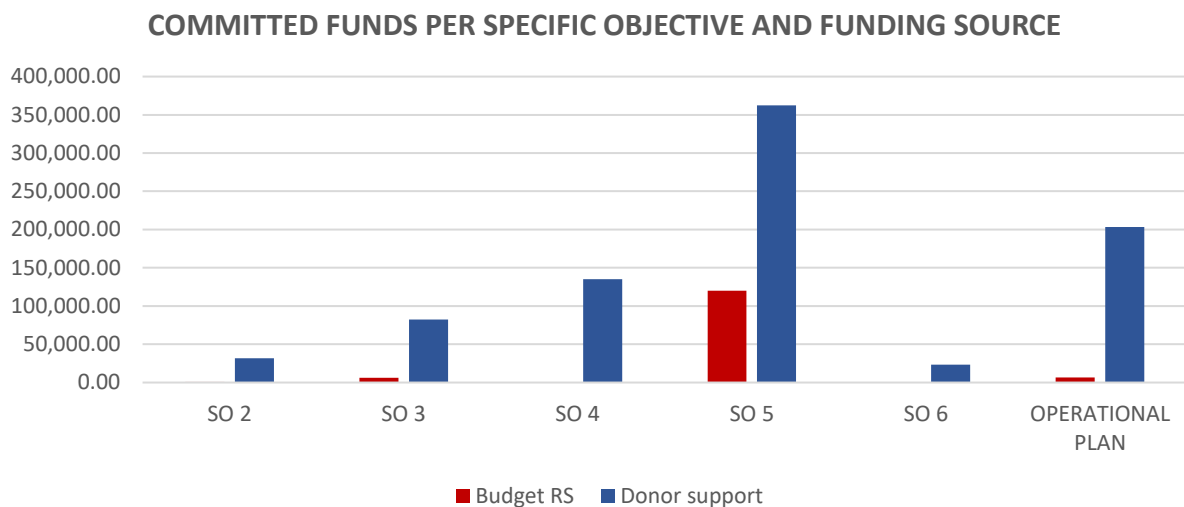
SOURCES OF FUNDING PER SPECIFIC OBJECTIVE



Graph 6. Sources of funding of specific objectives

	Budget RS	Donor support
Specific objective 2.	672.50	73,075.14
Specific objective 3.	206,776.50	146,222.00
Specific objective 4.	275,441.32	146,681.35
Specific objective 5.	415,465.77	368,758.46
Specific objective 6.	139,964.77	41,730.04
Operational Plan	69,017.21	216,877.60
Total	1,107,338.07	993,344.59

Graph 7 shows committed funds per specific objective and funding sources.

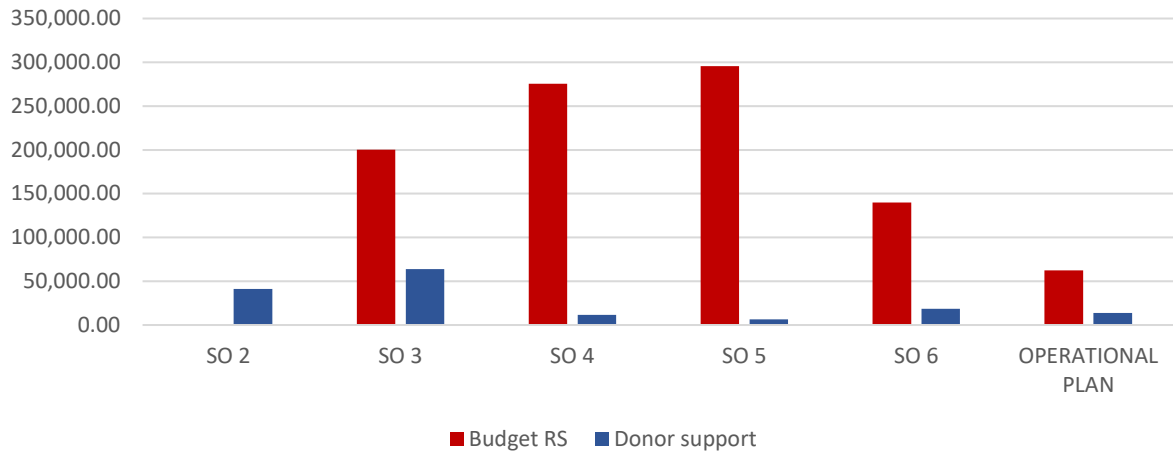


Graph 7. Committed funds per specific objective

	Budget RS	Donor support
Specific objective 2.	672.50	31,806.30
Specific objective 3.	6,412.50	82,208.00
Specific objective 4.	0.00	135,257.35
Specific objective 5.	120,000.00	362,399.86
Specific objective 6.	0.00	23,365.22
Operational Plan	6,600.00	203,218.81
Total	133,685.00	838,255.54

Graph 8 shows conditionally committed funds per specific objective defined in the PAR Strategy Action Plan.

CONDITIONALLY COMMITTED FUNDS PER SPECIFIC OBJECTIVE AND FUNDING SOURCE



Graph 8. Conditionally committed funds per specific objective and funding source

	Budget RS	Donor support
Specific objective 2.	0.00	41,268.84
Specific objective 3.	200,364.00	64,014.00
Specific objective 4.	275,441.32	11,424.00
Specific objective 5.	295,465.77	6,358.60
Specific objective 6.	139,964.77	18,364.82
Operational Plan	62,417.21	13,658.79
Total	973,653.07	155,089.05

X. Institutional framework – Coordination, Management and Reporting

For the purpose of **2014 PAR Strategy application coordinating, management and monitoring**, a three-tier institutional and organisational coordination structure has been designed (1. the responsible line ministry sits at the operational level of coordination; 2. the Inter-Ministerial Project Group (hereinafter: IMPG) sits at the management level of coordination and the level of coordination between line ministries, and acts as a bridge to civil society organisations and local self-government; and 3. the Public Administration Reform Council (as a working body of the government and the central strategic and political body for PAR-process management with the Prime Minister as the head). The key challenge has been that the structure set up in this way has not facilitated risk management. An added layer of difficulty is the parallel level of coordination for hierarchically low(er)-level public policy documents.

The PAR Strategy envisages maintain a three-tier structure, whereby the **political level** – PAR Council – becomes the sole coordinator for all PAR-related public policy documents ranking lower on the hierarchy of public policy documents, the **management level** – the IMPG – is organised through an umbrella group and sub-groups for each of the PAR Strategy thematic areas, and the operational level is represented by the MPALSG to the extent of its purview prescribed under the Law on Ministries.

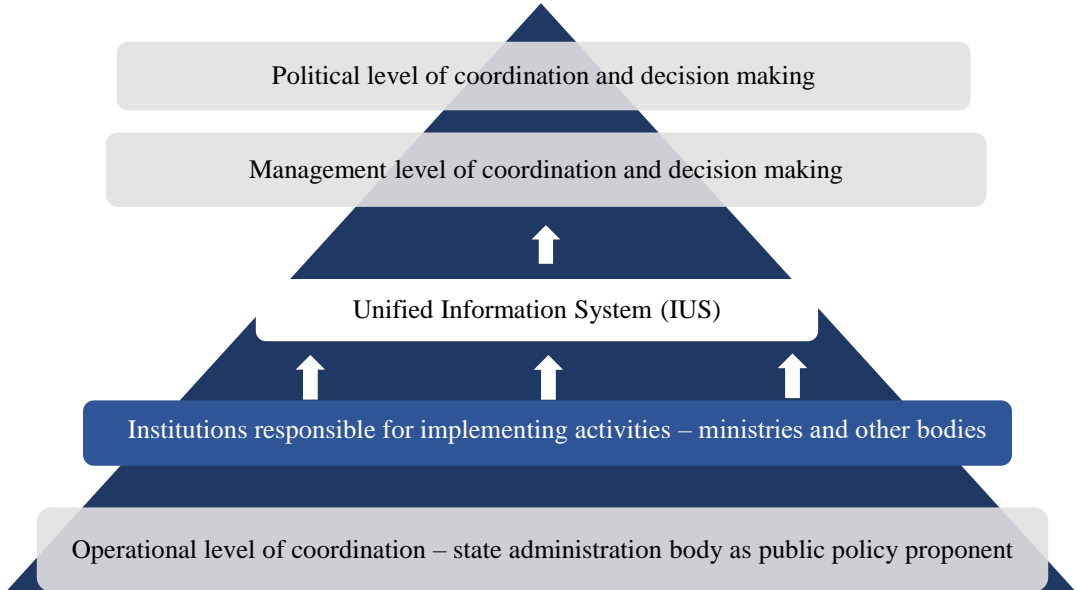


Figure 2. Institutional framework

Of special importance is the cooperation between MPALSG as the coordinator of PAR Strategy implementation and MF, including CHU that are coordinating the implementation of the PFM Program and the area of PIFC. Within PIFC, and in particular managerial accountability this is a natural cooperation given the scope of stakeholders. During the implementation of the PIFC Strategy 2017-2020, the most intensive work was dedicated to the introduction of analytical units supported also by PPS as the key partner from the point of view of the LPS implementation. The concept of managerial accountability gained weight and was developed by most relevant institutions thus defining the approach to be applied within the PAR

Strategy. PIFC in narrower sense will be dealt with within a particular pillar under the PFM Program.

When it comes to PAR monitoring, implementation and reporting, there has been continuity. Since the adoption of the PAR Strategy, monitoring reports have been collected and published regularly on the MPALSG website: <http://mduls.gov.rs/uprava-po-meri-svih-nas/strateska-dokumenta/> and <http://mduls.gov.rs/en/public-administration-reform/>. Deadlines for data collection and processing as well as publishing reports have been set, and a separate website for PAR monitoring was designed (<https://monitoring.mduls.gov.rs/>) together with an internal data collection system (UIS) which is run by the PPS.

Monitoring of implementation and reporting on the PAR Strategy results is conducted in accordance with the LPS and bylaws which regulate the mandatory content of the report, information system in which data are entered (UIS), the way in which data collection is reported and coordinated.

Bearing in mind that PAR Strategy is an umbrella public policy document for the area of the public administration planning in the Republic of Serbia and covers six thematic areas – three of which have been elaborated through separate programmes, and the other three directly through the Action Plan for the Implementation of the PAR Strategy –, monitoring the implementation of the public administration reform is based not only on the implementation of the said Action Plan, but also on implementation of all lower public policy documents (three programmes in the area of regulatory reform, local self-government system and public financial management).

In order to assess the performance, to review the direction and the focus of the reform, and to make potential amendments or corrections, two interim evaluations (2023 and 2027) and an *ex-post* impact assessment following the implementation of the PAR Strategy are envisaged. The performance assessment and, in particular, the first of the two interim evaluations, will help assess the need for a potential revision of Action Plan 2021–2025 for the implementation of the PAR Strategy 2021-2030, as well as draft the following Action Plan.

Note: A detailed overview of the monitoring and reporting framework is provided in Appendix 5: PAR Implementation Coordinating, Management and Reporting⁵.

XI. Enactment of 2021–2025 Action Plan for the Implementation of PAR Strategy 2021-2030

The Action Plan for the first five years of PAR Strategy implementation encompasses specific activities to be conducted towards creating the conditions necessary for the achievement of PAR Strategy objectives and measures, and it identifies the institutions responsible for the implementation of those activities and corresponding implementing partners as well as implementation deadlines and funding sources.

The Action Plan 2021–2025 for the implementation of the PAR Strategy 2021-2030 is attached to and forms an integral part of the PAR Strategy.

XII. Appendices

This PAR Strategy contains Appendices 1–8, all of which form an integral part. They are:

Appendix 1: Strategic framework

Appendix 2: Situation analysis of each thematic area, options impact assessment report, and description of measure

Appendix 3: Communication framework

Appendix 4: The process of preparing the PAR Strategy and description of the consultation process

Appendix 5: PAR Strategy Implementation Coordinating, Management and Reporting

Appendix 6: Risk analysis

Appendix 7: List of legal acts

Appendix 8: Indicator ‘passport’.

XIII. Final provisions

On the date this PAR Strategy is published, the following will cease to apply: the Strategy for Public Administration Reform in the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, Nos. 9/14, 42/14 – *corrigendum*, and 54/18), the Strategy for Professional Development of Civil Servants in the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, Nos. 56 /11 and 51/13), and the Strategy for Professional Development of Employees in Local Self-Government Units in the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, No. 27/15).

This PAR Strategy is to be published on the official website of the Government and of the Ministry of Public Administration and Local Self-Government, and the e-Government Portal.

This PAR Strategy is to be published in *The Official Gazette of the Republic of Serbia*.

05 Number
In Belgrade,

G O V E R N M E N T

PRIME MINISTER

Ana Brnabić

Appendix 1: Strategic framework

The Public Administration Reform Strategy in the Republic of Serbia⁸ (hereinafter: PAR Strategy) was enacted on 24 January 2014 and detailed in two action plans for the periods 2015–2017⁹ and 2018–2020¹⁰ (hereinafter: PAR Strategy AP 2015–2017 and PAR Strategy AP 2018–2020, respectively, or APs jointly). The PAR Strategy expanded the reform activities originally initiated under the narrower state administration reform, as defined in the 2004 State Administration Reform Strategy¹¹, to the broader public administration reform (hereinafter: PAR) so that it now covers half a million instead of 28,000 employees, as was previously the case.¹²

The 2014 PAR Strategy objectives are the Government priorities highlighted in the Prime Minister's *exposé*¹³ (improved efficiency of public service delivery, public administration modernisation, digitalisation, e-Government, open data, salary system reform, etc.) and further detailed in the Action Plan for the Implementation of the Government Programme (hereinafter: APIGP), the Government Work Plan and the Programme Budget.¹⁴ The Prime Minister's *exposé*, dated 28 October 2020, underlines the continuation of reforms for the purpose of achieving an efficient and accountable administration (Subchapter 3.7).¹⁵

The Government of the Republic of Serbia has designated the European Union (hereinafter: EU) membership as its first strategic foreign policy priority. **The Republic of Serbia has had**

⁸ *The Official Gazette of the Republic of Serbia*, Nos. 9/14, 42/14 – corrigendum, 54/18.

⁹ Action Plan for the PAR Strategy Implementation 2015–2017 (*The Official Gazette of the Republic of Serbia*, No. 31/15).

¹⁰ Action Plan for the PAR Strategy Implementation 2018–2020 (*The Official Gazette of the Republic of Serbia*, No. 54/18).

¹¹ 'The 2004 State Administration Reform in the Republic of Serbia (hereinafter: SAR Strategy) on the basis of the EU Good Governance Principle actually initiated the transformation of this part of public administration, and partially of the local self-government, as well. The SAR Strategy included status analysis and main objectives and reform principles, key areas of the reform and how to manage them. Action plans for the implementation of the SAR Strategy were adopted for 2004–2008 and 2009–2012 and the achieved results, particularly in the process of legal framework establishment provided for all legal requirements to further promote and guide development and improvement of the state administration system.' Introduction to the PAR Strategy (*The Official Gazette of the Republic of Serbia*, Nos. 9/14, 42/14 – corrigendum, 54/18), available at: [http://www.arhiva.drzavnauprava.gov.rs/documents.php?id=488](https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategy/2014/9/1/reg; The SAR Strategy is available at: <a href=).

¹² Pooled Review (Aggregate Overview), Report on the PAR Strategy AP Implementation, from January 2015 to 30 June 2017, available at: http://mduLSG.gov.rs/wp-content/uploads/Izvestaj_20152017.pdf (p. 5, in Serbian) and http://www.mduls.gov.rs/doc/PAR%20Report_eng_mar2018.pdf (p. 6, in English).

¹³ Programme of the Government of the Republic of Serbia, Prime Minister candidate Ana Brnabić, chapters III and V, 28 June 2017, available at: https://www.srbija.gov.rs/view_file.php?file_id=2148&cache=sr.

¹⁴ '...exemplified in planning and operation of three planning processes in the Government and public administration bodies, each using different methodology and all public administration bodies go through its planning and reporting process: Action Plan for the Implementation of the Government Programme coordinated by the Public Policy Secretariat, the Government Annual Work Plan coordinated by the General Secretariat, and Programme Budget coordinated by the Ministry of Finance. Integration of the three processes is recommended...' 2015 Report on the implementation of the PAR Strategy AP 2015–2017: *Key challenges and priorities in 2016*, p. 28, available at: http://mduLSG.gov.rs/wp-content/uploads/godisnji-izvestaj-AP_15_usvojen-170403.pdf.

¹⁵ Programme of the Government of the Republic of Serbia, Prime Minister candidate, 28 October 2020, available at: https://media.srbija.gov.rs/medsrp/dokumenti/brnabic_ekspoze281020_cyr.pdf.

In accordance with the provisions of Article 72(4) of the Stabilisation and Association Agreement, which entered into force on 1 September 2013, it is envisaged that the harmonisation of national legislation with EU legislation will be achieved on the basis of a special programme agreed between the EC and the Republic of Serbia. After obtaining the status of a candidate country for EU membership in 2012, the Government adopted on 28 February 2013 the National Programme for the Adoption of the Acquis (NPAA), as a comprehensive plan to align the national legal order with the acquis, which contained plans in respect of measures, activities and deadlines in order to achieve full compliance with the requirements of the acquis: proper transposition of the acquis into national law, its implementation and effective and efficient enforcement through an appropriate institutional structure. In line with the development of the European integration process, the document has been revised three times so far. The first revision of the NPAA was adopted by the Government with the opening of accession negotiations in 2014, while the second revision was adopted after the screening was completed – during the receipt of the screening report, preparation of action plans for fulfilling the criteria for opening negotiations in certain chapters and preparation of negotiating positions – in 2016. The third NPAA revision was adopted on 1 March 2018, and was organised in the conditions after the opening and temporary closing of a number of chapters, and during the intensive preparation of documents from the negotiation process in order to further progress in the negotiations (<https://www.mei.gov.rs/srp/dokumenta/nacionalna-dokumenta/npaa>).

The NPAA is designed to address, among other things, the needs of the RS in respect of **establishing an administrative and institutional framework that would allow for appropriate enforcement of regulations in all relevant areas, as well as to provide data for long-term planning. Specific administrative capacities mapped through the NPAA, given that they exist within that document, will not be specifically the subject of the PAR Strategy, as another national public policy document.**

Implementation of the NPAA is monitored through reporting to the Government on the implementation of established plans, on a quarterly basis. Starting with the third revision of the NPAA, the regular reports refer to the implementation of plans regarding the remaining necessary harmonisation of the domestic legislative framework with the EU *acquis*, as well as measures and activities carried out to establish or strengthen the institutional structure and administrative capacity relevant for transposition, implementation and enforcement of EU *acquis*. Regular reports on the implementation of the NPAA are also considered by the working bodies of the National Assembly of the Republic of Serbia. The reports, in the part of legislative activities, are prepared on the basis of information contained in a special software application that accompanies the NPAA. In the part of measures required for establishing administrative and institutional capacities necessary for implementation of the EU *acquis*, the reports are based on the contributions of competent negotiating groups.

the status of an EU membership candidate since 2012.¹⁶ In the European integration process, PAR is not covered by any specific negotiating chapter; instead – together with the rule of law and economic management –, it is one of the three prerequisites for the accession to the EU.¹⁷ In other words, **without administrative capacity, there are no prerequisites for the**

¹⁶ In 2008, the Republic of Serbia signed the Stabilisation and Association Agreement with EU, and after the ratification process was completed, it came into force on 1 September 2013, whereby Serbia gained the status of an associated country. Serbia submitted an official application for membership on 22 December 2009, and gained the status of a candidate for EU membership on 1 March 2012. Negotiations between Serbia and the EU formally started with the first meeting of the Intergovernmental Conference on 21 January 2014. Out of 35 negotiation chapters, 18 were open by December 2019 (Chapter 4 – Free movement of capital, Chapter 5 – Public procurement, Chapter 6 – Company Law, Chapter 7 – Intellectual Property Law, Chapter 9 – Financial services, Chapter 13 – Fisheries, Chapter 17 – Economic and monetary policy, Chapter 18 – Statistics, Chapter 20 – Enterprise and industrial policy, Chapter 23 – Judiciary and fundamental rights, Chapter 24 – Justice, freedom and security, Chapter 25 – Science and research, Chapter 26 – Education and culture, Chapter 29 – Customs union, Chapter 30 – External relations, Chapter 32 – Financial control, Chapter 33 – Financial and budgetary provisions, and Chapter 35 – Other issues). Chapter 25 – Science and research and Chapter 26 – Education and culture are provisionally closed.

¹⁷ Administrative capacities needed for transposition of the *acquis* and taking over the obligations as an EU Member State were highlighted in the meeting of the European Council in Copenhagen in 1993 (<https://www.consilium.europa.eu/media/21225/72921.pdf>), as well as in Madrid in 1995 (https://ec.europa.eu/commission/presscorner/detail/en/DOC_95_9), and have become a criterion – prerequisite in accession negotiations with the EU, available at: https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/accession-criteria_en.

implementation of reforms stipulated in the negotiating chapters or capacities to take over pertinent responsibilities as an EU Member State.

Since there is no *acquis communautaire* in the area of PAR, in 2014 the European Commission (hereinafter: EC), in cooperation with the Organisation for Economic Co-operation and Development (hereinafter: OECD) through joint initiative for Support for Improvement in Governance and Management (hereinafter: SIGMA) developed measurable standards of good governance, the so-called good governance principles¹⁸. These have been in development since 1999,¹⁹ as a mechanism for the assessment of administrative capacity development of a particular country. These principles enable mutual comparisons among countries, and they contain a monitoring framework used to analyse regularly the progress of countries in the area of public administration reform (strategic framework, drafting and coordination of public policies, human resource management, accountability, service delivery, public financial management). The 2018 EU enlargement strategy to include the Western Balkans countries²⁰ reiterates the importance of the three prerequisites for accession to the EU, as well as the steps that Montenegro and Serbia need to take in order to complete the accession process by 2025. The ‘administrative capacities’ prerequisite is particularly emphasised by the new enlargement methodology, with the need to have a clear roadmap in the area of public administration reform and other preconditions.²¹

The strategic focus of achieving the reform objectives within the predefined sectors (a shift from individual project financing to defined sectoral reforms and more importance attributed to performance assessment and achieving broader impact of reform outputs) was introduced with the EU Instrument for Pre-Accession Assistance – IPA II covering the period 2014–2020, i.e. through the EU financial and technical assistance, and continues through the planning of IPA III.²² One of the IPA II financial instruments is the Sectoral Budget Support (hereinafter: SBS). On 5 December 2016, the Republic of Serbia signed a financing agreement for the Sector Reform Contract for Public Administration Reform and Public Finances in the amount of EUR 80 million: EUR 70 million as a direct budget support and EUR 10 million for technical support to the public administration reform through four support projects.²³ The funds are disbursed after the previously set indicators are reached, in fixed and variable annual tranches. After the annual progress was assessed, on 30 October 2018 the EU approved the payment against the first financial application, on the basis of fulfilled undertaken obligations, in the amount of EUR 30.5 million²⁴ and EUR 13,250,000²⁵ in 2019 and EUR 8,250,000 in 2020 out of the total of EUR 70 million planned. In the same period, the World Bank Programme for Results for the

¹⁸ The Principles of Public Administration, OECD/SIGMA, 2014 edition, available at: <http://www.sigmaweb.org/publications/Principles-Public-Administration-Overview-Serbian.pdf>; 2017 edition, available at: http://www.sigmaweb.org/publications/Principles_of_Public_Administration_2017_edition_SER.pdf.

¹⁹ European Principles for Public Administration, OECD/SIGMA, 1999, available at: https://www.oecd-ilibrary.org/governance/european-principles-for-public-administration_5kml60zwd7h-en.

²⁰ EU Enlargement Strategy for the Western Balkans Countries, ‘A credible enlargement perspective for and enhanced EU engagement with the Western Balkans’, Strasbourg, 6 February 2018, available at: https://ec.europa.eu/commission/sites/beta-political/files/communication-credible-enlargement-perspective-western-balkans_en.pdf.

²¹ Enhancing the accession process – A credible EU perspective for the Western Balkans, 5 February 2020, Brussels, available at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/enlargement-methodology_en.pdf.

²² IPA III 2021–2027 – instrument for pre-accession assistance to the Western Balkans and Turkey in the amount of EUR 14.5 billion to finance projects which contribute to the implementation of political, economic and institutional reforms, and progress in the EU-integration process.

²³ Sectoral Reform Contract for Public Administration Reform, see: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2015/pf_04_sector_reform_contract_for_public_administration_reform.pdf.

²⁴ News on the MPALSG website, posted on 28 November 2019, available at: <http://mduLSG.gov.rs/saopstenja/evropska-komisija-odobri-la-prvu-transu-srbiji-od-30-5-miliona-evra-za-reformu-javne-uprave/>.

²⁵ News on the MPALSG website: <http://mduLSG.gov.rs/saopstenja/jos-13-miliona-evra-u-budzet-srbije-od-eu-zbog-uspeha-u-reformi-javne-uprave-and-javnih-finansija/>.

Republic of Serbia²⁶ was signed as a loan agreement for the sum of EUR 69 million for the modernisation and the optimisation of the public administration.

In order to continue the reforms while aligning the public administration reform processes with international documents relevant for this area, such as the United Nations Sustainable Development Goals²⁷ by 2030 (hereinafter: SDGs), and to facilitate the estimated necessary human and financial resources for a prospective completion of the EU accession process in 2025, a ten-year PAR Strategy and vision have been drafted with a more specific action plan and cost estimates by 2025. Furthermore, due to the COVID-19 pandemic which has served as a reality check of the reform results achieved to date (see chapters *Service Delivery* and *Human Resource Management*), 2014 PAR Strategy objectives and activities have been adjusted accordingly, i.e. they now address the mentioned work challenges and needs of the administration (working remotely, contact-less services, resilience, and agility).

Since the progress of countries in the area of public administration reform is monitored through the EU/OECD Principles of Public Administration, the Special Working Group has analysed the results achieved thus far together with the challenges in the respective thematic areas, i.e. the Principles of Public Administration at the central level. The local self-government system was analysed additionally since the Principles of Public Administration intersect on the local level, but the OECD/SIGMA do not discuss them individually in their reports. In other words, the Principles of Public Administration have served as a framework, and the analyses have helped review the course(s) of the public administration reform and establish clear correlations between what is the real situation, the challenges on the ground and the measures set for the following period. Situation analyses together with the problem analysis have been the basis for defining the specific objectives and measures for each and across all of the thematic areas.

The first Principle of Public Administration, relating to the PAR strategic framework, suggests the presence of such framework in the Republic of Serbia, but also identifies the need for improvement in certain areas. All relevant reports – such as the EC, the OECD/SIGMA Monitoring Reports and the PAR Strategy External Evaluation Report, which assessed the existence and the quality of the PAR strategic framework – have confirmed i) the existence of the PAR strategic framework in the Republic of Serbia (maximum score of 5 on a 0–5 scale for the strategic framework completeness in OECD/SIGMA 2017 Monitoring Report),²⁸ ii) that the framework was being continuously improved,²⁹ iii) that, although the operational frameworks for monitoring and reporting had been put in place, it was necessary to harmonise the PAR Strategy with the subsequently enacted Law on the Planning System³⁰ (hereinafter: LPS), considering that the existing PAR Strategy had not established the reform vision or clearly defined its objectives with measurable indicators or deadlines for individual objectives, and iv) that the challenges – such as efficient coordination of the reform, capacities for reform implementation, a large number of public policy documents and insufficient visibility of reform outputs – had persisted.

²⁶ Law on the Ratification of the Loan Agreement (World Bank Programme for Results (PforR) – Programme of public administration modernisation and optimisation) between the Republic of Serbia and International Bank for Reconstruction and Development (EUR 69 million for the period 2016–2019) dated 15 November 2016.

²⁷ United Nations Sustainable Development Goals, see: <http://sdg.indikatori.rs/>.

²⁸ *Monitoring Report: The Principles of Public Administration – Serbia*, November 2017, OECD/SIGMA, pp. 8–11, available at: <http://www.sigmaweb.org/publications/Monitoring-Report-2017-Serbia.pdf>

²⁹ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, available at: <http://mduLSG.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English).

³⁰ Law on the Planning System (*The Official Gazette of the Republic of Serbia*, No. 30/18), available at: <http://www.pravno-informacioni-system.rs/SIGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2018/30/1/reg>.

The first objective of the PAR Strategy External Evaluation³¹ was the assessment of the quality of the PAR strategic framework. The PAR Strategy External Evaluation Report Executive Summary in short:

*On the whole, the [PAR] Strategy – despite its certain limitations – and the two APs contain highly relevant objectives and adequately reflect the external and the internal image of the public administration in Serbia, identifying the key challenges and reasonable ways to respond to them in light of the European integration and good governance requirements. The **quality of the documents was gradually improved**, resulting in more clearly formulated activities and measurable indicators, and operational planning that is more realistic and reform-oriented. Furthermore, although the PAR Strategy and its first AP 2015–2017 had already been drafted through a **participatory process**, the second AP 2018–2020 is an excellent example of a continuous involvement of external stakeholders in the drafting process in which different methods of participation were used. These improvements are good indicators of the improved drafting capacity and the drafters' ability to learn and to adjust. Nevertheless, the general conclusion is that **the current strategic framework is overambitious and not fully aligned with the limited capacity of the administration** in terms of reform process implementation. Although both APs were systematically used to try to overcome a series of gaps in the development of strategic documents, their nature was a limiting factor. That is why the solutions ought to be incorporated into the very PAR Strategy. Therefore, it is the PAR Strategy itself that the ultimate cause of the limited scope of the reform in terms of reform design methodology. The most critical factors in the PAR Strategy design methodology are: (a) **lack of comprehensive analysis** of the main problems which the PAR Strategy undertakes to resolve (thus, not providing a clear concept of planned reforms, including a clear definition of public administration scope and selection of priority problems to be resolved) or related measurements on the results level; (b) **not providing a clear strategic framework for other strategic documents and hierarchical relations among documents** relating to the reform, where some key areas of the reform – most important of them being the overall policy on service delivery – do not contain a clear strategic direction; (c) **it is not time-bound, does not contain an assessment of the capacities and the resources** necessary for the reform implementation, and **focuses on outputs more than results**; and (d) **does not define mechanisms of progress and performance management** that would provide for timely and effective monitoring and implementation.³²*

The PAR Strategy External Evaluation Report additionally specifies the following:

Lack of alignment among the planning processes frequently leads to a multiplication of similar (or identical) information in reports submitted by employees of the public administration bodies [hereinafter: PAB]. Moreover, the document management system is duplicated. Although there are institutions in charge of securing a planning system on the central government level, policy coordination is faced with challenges in practise due to certain formal and procedural issues more than any substantive issues, resulting in poor strategic planning.³³

³¹ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, available at: <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English).

³² PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, see the Executive Summary on p. xii, available at: <http://mduLSG.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English). Note: bold is used to highlight the relevant points in this document, which may not necessarily correspond to or be an identical copy of the bolded text in the PAR Strategy External Evaluation Report. Similarly, the selected texts are not exact quotes, but paraphrased summaries of the important parts of the PAR Strategy External Evaluation Report.

³³ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, see the Executive

*In the PAR Strategy itself, there are no indications of how (and **whether**) **prioritisation has been made** among mutually opposing reform needs. Yet, certain prioritisation within the adopted PAR Strategy did occur as a result of fiscal consolidation and through APIGP (e.g. optimisation, e-Government). Further, the PAR Strategy does not provide a comprehensive definition of the PA, or a stakeholder analysis, or a clear distribution of PAB competencies or concepts of effective coordination. Moreover, the **PAR Strategy is composed more like an academic document than a public policy document**, not discussing the causes or defining SMART elements. Accordingly, the PAR Strategy does not spell out a clear definition of the reform content and does not provide for performance measurement. The PAR Strategy also lacks indicators, an estimate of the capacities and the resources necessary for its implementation, and it focuses more on the higher level outcomes (as “outputs“) than on the results level. The PAR Strategy is not time-bound, either. These are the factors that contributed to the implementation and monitoring challenges (as shown elsewhere in th[is] Report). Finally, **there is a need to harmonise the PAR Strategy with the LPS and the 2017 SIGMA Principles of Public Administration**, as well as to **re-examine the objectives, taking into account both achievements and potentially new reform thematic areas**. New thematic areas, such as public services or open data, as well as paper-free e-Government, offer new opportunities for the reform, e.g. objectives relating to gender equality and climate changes. Both APs have provided continuity of reform objectives and measures and also added new objectives and measures (including the concept of gender equality). Nevertheless, the PAR Strategy shortcomings have limited the level of quality of the two APs. The first AP 2015–2017 introduced SMART elements in an innovate manner – which later proved to be over-ambitious –, thus enabling effective monitoring on the results level only to a certain degree. The subsequent AP 2018–2020 is more aligned, with clear lines of reporting and more useful data for monitoring. This AP has not only incorporated a certain number of unattained objectives from the earlier AP 2015–2017, but it is almost completely in line with the LPS unlike the overall PAR Strategy. Although gender neutral, the PAR Strategy lacks the status analysis in terms of gender and climate changes as intrinsic issues. Some of the key PAR thematic areas have not been sufficiently elaborated in the PAR Strategy and accompanying APs, such as change management, communications, or efforts to develop comprehensive policy for service delivery.*

Objectives of the PAR Strategy and its APs correspond to the capacity of key implementation stakeholders only to a certain degree. On the one hand, PAR Strategy implementation has increased the overall volume of work. On the other hand, the implementation mainly evolved under the conditions of the gradual PA downsizing and the capacity reduction imposed by fiscal consolidation. Essentially, fewer people had to do more work. Besides, the low staff retention rate, poor managerial accountability, and lack of specific competencies and skills for new tasks were stumbling blocks on the road to adequate utilisation of capacity for timely achievement of set objectives. Involvement of stakeholders in the drafting of these three documents was gradually improved. Drafting of the AP 2018–2020 is a particularly good example of high level and broad spectrum of stakeholder involvement, but full transparency of the process or gender mechanism have not yet been achieved.³⁴

According to the LPS, [any given] PAR Strategy is a hierarchically higher-level public policy document than a series of other public policy documents. Article 54 of the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment,

Summary on p. xiii, available at: <http://mduLSG.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English). Note: bold is used to highlight the relevant points in this document, which may not necessarily correspond to or be an identical copy of the bolded text in the PAR Strategy External Evaluation Report. Similarly, the selected texts are not exact quotes, but paraphrased summaries of the important parts of the PAR Strategy External Evaluation Report.

³⁴ *Ibid.*, pp. 20–21.

and Content of Individual Public Policy Documents (an LPS by-law),³⁵ stipulates that if a public policy document establishes public policies for multiple areas of public-policy planning and implementation, a multisectoral strategy should be developed. One of the planning areas specified in the Regulation³⁶ is the area of public administration. It is specified that the established planning areas are directly related to nine sectors which the Government has chosen for the adoption of a sectoral approach for the EU integration process, which are used as the baseline for the EU-funding planning and implementation as well as in coordination of international development assistance. A similar approach was applied in the current PAR Strategy as an umbrella strategy for the PAR, so that two types of related public policy documents (sub-sectoral strategies and lateral strategies and action plans) were previously identified for both action plans in practice.³⁷

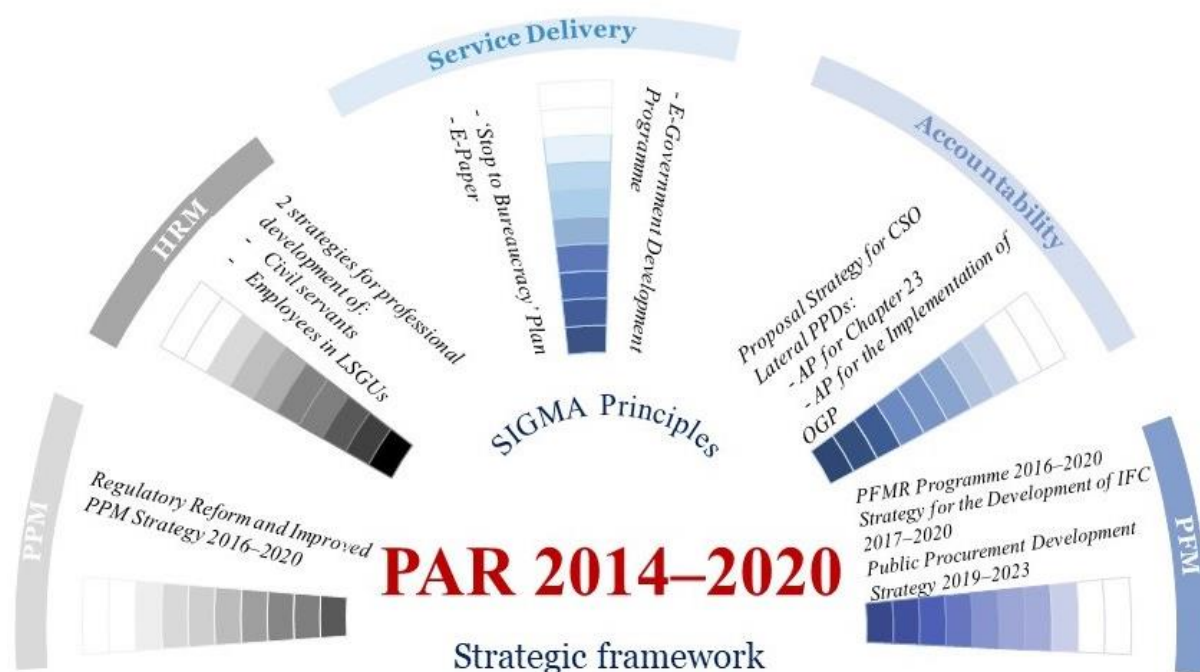


Figure 3. PPDs as per 2014 PAR Strategy

Overview of comparative practice

The last available data on the quality of different aspects of the PAR framework date back to 2017, when SIGMA issued its reports for individual countries of the Western Balkans. The strategic framework for PAR in the Republic of Serbia has similar shortcomings to the rest of the region, particularly with respect to: the minimum required/requested content of documents forming part of the framework, the reform direction of planned activities, the poor scope of measuring indicators, cost estimations and the functioning of different forms of management

³⁵ Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents (*The Official Gazette of the Republic of Serbia*, No. 8/2019-79), available at: <http://www.pravno-informacioni-system.rs/SIGlasnikPortal/eli/rep/sgrs/vlada/uredba/2019/8/9/reg>.

³⁶ Appendix 11 to the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents (*The Official Gazette of the Republic of Serbia*, No. 8/2019-79), available at: <http://www.pravno-informacioni-system.rs/SIGlasnikPortal/prilozi/prilog11.html&doctype=reg&abc=cba&eli=true&eliActId=427799®actid=427799>.

³⁷ Appendix 1.5 Links to other strategic documents, PAR Strategy AP 2018-2020 (*The Official Gazette of the Republic of Serbia*, No. 54/18), available at: <http://mduLSG.gov.rs/wp-content/uploads/AP-PAR-narativni-deo-2018-2020.pdf>.

and coordination. Montenegro had achieved the best results for quality of its strategic framework because all the documents were fully reform-oriented and had well-developed outcome indicators and aligned and comprehensive costing. Montenegro scored 21 points out of the maximum 23 points in the corresponding indicator, including 7 out of 7 points for the sub-indicator measuring the volume of expected content in all strategic documents. Serbia, in comparison, achieved 12 out of 23 points, and only 3 out of 7 for minimal content of its PAR public policy documents.

By developing the PAR Strategy Action Plan 2018–2020, by revising the PFMRP and by developing the e-Government Development Programme 2020–2022, Serbia has made significant progress in improving the strategic framework according to the stated indicators. The 2017 SIGMA Report [for Serbia] notes that different parts of the PAR strategic framework carry uneven points for this criterion. With the adoption of the LPS in 2018, many of the identified shortcomings have been reduced or eliminated, thus allowing development and implementation of a more coherent framework.

Key results and challenges

Results of the implementation of the current strategic framework are seen in numerous areas relating to citizens and businesses alike (**better coordinated inspection oversight, official sharing of records and introduction of a single (unified) administration site, data opening, public finances, more transparent and inclusive process of public planning and gender-sensitive budget planning, digitalisation of numerous services, etc.**),³⁸ but the implementation rate, although showing a rising trend, has only reached half-way to the set objective (46% in 2018; 57% in 2019).³⁹ Reasons and challenges, spelled out in various documents, can be summed up in **insufficient visibility, communication and identification of achieved results and the consequential multiplication of the reform impact**,⁴⁰ as well as in **inefficiently coordinated implementation, and insufficient capacities for planning, coordination and planning**, referring to internal administration reform.

Perception of the results exists, with a notable rising trend. However, there is still room for improvement (see the graphs below).

Information from public sector

Selected economy: Serbia

Selected years: 5 of 5 selected

K 3.1 How would you grade – the time required to obtain information from the public sector (data which public administration authorities have, such as documents, registers, records, etc.)?

Selected economy: Serbia

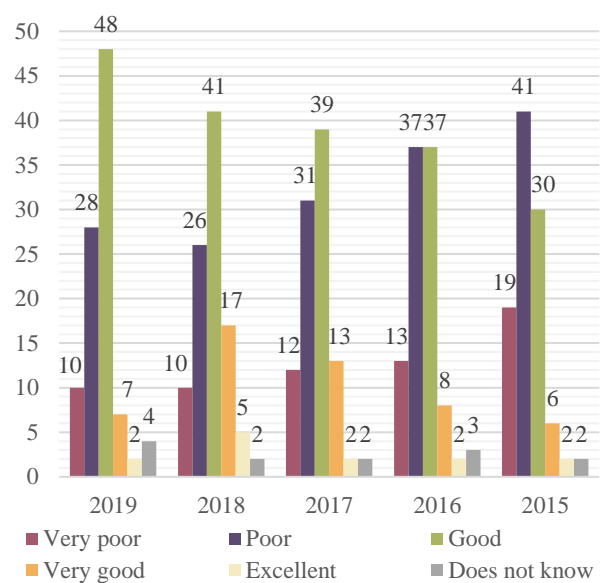
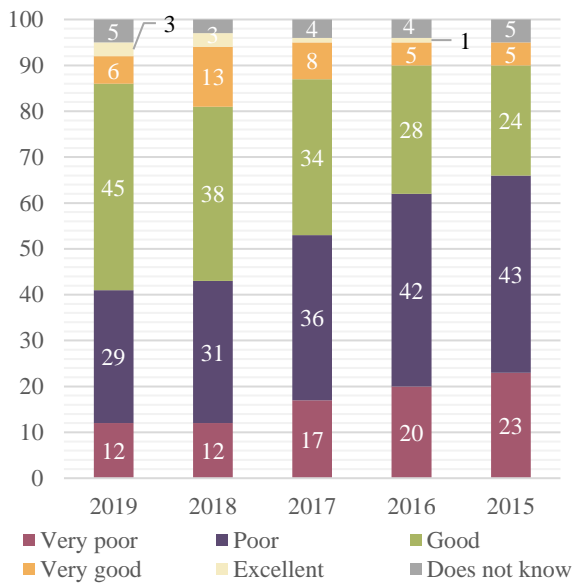
Selected years: 5 of 5 selected

K 3.2 How would you grade – the treatment of citizens in public sector (by the police, the healthcare system, the judiciary, municipalities, etc.)?

³⁸ The 2018 Annual Report on the implementation of the PAR Strategy AP 2018–2020 is available at http://mduls.gov.rs/wp-content/uploads/PAR_report_28022018_english.pdf. The implementation report for the period 2015–2017 is available at http://www.mduls.gov.rs/doc/PAR%20Report_eng_mar2018.pdf. Measurements conducted by *Balkan Barometer* of the Regional Cooperation Council are available at: <https://www.rcc.int/see:ds/results/2/balkan-public-barometer>.

³⁹ The 2019 Annual Report on the implementation of PAR Strategy AP 2018–2020 is available at: <http://mduLSG.gov.rs/wp-content/uploads/2019-PAR-Godisnji-izvestaj2018-2020.pdf>.

⁴⁰ “However, the overall results of the reform had limited outreach of communications and limited visibility, both internally and externally. More comprehensive and effective communication and visibility are needed.” 5.9 (Effects) EP 9: Impact of PAR Strategy AP 2015–2017 on the EU accession, effectiveness of government and different end users, p. 91, “With time and increasing achievement of results, the increasing rate of positive effects on the society, citizens, businesses, PA and CSO will become more visible. However, the overall results of PAR had limited outreach of communications and limited visibility, both internally and externally. (I-9.1.7.)”, p. 97, “...there is a need to strengthen capacities for internal and external communication on reform through the programme entitled Public Administration Reform Visibility and Communication, funded by EU within the Sectoral Reform Contract for Public Administration Reform.” p. 98, PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid /137928/DH/SER/RS, available at: <http://mduLSG.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English).

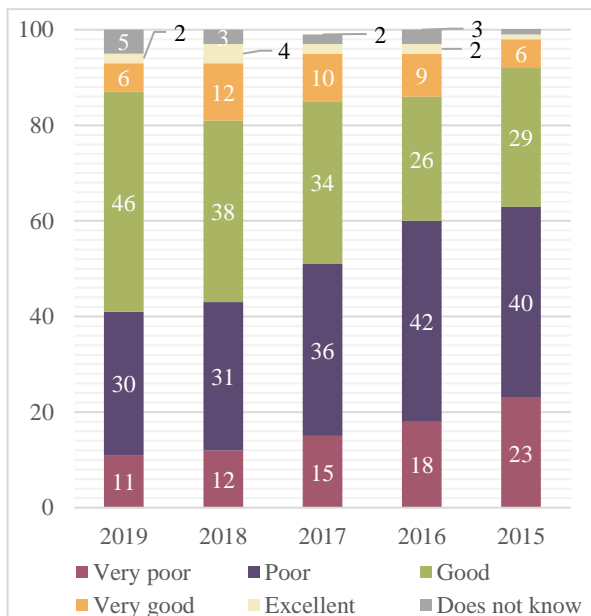


Time required to receive public services

Selected economy: Serbia

Selected years: 5 of 5 selected

K 3.3 How would you grade – the time required to obtain public services (from the police, the healthcare system, the judiciary, municipality, etc.)?

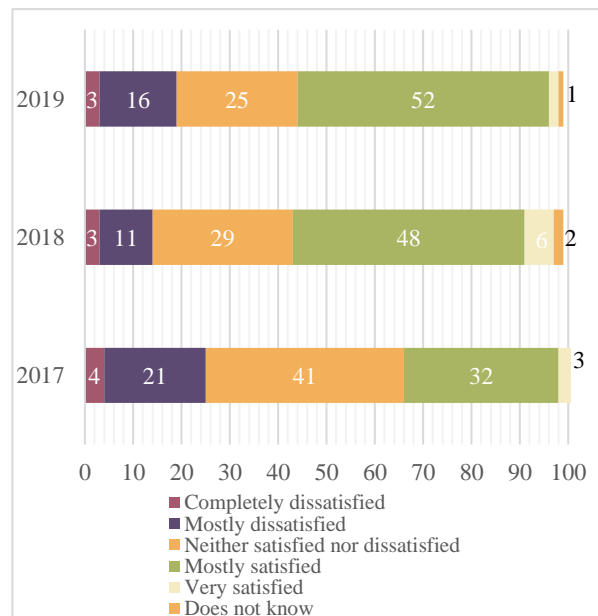


Public services for/to businesses

Selected economy: Serbia

Selected years: 5 of 5 selected

D 1.4.1 How satisfied are you with the public services for/to businesses?



Graph 9. Perception of the results, according to the Balkan Barometer

Digitalisation and e-Government development are important results from the preceding period and are the Government priorities.⁴¹ **Shifting the focus from the PA regulatory to the service role** is yet another effect of digitalisation. Contact centres were open to enable e-sharing of the data between governmental bodies and citizens (G2C), governmental bodies and businesses (G2B); web-portals of the Government and public administration bodies were made more citizen-oriented, the Serbian–Korean Information access centres (hereinafter: SKIP, IT

⁴¹ Programme of the Government of the Republic of Serbia, Prime Minister candidate Ana Brnabić, chapters III and V, 28 June 2017, see: https://www.srbija.gov.rs/view_file.php?file_id=2148&cache=sr.

access centres for citizens and PA) were open and they operate successfully.⁴² On the other hand, digitalisation was a measure to mitigate risks and challenges faced by the administration, such as shortage of staff, need to “do more with less“ in line with World Bank analyses⁴³ or the challenge of a lack of quality data for analyses or fact-based policies.

The added value of the PAR is in the numerous activities towards a paper-free administration (for example: Measures 1.4, 4.1, 4.2, 4.3 and 5.1 in the PAR Strategy AP 2018–2020) as e-Government measures additionally contributing to environmental protection, on top of the final objective of delivering high quality services to citizens and businesses,⁴⁴ with estimated savings achieved by digitalisation and simplification of procedures, such as on-line enrolment of children to Belgrade kindergartens (‘this service will contribute to savings in the Budget of the City of Belgrade which earmarked expense for the printing of over 35,000 paper forms for children’s enrolment to kindergartens’⁴⁵), cancelling the use of seals for businesses⁴⁶ and the like.

The implementation of **fiscal consolidation measures** has provided the **fiscal framework for reforms in various sectors**.⁴⁷ The Report on the Implementation of the Public Financial Management Reform Programme 2016–2020 (hereinafter: PFMRP) from December 2015 to June 2017 reads as follows: ‘measures of fiscal consolidation and structural reforms helped the Government of the Republic of Serbia to establish a stable public financing and stable economic environment, as substantiated in 6 reviews of stand-by arrangements with the International Monetary Fund [hereinafter: the IMF], improved the credit rating of the Republic of Serbia and helped the favourable evaluation of reforms implemented by all the relevant international financial institutions’.⁴⁸

‘Fiscal consolidation together with the broader programme of related structural reforms was initiated in October 2014, establishing the framework and the context for the PFMRP and its implementation. The fiscal deficit was reduced from 6.6% at the end of 2014 to 1.3% in 2016, while 1.7% surplus of the annual GDP was reported in the first 8 months of 2017. The results were achieved through well balanced series of measures with a reduction of expense and an increased revenue. Combined with improved investment climate and better credit rating, Serbia managed to attract foreign direct investments of close to EUR 2 billion a year, more than the

⁴² Contact centre for public administration G2G intended for two-way communication with staff of public administration and local self-government units <https://www.ite.gov.rs/tekst/1836/kontakt-centar-za-javnu-upravu-g2g.php>. The new Government website is designed and implemented for easier communication with citizens, as a contact centre for the citizens <https://www.srbija.gov.rs/>. The Serbian–Korean Information access centre (SKIP centre) is a part of the MPALSG; the Government of the Republic of Korea pronounced it the best globally among 53 centres of similar type worldwide. The news story is available at: http://skipcentar.rs/sr_RS/vesti/skip-centar-kao-najbolji-na-svetu-proslavio-jubilej/.

⁴³ World Bank, 2009, Serbia: *Doing More with Less*, available at: <http://documents.worldbank.org/curated/en/232431468307518668/Srbija-Kako-sa-manje-uraditi-vise-suocavanje-sa-fiskalnom-krizom-putem-povecanja-produktivnosti-javnog-sektora>.

⁴⁴ PAR Strategy AP 2018–2020 (*The Official Gazette of the Republic of Serbia*, No. 54/18), available at: http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/prilozi/akcioni_plan.pdf&doctype=reg&abc=cba&eli=true&eliActId=426300®actid=426300 and the PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 28, available at: <http://mduLSG.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf> (in Serbian) and <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-EN.pdf> (in English).

⁴⁵ News post, 5 December 2019: https://www.euprava.gov.rs/vesti/224/nova_elektronska_usluga_-_online_prijava_dece_u_vrtice_gradanima_beograda_dostupna_od_9-_maja.html.

⁴⁶ News post, 5 December 2019, available at: <https://naled.rs/vest-ka-administraciji-bez-suvvisnih-papira-1165>.

⁴⁷ It should be noted that negotiations on the economic programme to support a three-year stand-by arrangement with the IMF started only after the enactment of the current PAR Strategy in November 2014, all in order to achieve financial consolidation, available at: <https://www.imf.org/en/Countries/SRB>.

⁴⁸ Report on the Implementation of the Public Financial Management Reform Programme 2016–2020 for the period from December 2015 to June 2017, see the Pooled Review (Aggregate Overview), available at: <https://www.mfin.gov.rs/UserFiles/File/strategy/PFM%20IZVESTAJ.pdf> (in Serbian) and <https://mfin.gov.rs/UserFiles/File/strategije/PFM%20REPORT.pdf> (in English).

current account deficit. The practice of programme budgeting (introduced in 2015 for all budget beneficiaries) has been improving year after year...'.⁴⁹

In addition to the above benefits resulting from the fiscal consolidation programme, a programme of public administration and employment freeze was being conducted in parallel.⁵⁰ From 2013 to 2019, the number of employees was reduced by 9.42%,⁵¹ but the analyses conducted over the same period show that “contrary to the expectations of the public, the number of employees on the general public administration level per capita in the Republic of Serbia is among the lowest in Europe (7 employees:100 people versus the average of 8 employees:100 people among the new EU Member States).”⁵² At the same time, functional analyses of the World Bank have suggested that the problems are not in the numbers, but in the overlapping of functions, vacant posts or insufficiently well distributed staff in the core jobs and support jobs.⁵³ An action plan for the optimisation was written following the World Bank recommendations,⁵⁴ as well as an Analysis for the pooling of functions of strategic, operational and financial planning and internal control with recommendations for regulation amendments, a Feasibility Study for the optimisation of the organisational structure of public administration bodies in Government services and in technical services of administrative districts, and a Status Analysis in the area of human resource management with a recommendation for staff retention.⁵⁵ All these documents were adopted by the Public Administration Reform Council (hereinafter: the PAR Council) in 2018 and they were incorporated into the PAR strategic framework, i.e. the PAR Strategy Action Plan. However, the reform was not implemented within the set timeframe.

Achieving a balance between adequate administrative capacities (which are highlighted in all **negotiating chapters**) and an **optimised public administration, professional administration as an effective service for citizens and reduced administrative cost** will remain a challenge in the upcoming reform period. The first PAR Strategy AP 2015–2017 underlined the following: ‘...at the same time, in the second half of 2014, a much more prominent role of the public administration reform was announced in the process of accession of the Republic of Serbia to the EU. The first meeting of the PAR Special Group was held on 23–24 October 2014 which clearly highlighted PAR’s importance to Serbia’s efforts to joining the EU – which was subsequently confirmed in the EU 2014–2015 Enlargement Strategy that

⁴⁹ Report on the Implementation of the Public Financial Management Reform Programme 2016–2020 for the period from December 2015 to June 2017, see the Executive Summary, available at:

<https://www.mfin.gov.rs/UserFiles/File/strategy/PFM%20IZVESTAJ.pdf> (in Serbian)

and <https://mfin.gov.rs/UserFiles/File/strategije/PFM%20REPORT.pdf> (in English).

⁵⁰ Link to the website relating to the rationalisation process: <http://www.pracenjereformi.info/>.

⁵¹ According to internal records of the Ministry of Public Administration and Local Self-Government, and on the basis of data contained in the Central Register of Mandatory Social Insurance, the number of staff in the public sector employed for an indefinite term, stipulated in the Law on Determination of the Maximum Number of Staff in the Public Sector was reduced in public administration bodies in the period from December 2013 to October 2019 (period of new employment ban) by 48,556 (i.e. by 9.42%).

⁵² *Modern state – a cost-effective state: how much, how and why?* (original title in Serbian: *Moderna država – racionalna država: koliko, kako i zašto?*), position paper, MPALSG, June 2015, p. 9, available at:

<http://pracenjereformi.azurewebsites.net/Dokumenta/ModernaDrzava.pdf>

⁵³ Analyses are accessible at: <http://upravljanjepromenama.gov.rs/horizontalna-funkcionalna-analysis/>, and horizontal functional analysis at: <http://upravljanjepromenama.gov.rs/wp-content/uploads/2019/01/HFR-of-CA-Diagnostic-Report-April-2016.docx>.

⁵⁴ Action Plan for Optimisation on the basis of World Bank recommendations, see: <http://upravljanjepromenama.gov.rs/wp-content/uploads/2019/02/Akcioni-plan-za-optimizaciju-na-osnovu-preporuka-iz-documenta-Svetske-banke-Horizontalna-funkcionalna-analysis-20dec2017final-1.pdf> and http://upravljanjepromenama.gov.rs/wp-content/uploads/2019/02/Akcioni-plan-HFA_tabelarni-prikaz-srpski-jezik.xLSGx.

⁵⁵ Analyses and Guidelines to integrate the functions of strategic, operational and functional planning and internal control with recommendations for regulations amendment. Feasibility Study for optimisation of organisational structure of public administration bodies in Government services and technical services of district administration. Status Analysis in the area of human resource management with recommendations for staff retention are accessible at: <http://upravljanjepromenama.gov.rs/indikator/>.

identified PAR as one of the three reform pillars for joining the EU, together with the rule of law and economic management. The final confirmation of the EU's new approach to public administration reform comes as the Principles of Public Administration prepared and published by the EC in cooperation with SIGMA, an OECD program'.⁵⁶ In that same period, the opening of negotiating chapters was initiated, suggesting an increased volume of work and a need for more civil servants and new profiles and expertise necessary in the accession process. Aside the shortage of employees and pertinent knowledge, there was another challenge: that of burdening a part of the administration. Most notably, the administration spent more time on everyday routine tasks, having less time to dedicate to reform activities, and '...the action plans contain[ed] a relatively high share of activities which [we]re not reform-oriented (on the average in three documents only 69% of the activities [we]re reform-oriented)... [meaning] that one third of the 388 activities in those plans [wa]s oriented towards process or everyday operations, instead of reforms'⁵⁷.

For the public administration reform strategic framework, it is important to note that **a coordinating, managerial structure together with regular monitoring, reporting and evaluation functions were established in the area of public administration reform** (for details, see Chapter *Institutional Framework – Coordination, Management and Reporting*), i.e. continuity in coordination and reform monitoring in the area of PAR. In addition to regular reporting, an external evaluation of the results achieved by the 2014 PAR Strategy was conducted. The findings and the recommendations of that evaluation were supported by the PAR Council adopting a Conclusion with a recommendation for their operationalisation, and instructing the MPALSG and the PPS – as the competent bodies – to initiate the process of drafting a new PAR Strategy to cover the period after 2021, which would focus on a) policies of service delivery, human resource and capacity management, and b) improving coordination in the public administration reform implementation and monitoring, with a further harmonisation of all public policy documents in the area of PAR. Individual recommendations remained the basis for the formulation of specific objectives and measures through the work of the Special Working Group entrusted with drafting the new PAR Strategy. It was agreed that the new PAR Strategy would be designed around the thematic areas of the EU/OECD Principles of Public Administration, in order to link the process with the EU-integration process even more tightly, i.e. to align the process of the national and the EU monitoring in this area. The work of the Special Working Group has been defined in Appendix 4: The process of preparing the PAR Strategy and description of the consultation process. What is more, the whole process followed the cycle of public policy management incorporated in the LPS. Therefore, the new PAR Strategy follows elements of the LPS.

⁵⁶ Appendix 0.1, Strategic Base and Concept, Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia for the period 2015–2017, p. 45, available at: http://mduLSG.gov.rs/wp-content/uploads/AP_PAR_final_version-2015-2017.pdf.

⁵⁷ *Monitoring Report: The Principles of Public Administration – Serbia*, November 2017, OECD/SIGMA, p. 11, available at: <http://www.sigmaxweb.org/publications/Monitoring-Report-2017-Serbia.pdf>.

Appendix 2: Situation analysis of each thematic area, options impact assessment report, and description of measures

At a meeting of the Umbrella Working Group – represented by officials and persons in office –, the new strategic framework for the public administration reform was defined. The scope and the structure of this new framework was set around six thematic areas of the public administration reform:

- Public policy planning and coordination,
- Human resource management,
- Public service delivery,
- Accountability and transparency,
- Public financial management,
- Local self-government system.

Three of the thematic areas (human resource management, public service delivery, and accountability and transparency) have been covered in more depth, and elaborated further through the PAR Strategy Action Plan. An operational plan of coordination of the public administration reform implementation, too, has been designed and made part of the new strategic framework.

For the three thematic areas mentioned, a detailed impact assessment and costing were done. Service delivery policy will be incorporated into the new PAR once the e-Government Development Programme expires (2022). Public policy planning, public financial management, and local self-government system will continue to be included in and developed through designated programmes, for which reason specific objectives and courses of action have been developed [in this strategy] as well. However, the corresponding measures and impact assessments will be developed and implemented through designated programmes.

A summary of situation analyses of all 6 thematic areas is shown in the SWOT matrix below, whereas a detailed problem analysis for each of the thematic areas, including an overview of comparative practices, is available under each respective heading/chapter.

As shown in graph 10, this new PAR Strategy has eight specific objectives, three for the thematic area of human resource management and one for each of the remaining thematic areas. All objectives and measures – if elaborated in the present strategy – come with performance assessment indicators and costing.

Table 2. SWOT Matrix

PUBLIC POLICY PLANNING AND COORDINATION

STRENGTHS

- Foundation of the legal and institutional framework for the planning system has been laid – the adoption of the Law on the Planning System and two accompanying regulations laid the foundation for the development of a coherent system of public policy planning in the country
- Unified Information System for Public Policy Planning, Implementation Monitoring, Coordination and Reporting (UIS)
- Positive progress in quality of regulations achieved owing to impact assessment
- Expertise exists in state administration bodies – in the previous period, expertise in public policy development based on data and analyses was built in state administration bodies

OPPORTUNITIES

- Action Plan for the Implementation of the Government Programme (APIGP) – a mechanism piloted in 2014–2015 and fully established in 2016 – is a model that can be replicated and applied across the entire civil service
- Implementation of medium-term planning
- Full UIS application and connectivity with the Information System for Budgeting
- Condition of accession to the European Union – the EU has made improvement of the public policy planning system a condition for Serbia

WEAKNESSES

- Lack of analytics capacity in public administration bodies, analytics units not formed
- Non-conformity of the planning framework, poor quality of policies
- Significant number of statutes adopted through expedited procedure
- Unsystematic data collection and inadequate use
- System of measuring and evaluating results of/in the public administration not established – in developing public policy document, civil servants continue to focus on processes instead of public policy outcomes and impact.
- Underdeveloped practice of systemic and transparent consultations from the very beginning of the planning documents and regulations development process
- Overly ambitious planning
- Slow tempo of the LPS implementation in terms of medium-term planning

THREATS

- Civil servants focused on form over substance
- Non-compliance with the Law on the Planning System
- Lack of financial resources

HUMAN RESOURCE MANAGEMENT

STRENGTHS

- Previous experience in PAR implementation, and especially in human resource management (specific knowledge)
- Legal framework (Law on the Salary System, Law on Civil Servants and accompanying regulations, Law on Employees in the autonomous province and LSGUs)
- New institutional framework for professional development
- An introduced system of competencies in state administration
- Established procedures
- Enabled greater mobility through the internal labour market

OPPORTUNITIES

- EU integration
- IPA funds, transition to structural funds; projects (GIZ, CoE, EU, GGF, SCTM...)
- Public administration as a desirable employer
- Digitisation and IT development
- E-government, development of e-learning

WEAKNESSES

- Lack of personnel plans, “non-planning of personnel”, non-filling of vacancies, out-of-date databases
- Internal organisation and civil servants’ competencies not in line with EU requirements, lack of understanding of the new role of HRM in public administration
- Unspecified competence and role of HRM units, overburdened HRM procedures
- Outflow of highly professional, experienced staff and lack of staff retention measures
- Common practice of making “acting” appointments and hiring through non-employment contracts, while outsourcing core business functions
- Professional development system in the initial phase
- Insufficiently developed programmes for special professional development in state administration bodies and LSGU

THREATS

- Fiscal consolidation, rationalisation
- Resistance to changes, a negative attitude toward the reform and inconsistent implementation of laws
- Limited financial resources
- Public administration perceived as non-competitive employer
- Political influence on HRM policy (in certain parts of the administration)

SERVICE DELIVERY

STRENGTHS

- Developed legal framework for e-government development
- The number of bodies on the service hub and users of the redesigned e-Government Portal is growing
- Developed legal and strategic framework for simplification of administrative procedures and proceedings
- Accumulated expertise and experience in individual state administration bodies
- Political support from the Government

OPPORTUNITIES

- Donor interest (especially from the EU) in public administration reform with a special focus on providing services to citizens and businesses, for which it is necessary
- Cooperation with partners from the private sector in improving the quality of delivered services
- Increasing digital literacy

WEAKNESSES

- No definition of *service delivery* and lacking policies in this area
- Poor quality of delivered services, uneven accessibility and practice of public administration, high costs of delivering services
- Unbuilt capacities, inertia of civil servants in performing tasks, ignorance and inertia of service users for the use of improved services
- There is no system for monitoring, evaluating and reporting on the quality of delivered public services
- Complex communication and coordination between state administration bodies
- Inefficient allocation of limited resources to improve services
- Different levels of quality and digitisation of the most important registers

THREATS

- Fiscal consolidation policy reflected in the lack of financial/human resources to implement reform processes

ACCOUNTABILITY AND TRANSPARENCY

STRENGTHS

- Legal framework (LPS, Law on budget system, Rulebook on common criteria and standards for establishing, functioning and reporting on the financial management system and control in the public sector - PIFC Rulebook, Manual for financial management and control –PIFC Manual, Guidelines for managerial accountability, Guidelines on delegation, as well as relevant laws in the field of HRM)
- Establishment of the Open Data Portal
- Civil guide through the budget of the Republic of Serbia
- eLAP, eInspector, eBaby and a unique information system of the local tax administration

OPPORTUNITIES

- Amendments to the acts on job classification and internal organisation – in order to more clearly define the lines of accountability and reporting, competences and authorities
- National Academy of Public Administration – the possibility of targeted and continuous training of employees, training of managers, online training
- Good quality of financial management – experience that can be shared with other public administration bodies, updated handbooks on financial operations and control
- Better risk management – better performance, development of risk registers
- Analytical units

WEAKNESSES

- Concentration of managerial accountability, without established lines of accountability and reporting
- Overlapping lines of accountability
- Inadequate acts on job classification and internal organisation
- Poor coordination of key institutions in the area of accountability and transparency
- Poor implementation of mechanisms important for preventing corruption and strengthening integrity
- Civil servants focused on form over substance

THREATS

- Slowdown in economic growth – a decline in fiscal revenues that may slow down the implementation of the reform
- Lack of political commitment to public administration reform
- Outflow and fluctuation of staff – salaries are not the only motive for remaining in the civil service, the lack of motivated and competent officers who could take responsibility
- A large number of documents marked as confidential
- Hesitation to introduce delegation of work and fear of losing influence in decision-making
- Non-compliance with legal documents and procedures in practice
- Lack of strict rules and results-oriented reporting
- Avoidance of accountability
- A large number of documents are classified

PUBLIC FINANCIAL MANAGEMENT

STRENGTHS

- Improved credibility of fiscal policy and public financial management after successful fiscal consolidation
- Continuity of the PA and PFM reform processes; Enhanced legal framework governing PAR/PFMRP
- Progress in programme budgeting
- A fully functional eProcurement system has been established
- Regulatory framework for PIFC established, with increase of educational material
- Regular monitoring of PIFC
- Most relevant institutions of the Republic of Serbia are aligned with international principles and covered by internal audit
- Accumulated experience from the previous period

OPPORTUNITIES

- Macroeconomic and fiscal stability as a favourable baseline for long-term planning
- Interest and significant financial and technical support from donors and international institutions
- Harmonisation and integration of the entire PAR/PFM strategic framework in accordance with the LPS and accompanying bylaws
- Synergy with the European integration process

WEAKNESSES

- Insufficient number of employees as a consequence of the employment ban during fiscal consolidation and high employee departure rates
- Slow transformation of the Tax Administration
- Insufficient level of expertise of employees due to the specificities of the knowledge needed to improve the PFM
- Lack of awareness of managerial accountability and developed performance management practices
- Incompatible and unconnected IT systems relevant for PFM processes

THREATS

- Negative impact of Covid-19 pandemic
- Insufficient political commitment to PFM reforms
- Insufficient commitment and resistance to change by institutions relevant to the implementation of PAR/PFM activities
- Possible conflicts of interest of the SABs in terms of control over certain areas of PA/PFM reform

LOCAL SELF-GOVERNMENT SYSTEM

STRENGTHS

- Political support for decentralisation
- Local issues are always high on the political agenda
- Establishment of the National Academy for Professional Development, the Council for Professional Development and the SCTM network for personnel management
- LAP, Law on Public Property, Law on the Planning System

OPPORTUNITIES

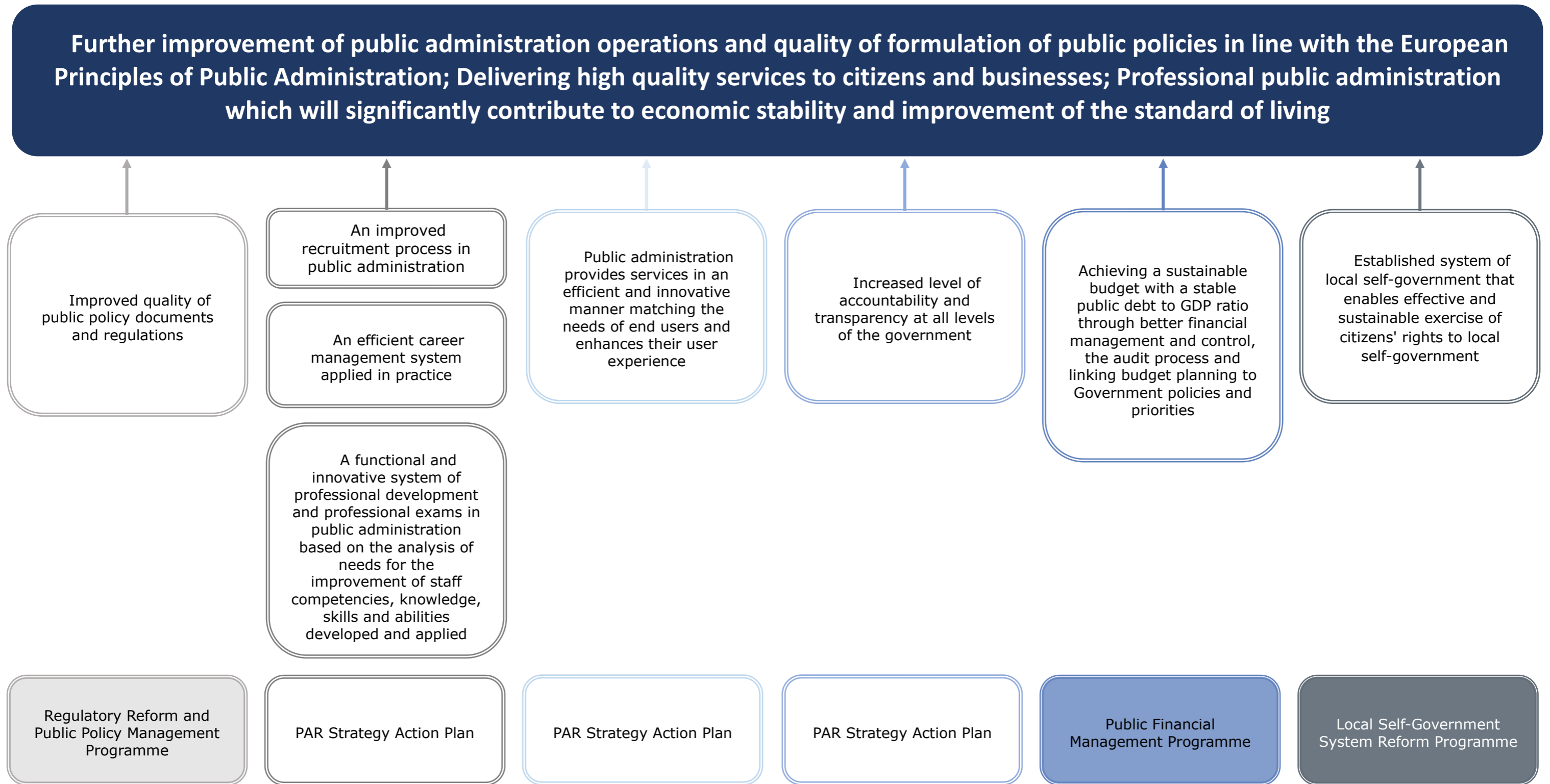
- Potential for generating economic growth at the local level
- Development of eGovernment at the local level
- Improving the technical conditions for efficient work of local self-government units in the implementation of their tasks and competences

WEAKNESSES

- Asymmetric decentralisation established by the Constitution
- Adopted changes to the legal framework or newer legal solutions have not been implemented fully
- Reform of the local government financing system is still ongoing, long-term planning is difficult, especially capital investment planning
- Insufficient professionalisation of local government and coordination of professional development at the local level
- Uneven regional development
- The work of public services at the local level is hampered by insufficient capacity
- Unsatisfactory dialogue between different levels of government

THREATS

- Regional migrations within the Republic of Serbia
- Economic migrations outside the Republic of Serbia
- Political sensitivity of appropriate changes to the legal framework



Graph 10. Objectives tree – PAR Strategy overview

PAR Strategy Outcome Indicators

Table 3. PAR Strategy outcome indicators

PAR Strategy outcome indicators	BV	2021	2022	2023	2024	2025	2027	2030
PUBLIC POLICY PLANNING AND COORDINATION								
Regulatory quality indicator – World Bank ranking	60.10 (2019)	61	62	63	64	65	67	70
Indicator of alignment and quality of policy planning	-	-	3	4	4	5		
HUMAN RESOURCE MANAGEMENT								
Meritocracy and effectiveness of recruitment of civil servants (SIGMA principle)	3 (2019)	3	4	4	4	4	5	5
Degree to which the career management system for the civil service is developed	1 (2020)	1	1	2	3	4	4	4
Degree to which the system of professional development in public administration is normatively and practically based on the analysis of needs for the advancement of knowledge and skills, i.e. competencies of employees in public administration	1 (2019)	3	3	3	4	4	5	5
SERVICE DELIVERY								
SIGMA's average score for service delivery for all four pillars (SIGMA Monitoring Report)	3 (2019)	4	4	4	4	5	5	5
The GDP share of the administrative burden of citizens and businesses	3.11% (2018)	3.00%	2.90%	2.85%	2.80%	2.75%	2.55%	2.40%
ACCOUNTABILITY AND TRANSPARENCY								
EC's annual assessment of progress in the area of accountability	No	No	Yes	Yes	Yes	Yes		

SIGMA indicator: accessibility of public information	21/30 (2017)	22/30		24/30		30/30 (5)		
PUBLIC FINANCIAL MANAGEMENT								
Real growth of gross domestic product (GDP)	-1% (2020)	6.0%	4.0%	4.0%				
General government debt in GDP	59% (2020)	58.7%	57.9%	56%				
LOCAL SELF-GOVERNMENT SYSTEM								
Compliance of the local self-government system with the key principles of the European Charter of Local Self-Government	3 (2020)	3	-	3	4	4	5	5
Share of LSG expenditures and consolidated public expenditures in the Republic of Serbia	14.75% (2019)	15.00%	15.50%	16.30%	17.00%	18.00%	19.00%	22.00%
The capacity of LSGUs to implement the principles of good governance	39% (2918)	43%		50%		55%	65%	70%
Availability and quality of implementation of priority public services by LSG		-	-	Index developed	To be determined in 2023	To be determined in 2023	To be determined in 2023	

1. Public policy planning and coordination

Situation analysis

Legal and strategic framework

The strategic framework for the reform of the public policy management system and the regulatory reform is established in two key public policy documents. The first one is the **2014 PAR Strategy**, whose Specific objective 1. Improvement of organisational and functional public administration subsystems, measure 1.3. Improvement of the Government public policy system management (planning, analysis, drafting, enactment, monitoring and evaluation, and coordination), provides for the public policy planning and coordination as one of the priority PAR areas. The other, more thorough key planning document is the **Regulatory Reform and Improved Public Policy Management Strategy 2016–2020** (*The Official Gazette of the Republic of Serbia*, No. 8/16)⁵⁸, which defines its overall objective as the establishment of an efficient and effective system of public policy management and a legislative process based on data and facts and the principles of good regulatory practices. After the expiry of this Strategy, in late 2020, the Regulatory Reform and Public Policy Management Programme is to enter into force. A specific objective of the Strategy concerning the simplification of administrative procedures and establishment of a system for continuous monitoring and tracking of administrative costs faced by business and citizens is elaborated in the “e-Paper” **Programme**. For the first time, the “e-Paper” Programme comprehensively tackles the reforms aimed at the improvement of the business environment by reducing the administrative burden of businesses, and the improvement of public services by raising the efficiency of administrative procedures – which in turn requires their systematic streamlining (revoking the unnecessary ones, simplifying the others and digitalising the most frequently used ones) – and by creating a Central Public Registry of Administrative Procedures and Business Requirements, which would provide all the necessary information for administrative procedures relevant for businesses.

The institutional framework for public policy system management was set up in Article 33 of the Law on Ministries (*The Official Gazette of the Republic of Serbia*, Nos. 44/2014, 14/2015, 54/2015, 96/2015 – as amended, and 62/2017), which established the Public Policy Secretariat (hereinafter: PPS). Article 33 of the Law stipulates that the PPS shall provide expert support to the Government and the state administration in planning, adoption and coordination of public policies and implementation of the regulatory reform. In addition, the PPS ensures conformity of planning documents and regulations and controls the implementation and the quality of impact assessments of public policy documents and regulations. The PPS carries out supporting technical tasks relating to the implementation of the regulatory reform and a regulatory impact assessment prepared by ministries and special organisations⁵⁹. The General Secretariat of the Government prepares acts which allow the Government to oversee, guide and align operations of ministries and special organisations, and ensures the enforcement of Government acts which regulate the obligations of the ministries and special organisations.⁶⁰

As a result of the implementation of the Regulatory Reform and Improved Public Policy Management Strategy 2016–2020, over the last two years of its validity period, the regulatory framework of the unified system of planning, implementation, monitoring and evaluation of

⁵⁸ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2016/8/1/reg>.

⁵⁹ The purview of the PPS is governed by Article 38 of the current Law on Ministries (*The Official Gazette of the Republic of Serbia*, No. 128/20).

⁶⁰ Regulation on the General Secretariat of the Government (*The Official Gazette of the Republic of Serbia*, Nos. 75/05, 71/08, 109/09), Article 4.

public policies impact in the Republic of Serbia was completed⁶¹: in 2018, the **Law on the Planning System of the Republic of Serbia** was adopted (*The Official Gazette of the Republic of Serbia*, No. 30/18), and two regulations for its implementation (*The Official Gazette of the Republic of Serbia*, No. 8/19)⁶² were adopted in early 2019. Thus, a coherent legal framework for development planning, public policy planning and medium-term planning was introduced for the first time. Considerable progress was made in the regulatory reform, by improving the system for preparing new legislation and legislative amendments: the LPS and the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents (hereinafter: Regulation) provide a detailed framework for the implementation of a regulatory impact assessment, introduce the obligation to carry out a regulatory impact assessment of laws and by-laws adopted by the Government, and provide for an **MSP Test** that has been developed and published and a **Gender Equality Test** that is in the piloting phase, as elements of the regulatory impact assessment. In addition, the **Manual for the Regulatory Impact Assessment** has been drawn up, as well as the **Manual for Mid-term Planning, The manual for Policy Costing, The Manual for public participation in planning, preparation and monitoring of the implementation of public policies and regulations**. In 2018, as a part of the implementation of the Regulatory Reform and Improved Public Policy Management Strategy 2016–2020, an inventory of all administrative procedures for businesses was compiled (with over 2,600 procedures on the national and provincial levels), the development of the Central Public Registry of Administrative Procedures was initiated, drafts of legal acts governing its functioning were prepared, an Administrative Cost Calculator was developed, and the administrative burden of businesses was measured in 2016 and 2018.

The PPS evaluates the impact assessment of public policies and regulations, and, as appropriate, advises their proponents on completing the impact assessment, and provides methodological support in the drafting process. Also, PPS gives comments to legal solutions that might have detrimental effects for citizens and the economy. On several occasions during 2019 and 2020, the Republic Secretariat for Legislation and the ministry in charge of financial affairs advised proponents of public policies and regulations to complete their proposals in line with the LPS.⁶³

The regulatory framework for public debates and consultations with stakeholders (civil society organisations, citizens and businesses⁶⁴) has been improved with the amendments to the Law on State Administration (Article 77) (*The Official Gazette of the Republic of Serbia*, Nos. 79/05, 101/07, 95/10, 99/14, 47/18 and 30/18 – as amended) and the enactment of the LPS, which require public participation to be enabled in all the stages of the process of drafting public policy documents and regulations. In addition, inclusion of civil society organisations in an early stage of the preparation of public policy documents and regulations was encouraged by

⁶¹ EC Progress Report for Serbia 2019, p. 11. PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 13.

⁶² Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents, and Regulation on medium-term plan drafting methodology.

⁶³ In 2020, the PPS issued opinions on 87 draft laws, of which 33 (38%) required conducting impact assessments. Of that number, 15 draft laws (45%) contained complete impact assessments, whereas 18 (55%) contained partial impact assessments. In the same period, 215 opinions were issued on proposed regulations, of which 52 proposals (24%) required conducting impact assessments. Of that number, 30 proposals (57.7%) contained complete impact assessments, 16 proposals (30.8%) had partial impact assessments, and six proposals (11.5%) had insufficient impact assessments. In 2019, out of 23 adopted laws requiring impact assessments which were submitted to the PPS for opinion, seven laws contained complete impact assessments (30.4%), and out of the 36 adopted regulations requiring complete impact assessments which were submitted to the PPS for opinion, 21 met this requirement (58.3%). In 2020, 13 PPD proposals requiring impact assessments were submitted to the PPS for opinion. Of that number, six PPDs contained complete impact assessments (46.1%) and seven partial ones (53.8%). In 2019, 14 PPDs were adopted, of which two (14.3%) had incomplete impact assessments.

⁶⁴ Economic operators are companies and entrepreneurs.

adopting the Guidelines for the inclusion of civil society organisations in working groups for the preparation of proposed policy documents and their drafts or draft regulations⁶⁵, a document which promotes a transparent and inclusive approach to the cooperation with the civil society in public policy making.

Results and challenges

Although state administration bodies have made notable progress in drafting public policy documents in terms of methodology, and thus the contents of proposed public policy documents are largely compliant with the Regulation, the quality of strategic planning is still deemed to be low⁶⁶, which is one of the biggest limitations on the ability of public policies to achieve a positive impact on the society.

One of the main causes of the gaps in the development and monitoring of impact of public policies and regulations are **insufficient human capacities**. The first problem is an **insufficient number** of persons engaged in drafting public policy documents and regulations, in view of the complexity of the methodology for such drafting, including the legal obligation to carry out an impact assessment of public policies and regulations, as well as a wide consultation process in all stages of their drafting. The lack of human capacities is partially a result of the hiring freeze in the public sector. As long as it is in force, it remains an objective limitation on the ability to improve the situation in this area.⁶⁷ In addition, state administration bodies still do not have officially designated organisational analytics units for strategic planning which would respond to this challenge, and data analysis jobs (data collection and processing) have not been clearly defined yet.

In addition to an insufficient number of public employees, another problem is their **insufficient knowledge of analytical tools** which are necessary for the preparation of analyses,⁶⁸ the fact that the public administration **is not using adequate data**, and the fact that the data collection is not systematic.⁶⁹ This has both reduced the volume of information used for fact-based decision making, and limited the monitoring of the impact of public policies. Public administration **is still not focused on impact and outcome measurement**, and reporting is frequently reduced to reporting on the implemented activities.⁷⁰ This is a result of an **insufficient coverage of implemented training** aimed at an increase of analytical skills of public employees. In 2019 and 2020, a public policy management training needs analysis was carried out within the framework of complementary support for the public administration reform; manuals⁷¹ and training modules were developed, covering the entire public policy management cycle – from planning and impact assessment of public policies and regulations, to estimating the costs of their implementation, to public participation, and finally, to monitoring and reporting on the implementation and its results.⁷² The reasons for the

⁶⁵ Guidelines for the inclusion of civil society organisations in working groups for the preparation of proposed policy documents and their drafts or draft regulations (*The Official Gazette of the Republic of Serbia*, No. 8/20).

⁶⁶ EC Progress Report for Serbia 2019, pp. 82, 85, 202, available at: https://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/20190529-serbia-report_SR_-_REVIDIRANO.pdf.

⁶⁷ According to the 2019 PAR Strategy External Evaluation Report, the number of public employees has decreased by 48,595 due to the hiring freeze in the public sector (p. 94).

⁶⁸ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 69.

⁶⁹ EC Progress Report for Serbia 2019, p. 9) states that data collection needs to be improved with a view to improving the preparation of public policy documents.

⁷⁰ EC Progress Report for Serbia 2019, p. 11.

⁷¹ Manual for Public Policy Management, Manual for the Regulatory Impact Assessment, Manual for drafting medium-term plans, Manual for determining costs of public policies and regulations.

⁷² Training programmes are implemented in collaboration between the PPS and the National Academy for Public Administration, and should include both training for trainers in this area and training for approximately 500 civil servants.

insufficient coverage of training are: a limited number of trainers and their other duties, inadequate promotion of training in the area of public policy management, insufficient human resources dedicated to this line of work, as well as the fact that trainees are not selected according to the type of work they do. In the upcoming period, the training process needs to be intensified and the number of trainers increased, as the current rate of implementation would not enable the public administration to have the necessary expert capacities for drafting public policy documents and monitoring their implementation.

In addition to missing or inadequate human capacities, the **resistance of state administration bodies** to the changes⁷³ involved in the public administration reform is also decelerating such changes. This partially refers to the introduction of performance measurement for state administration bodies, since civil servants fear that this would result in a higher burden of responsibility for them.

Policy coordination faces many formal and procedural challenges.⁷⁴ The LPS stipulates that previously adopted public policy documents shall be aligned with the prescribed methodology on the occasion of their first amendment (Article 55 of the LPS). Consequently, they have not all been aligned with the prescribed methodology, and thus have not been given their place in the planning document hierarchy. The practice of reporting the results of their implementation is also not sufficiently developed yet. Therefore, an umbrella strategy needs to be developed in the upcoming period for each area of public policy planning and implementation as defined in the Regulation, which would improve, synchronise and hierarchically organise planning areas.

The **non-alignment of the planning framework** makes prioritisation of objectives more difficult and affects the financial planning of institutions. Although the expenditures in the Budget of the Republic of Serbia are structured according to the programme classification, the link to strategic planning and priorities set out in the Government Programme remains weak.⁷⁵ The level of ambition and scope of impact defined in public policy documents are frequently unrealistic.⁷⁶ Public policy documents are still enacted **without a realistic assessment of the financial capacities** needed for their implementation. **Medium-term planning**, which should provide a direct link between planned public policy documents and the budget, has not been established.⁷⁷ Since medium-term plans are a new obligation imposed by the LPS, it is necessary to intensify the training in the upcoming period, in order for civil servants to gain the necessary knowledge and practice in drafting such plans. This need has already been identified in public administration, and medium-term planning has consequently been incorporated into the training programme. State administration bodies have been using an inconsistent methodology, and consequently, data on funds spent on the implementation of measures and activities have often been unclear and inaccurate, making monitoring and reporting more difficult. In the upcoming period, a more efficient coordination needs to be established between the ministry in charge of financial affairs and the PPS in order to ensure conformity between the approved budgetary funds and the financial data in public policy documents and regulations submitted to the PPS for opinion. In addition, these two institutions established a methodology

⁷³ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 32 and 68.

⁷⁴ EC Progress Report for Serbia 2019, p. 11.

⁷⁵ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 74.

⁷⁶ For example, the 2019 PAR Strategy External Evaluation Report (p. 26) assesses that the PAR STRATEGY and the AP for its implementation are too ambitious. This matches the assessment made in the targeted evaluation of the Regulatory Reform and Improved Public Policy Management Strategy 2016–2020. On the other hand, objectives of certain strategic reforms are not ambitious enough (EC Progress Report for Serbia 2019, p. 75).

⁷⁷ 61% of public policy documents only specify funding sources, while 28.2% also specify funds for achieving the objectives. With complementary assistance of the IPA, three institutions have produced medium-term plans 2020–2022.

for cost calculation that will be used by all state administration bodies for calculating costs of the implementation of public policies and regulations.

Not enough state administration bodies are involved in public policy document drafting, and their mutual communication is still not on the required level. For example, the ministry in charge of financial affairs was insufficiently involved in the preparation of the Action Plan for implementation of the Public Administration Reform Strategy 2015–2017. Consequently, there is no cost assessment for the implementation of the 2014 PAR Strategy.⁷⁸ Also, a **lack of communication** is one of the key factors limiting the efficiency of the 2014 PAR Strategy implementation in 2015–2019.⁷⁹ With the establishment of the APIGP monitoring and reporting mechanism, coordination of public policies has been improved in the country, particularly on the ministerial level. The APIGP has been proven to be an efficient instrument for overcoming certain problems in the coordination of the public administration reform implementation, since some of the 2014 PAR Strategy’s key objectives (rationalisation and optimisation of public administration, e-Government development and service delivery as well as salary reform) are covered by it.⁸⁰

The Unified Information System for Public Policy Planning, Implementation Monitoring, Coordination and Reporting (hereinafter: UIS) has been set up, and public policy documents; have been entered therein since January 2019.⁸¹ This is one of the most important results in terms of the digitalisation of public administration in this area. However, since new public policy documents are not prepared at the same time, and neither are the amendments of the current documents pursuant to the LPS and UIS requirements, more time is needed for full impact of the UIS on the coherence of public policy documents to become visible. Training for UIS users started in December 2018.

In late 2018, the **Local Self-Government Analytical Service** (hereinafter: LSGU) was set up, for the purpose of allowing public policy documents and regulations concerning LSGU to be adopted on the basis of objective facts, as well as to help with compiling LSGU development plans. In the previous period, LSGU formulated its development objectives in sustainable development strategies and/or development strategies (depending on the applied methodology). The contents and elements of these planning documents (strategies, programmes, plans, action plans etc.) are not fully consistent in form and content. Most of these planning documents are too lengthy, unclear and incoherent. In addition, objectives established in some of these documents are imprecise and unquantifiable, and outcome indicators are not clearly defined. This makes it considerably more difficult to implement such planning documents, monitor their implementation, and draw up reports on the achievement of planned results. In the upcoming period, planning needs to be improved in local self-government units by establishing an improved planning framework by adopting development plans with which hierarchically lower-level documents will be aligned. In addition, the Information System for Public Policy Planning, Implementation Monitoring, Coordination and Reporting needs to be established on the local level.

As regards **public inspection of the Government activities**, the LPS prescribes that the Government and the ministries shall prepare and publish monitoring reports on the implementation of planning documents. The Government’s website was revised in October 2018, but it still does not provide an easy access to all documents. The annual Government

⁷⁸ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 24.

⁷⁹ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 78.

⁸⁰ PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 14.

⁸¹ One of the first reports generated using the UIS was the Report on PAR AP 2018.

work plan and the report on its implementation are publicly available at the Government's website.⁸² Quarterly reports on the implementation of the National Programme for the Adoption of the Acquis are regularly published. Due to the lack of adequate reporting, both within the public administration itself and to the citizens, it is frequently the case that neither the public administration nor citizens are sufficiently informed on the objectives of public policy documents implemented by state administration bodies, on the costs of their implementation, or on the achieved results. This results in little public support to policies defined in the documents implemented by state administration bodies and insufficient trust in institutions.

Regulatory reform activities have so far had a limited coverage. At the beginning, the regulatory reform targeted a comprehensive Regulatory Guillotine (2009–2012). According to the Regulatory Reform and Improved Public Policy Management Strategy, the regulatory reform almost fully consisted of improving the regulatory environment for businesses by simplifying administrative procedures and reducing the administrative burden. On the other hand, the quality of regulations has improved mostly as regards the regulatory impact assessment and the consultation process, but **neither was the legislative process systematically reviewed**, nor the elimination of unnecessary regulations continued, having been initiated during the implementation of the first regulatory reform. The scope of these activities needs to be expanded in the upcoming planning cycle. In view of the importance of the regulatory reform for the economic growth and innovations, this would further entail establishing a system for continuous review, revocation, simplification and organisation of legislation concerning businesses⁸³, but would also cover a considerable number of legislation concerning citizens. Regulatory impact assessment should be improved in the upcoming period, particularly as regards harmonisation with EU legislation. This primarily entails the transposition of directives into the Serbian legal system. In addition, a framework for monitoring the regulatory quality and effectiveness needs to be established by carrying out an *ex-post* impact assessment of selected legislation (according to pre-defined criteria), and the quality of initiatives for amending legislation needs to be improved by involving businesses and citizens into the process.

In its annual report on the progress of Serbia in the EU accession process, the EC found the institutional and regulatory environment for businesses in the country weak, and suggested that small and medium-sized enterprises in particular could find themselves in an unpredictable business environment. According to a Balkan Barometer survey conducted by the Regional Cooperation Council, 55% of responding businesses in the Republic of Serbia in 2019 agreed that access to laws and other regulations affecting the businesses was simple; but the percentage of those disagreeing rose significantly (from 13% to 22%) in 2018, suggesting that **regulatory environment had not improved**, and had even gotten worse. This is partially caused by the fact that many laws adopted by the National Assembly are **adopted in an expedited procedure** (44% of the proposed laws from February 2018 to February 2019), and the amended laws adopted by the National Assembly are usually not consolidated by the National Assembly, but by unofficial private sources instead.

In practice, there is an issue of **delays in the drafting and adoption of by-laws**, as well as mutual harmonisation of laws after the National Assembly has adopted an umbrella law. For example, after the adoption of the Law on General Administrative Procedure, there was a delay in the harmonisation of sectoral regulations with this new Law, resulting in increased

⁸² <https://www.srbija.gov.rs/prikaz/370625>.

⁸³ Many EU Member States, as well as the European Union itself, are implementing such programmes in order to improve the competitiveness of their economies. Thus, the European Commission is implementing its REFIT agenda, which streamlines the current European legislation in order to reduce the administrative costs and simplify business operations. Link: https://ec.europa.eu/info/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-and-less-costly_en.

unpredictability of state administration's treatment of businesses and citizens. In addition, a delay in the adoption of by-laws made the application of the Law more difficult.

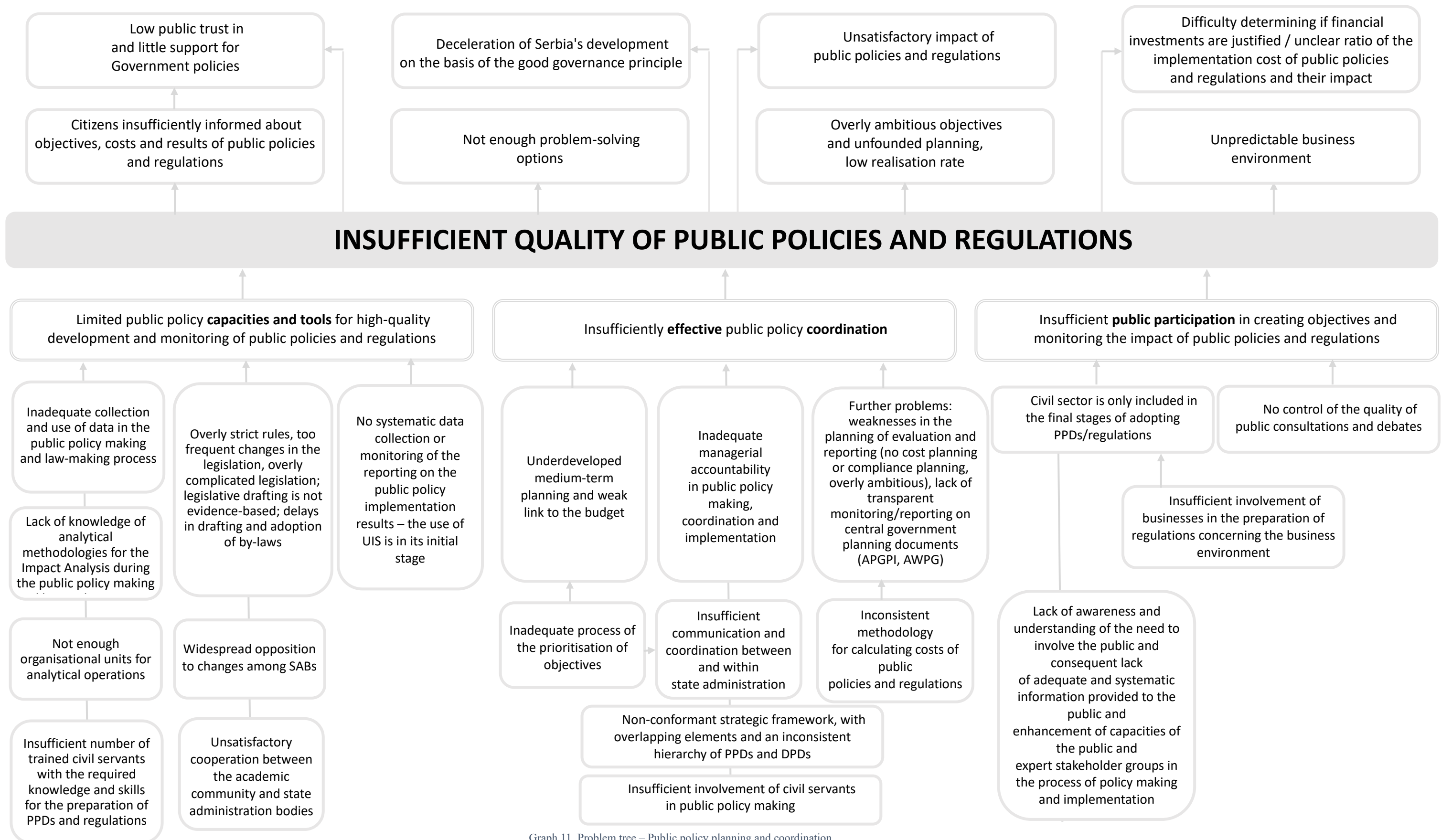
Although the adoption of the LPS has brought about a shift towards the integration of stakeholders into the system of preparing public policy documents and regulations, in practice the **stakeholders are still insufficiently involved** in this process.⁸⁴ The role of civil society organisations is limited, and they are frequently involved only in the final stages of the preparation of public policy documents and regulations.⁸⁵ One of the reasons for this is the fact that a draft law or public policy document can, in practice, proceed to the adoption procedure, even if a report on consultations is not included, or even if no consultations took place at all, regardless of the fact that the PPS has notified the proponent that such a report should be compiled and submitted. Referring a piece of legislation to the National Assembly for adoption in an expedited procedure also affects the extent of public participation in the law-making process.⁸⁶ Therefore, new methods need to be established for public participation in the process of preparing public policy documents and regulation, and substantial rather than nominal consultations with public stakeholders should be ensured.

⁸⁴ According to the PPS, in 2020: the share of draft laws on which consultations were held in the total number of draft laws submitted to the PPS for opinion was 54.28%; the share of adopted laws on which consultations were held in the total number of adopted laws requiring consultations was 35.71%; the share of proposed regulations on which consultations were held in the total number of proposed regulations submitted to the PPS for opinion was 26.22%; and the share of adopted regulations on which consultations were held in the total number of adopted regulations was 11.46%. The share of PPDs adopted by the Government on which consultations were held in the total number of PPDs adopted by the Government was 100%. In 2019, 132 draft laws were submitted to the PPS for opinion, of which 70 (53.1%) documents had not undergone a consultative process. During the same year, the National Assembly adopted 44 laws, out of which 29 had not undergone the consultation process. The situation with regard to by-laws was even worse: out of 144 adopted regulations (all requiring prior consultations), no consultation report was submitted for 119. Out of 23 PPDs proposed in 2019, the Government adopted 14, out of which no consultations were conducted in the development of two documents (8.7%).

⁸⁵ EC Progress Report for Serbia 2019, p. 15, PAR Strategy External Evaluation Report – Final Report, 21 April 2019, Support to Public Administration Reforms within the Sectoral Reform Contract for the Public Administration Reform Sector EuropeAid/137928/DH/SER/RS, p. 59.

⁸⁶ SIGMA 2017 Monitoring Report for Serbia, p. 23.

Problem tree – Public policy planning and coordination



Graph 11. Problem tree – Public policy planning and coordination

Specific objective

The business environment in Serbia is to be competitive, with a public administration guided by EU Principles of Good Governance, as a result of a well-designed (realistic and evidence-based) and widely accepted (transparent, inclusive, well-communicated) process of public policy planning and preparation of regulations and their consistent implementation.

Specific objective 1: Improved quality of public policy documents and regulations

Outcome indicator	BV	TV
Regulatory quality indicator – World Bank ranking	(2019) 60.10	(2021): 61 (2022): 62 (2023): 63 (2024): 64 (2025): 65 (2027): 66 (2030): 70
Indicator of alignment and quality of policy planning	(2021) /	(2021): / (2022): 3 (2023): 4 (2024): 4 (2025): 5

The Public Policy Management and Regulatory Reform Programme will elaborate the PAR Strategy Specific Objective **Improved quality of public policy documents and regulations** through four specific objectives, which will be further elaborated in the Programme’s Action Plan through measures and activities. In order to achieve the specific objective 1: **Regulatory reform in the function of improving the business environment and decreasing the burden for citizens and economy**, the regulatory reform will continue, with an emphasis on improving the quality of regulations, monitoring their number, increasing the net value of regulations for the citizens and businesses, monitoring the impact assessment of their implementation, primarily the impact on the micro, small and medium economic operators, gender equality and protection of competition. In order to achieve the specific objective 2: **Strengthening capacities and use of instruments for quality planning and monitoring of the implementation of public policies and regulations**, analytical skills and tools and methods for data collection will be improved, as the basis for high-quality drafting of public policy documents and regulations and data-based and fact-based decision-making. Measures for improving the methodology of public policy management, as defined in the documents, will be improved by amending legislation.

In order to achieve the specific objective 3: **Effective policy coordination**, planning will be improved at all government levels, as will tools for public policy coordination, and efforts will be made to coordinate them, and to improve the planning framework at the national, provincial and local levels and to coordinate them.

In order to achieve the specific objective 4: **Increasing the level of civil society, businesses and other stakeholder participation in early phases of public policy and regulation**

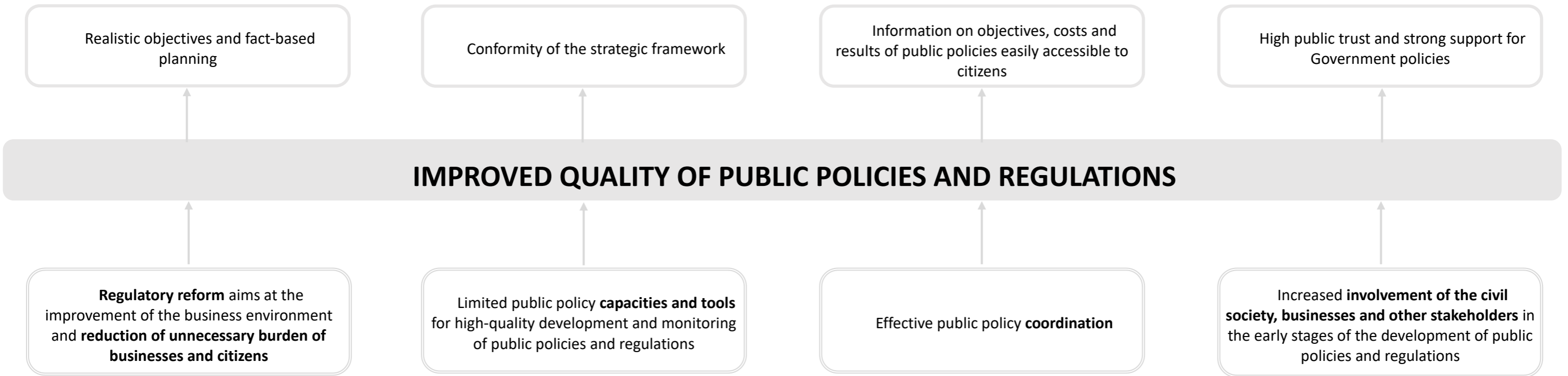
development and monitoring of the effects, measures will be implemented with a view to increasing the participation of all target groups and stakeholders (businesses, citizens, civil sector) in early stages of drafting public policies and regulations, improving the quality of reports on consultations and public debates, shift the focus from the form to the contents, develop skills in state administration bodies for the purpose of establishing public dialogue, and encouraging initiatives for amending public policy documents and regulations.

To monitor the achievement of Specific objective 1 of the PAR Strategy, the following indicators for the specific objectives of the **Public Policy Management and Regulatory Reform Programme** are determined.

Programme’s specific objectives	Indicator	BV	TV
Regulatory reform aimed at improving the business environment and reducing unnecessary burden on citizens and businesses	The share of adopted laws containing complete impact assessments in the total number of adopted laws requiring impact assessments, per calendar year	30.4% (2020)	(2021): 35% (2022): 40% (2023): 45% (2024): 50% (2025): 52% (2027): 56% (2030): 60%
	The share of adopted regulations containing complete impact assessments in the total number of adopted regulations requiring impact assessments, per calendar year	58.3% (2020)	(2021): 58% (2022): 59% (2023): 60% (2024): 62% (2025): 64% (2027): 68% (2030): 74%
Strengthening capacities and implementing instruments for quality development and management of public policies and regulations	The share of adopted PPDs containing complete impact assessments in the total number of adopted PPDs requiring impact assessments, per calendar year	50% (2020)	(2021): 60% (2022): 70% (2023): 80% (2024): 90% (2025): 100% (2027): (2030):
Effective public policy coordination	The total number of planning areas with a revised and optimised planning framework	1 (2020)	(2021): 3 (2022): 6 (2023): 8 (2024): 12 (2025): all (2027): (2030):

<p>Increased involvement of civil society, businesses and other stakeholders in the early stages of the development of public policies and regulations and in monitoring their impacts</p>	<p>The share of adopted PPDs, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted PPDs in a calendar year</p>	<p>100% (2020)</p>	<p>(2021): 100% (2022): 100% (2023): 100% (2024):100% (2025):100% (2027):100% (2030):100%</p>
	<p>The share of adopted statutes, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted laws in a calendar year</p>	<p>35.71% (2020)</p>	<p>(2021): 40% (2022): 60% (2023): 70% (2024): 75% (2025): 80% (2027): 85% (2030): 90%</p>
	<p>The share of adopted regulations, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted regulations in a calendar year</p>	<p>11.46% (2020)</p>	<p>(2021): 15% (2022): 20% (2023): 25% (2024): 31% (2025): 36% (2027): 43% (2030): 50%</p>

Objective tree - Specific objectives for the Programme for Improving Public Policy Management and Regulatory Reform



Graph 11. Problem Tree - The Regulatory Reform and Public Policy Management Programme

2. Human resource management

Situation analysis

Legal and strategic framework

The HRM reform in public administration is contained in the 2014 PAR Strategy, within a specific objective of establishing a coherent merit-based civil service system and improving HRM. The accompanying Action Plan has foreseen this objective to be achieved by implementing three measures: 1. Establishing a coherent system of labour relations and salaries in public administration based on transparency and fairness; 2. Establishing the HRM function in public administration and improving the HRM function in state administration and local self-government by introducing new instruments and strengthening HRM capacities and 3. Development of the system of professional development in public administration.

Compared to previous strategic documents, the 2014 PAR Strategy has extended its scope from state to public administration and, in terms of organisation, relates to: 1) state administration bodies (ministries, administration bodies within ministries and special organisations), other state bodies and other holders of public authority when they perform conferred state administration tasks; 2) bodies of autonomous provinces and local self-government units which, regardless of whether they perform their principal or conferred tasks, basically perform tasks of the same type as state administration bodies, only at the level of a smaller territorial unit, with different types of funding and degrees of control; 3) public agencies and different independent regulatory bodies which perform the same type of tasks, regardless of the level of a territorial unit in which they perform them; 4) institutions determined by the Law on Public Services (*The Official Gazette of the Republic of Serbia*, Nos. 42/91, 71/94, 79/05 – state law and 83/14 – state law) which are established by the Republic of Serbia, autonomous provinces and LSGU, and which perform tasks that ensure the exercise of citizens' rights with respect to education, science, culture, physical education, student standards, health care, social protection, child care and social insurance. The aforementioned HRM-related specific objective is retained in the same scope in this strategy, primarily because of the need to systematically regulate public administration activities, in which the harmonised employment status of employees and applied HRM principles are a prerequisite for efficiency and effectiveness, while respecting necessary details in terms of organisation and manner of performing activities. The conditions and manner of service delivery to relevant entities in different areas of public services are set out in other public policy documents.

The normative framework for the civil service system, in terms of scope, employment status and HRM principles is established by the Law on Civil Servants (*The Official Gazette of the Republic of Serbia*, Nos. 79/05, 81/05 – corrigendum, 83/05 – corrigendum, 64/07, 67/07 – corrigendum, 116/08, 104/09, 99/14, 94/17 and 95/18), the Law on Salaries of Civil Servants and State Employees (*The Official Gazette of the Republic of Serbia*, Nos. 62/06, 63/06 – corrigendum, 115/06 – corrigendum, 101/07, 99/10, 108/13, 99/14 and 95/18), the Law on Budget System (*The Official Gazette of the Republic of Serbia*, Nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – corrigendum, 108/13, 142/14, 68/15 – state law, 103/15, 99/16, 113/17, 95/18, 31/19 and 72/19), budget laws passed for each calendar year, accompanying by-laws and the Special Collective Agreement. The Law on Civil Servants, in accordance with the Law on State Administration (*The Official Gazette of the Republic of Serbia*, Nos. 79/05, 101/07, 95/10, 99/14, 47/18 and 30/18 – state law) establishes the difference between politically appointed officials and civil servants and senior civil servants and state employees – whose employment status is defined in accordance with this Law. **The Law on Civil Servants** allows for an exception by which job positions defined as senior civil service positions may be filled

under the procedure which applies to officials, which means that the Government directly fills that job position, i.e. the head of another state body without conducting competitive recruitment procedure. These should be short-term appointments and exercised in exceptional situations prescribed by the Law. General labour regulations and the Special Collective Agreement for Public Authorities (*The Official Gazette of the Republic of Serbia*, Nos. 38/19 and 55/20) apply to the rights and duties of civil servants not regulated by the Law on Civil Servants or a special law. The rights and duties of state employees are subject to general labour regulations, the Labour Law (*The Official Gazette of the Republic of Serbia*, Nos. 24/05, 61/05, 54/09, 32/13, 75/14, 13/17 – decision of the CC, 113/17 and 95/18 – authentic interpretation) and Special Collective Agreement for Public Authorities unless otherwise provided by the Law on Civil Servants or a special law. The employment status of officials is established by special laws regulating their position, general labour regulations and partly by the Special Collective Agreement for Public Authorities.

The Law on Civil Servants allows for special laws to specifically regulate certain issues related to the employment status of certain categories of civil servants, depending on the specific features of their position, but to a limited extent respecting the basic principles of the civil service system. Therefore, the employment status of police officers in the Ministry of the Interior is regulated by the Law on Police (*The Official Gazette of the Republic of Serbia*, Nos. 6/16, 24/18 and 87/18) and accompanying by-laws, while certain issues related to the rights and obligations of tax officers, customs officers, officers engaged on the enforcement of penal sanctions and in judicial authorities are additionally regulated by special regulations in accordance with the specific features of their position.

In line with objectives to be defined in a policy document for the development of staff capacities in the Justice sector special focus will be on the regulation linked to specificities of the legal work status in the Judiciary yet abiding by the principles of the state civil service system stipulated by the Law on Civil Servants.

Since the establishment of the normative framework, and in accordance with strategic goals of the 2014 reform, significant amendments have been made to the Law on Civil Servants and accompanying by-laws that have been applied since the beginning of 2019. The amendments, which aimed to **introduce competencies in all HRM functions**, established a quality legal basis for the promotion of merit-based employment and professional development of civil servants and showed a tendency towards further harmonisation of the civil service system through closer clarifying and defining possible exceptions to general solutions established therein. Before the normative framework was amended in accordance with the 2014 PAR Strategy, certain documents⁸⁷ related to the improvement of the civil service system were prepared, along with the EC and SIGMA reports.

Starting from 2019, **a competency system for the work of civil servants** has been introduced in the process of job analysis, recruitment and selection and professional development; the HRMS horizontal competence has been introduced in the selection process in all state administration bodies; the framework for monitoring the situation and taking measures regarding the outflow of staff has been established; the provisions regarding the mobility and functioning of the internal labour market have been amended as well as the provisions regarding the prevention of conflicts of interest of civil servants; the basis for the introduction of the HRM information system in all state bodies has been provided; new

⁸⁷ *Human Resource Management Policy Framework for State Administration of the Republic of Serbia, Situation Analysis in the area of Human Resource Management with Recommendations for Staff Retention, Analysis of the Professionalisation of the Senior Civil Service and the Way Forward for the Western Balkans, Analysis of the Legal Framework for Conflicts of Interest of Public Employees with Recommendations for Improvement, and Analysis of the Legal Framework for Conflicts of Interest in the Work of Civil Servants in the Republic of Serbia.*

deadlines have been set for the merit-based employment and provisions on persons with acting status specified; the basis for specific categories of civil servants who have special titles and are subject to provisions of special laws have also been specified, and mandatory training for members of selection panels, managers and senior officers has been introduced for the first time in order to strengthen their capacities. With the adoption of the following **by-laws** the system has been harmonised with introduced competencies: Decree on Determining the Competencies for the Work of Civil Servants (*The Official Gazette of the Republic of Serbia*, No. 4/19), Decree on Internal and Public Competition for Filling Job Positions in State Bodies (*The Official Gazette of the Republic of Serbia*, No. 2/19), Decree on Appraisal of Civil Servants (*The Official Gazette of the Republic of Serbia*, Nos. 2/19 and 69/19), the Amendments to the Decree on Job Classification and Criteria for Job Descriptions of Civil Servant (*The Official Gazette of the Republic of Serbia*, No. 42/19) and the Amendments to the Decree on the Principles of Internal Organisation and Job Classification in the Ministries, Special Organisations and Government Services (*The Official Gazette of the Republic of Serbia*, No. 2/19).

In the **Ministry of the Interior**, as one of the biggest exceptions in the state administration system, the reform process started in 2016 and ended with the establishment of the **HRM legal framework** in accordance with the Law on Police. After the establishment of the HRM function, the Government adopted the Development Strategy of the Ministry of the Interior 2018–2023 (*The Official Gazette of the Republic of Serbia*, No. 78/18), which prescribed a strategic framework for further development of HRM for police officers. The competency system has been introduced and implemented in the HRM functions, making **the Ministry of the Interior the first body in state administration in which competencies became a criterion for the selection, evaluation, development and promotion of employees**. The Ministry of the Interior has also developed a Catalogue of Jobs and Job Descriptions for Police Officers⁸⁸, on the basis of which job positions have been reclassified. This provided a transparent basis for establishing a new reformed salary system to address disparity and internal injustice. A job evaluation system has been introduced based on objective criteria of job descriptions and tasks. A method of gradual alignment of salaries with newly determined salaries has also been introduced. In addition, a classification of employees to police officers, civil servants and state employees was established, on the basis of which job positions and job descriptions of civil servants and state employees were determined, in accordance with the Law on Police.

Customs officers are also subject to the regulations on civil servants, while certain specific features are contained in the Customs Law (*The Official Gazette of the Republic of Serbia*, No. 95/18). With the adoption of the Customs Law in 2018, **all HRM aspects were fully aligned with the Law on Civil Servants**. The employment procedure contains certain specific features that enable the establishment of decentralised selection panels at the local level, bearing in mind that the Customs Administration has 15 local customs offices each having a separate HRM organisational unit. The Customs Law allows for an HRMS civil servant to be appointed as a member of a selection panel in order to assess competencies. Other HRM aspects (including promotion, performance appraisal, training, etc.) are subject to the general regime under the Law on Civil Servants. The competency system has been implemented and in this regard, the Director of the Customs Administration has passed a Decision on Special Functional Competencies for Certain Areas of Work in the Customs Administration.⁸⁹ Likewise, in accordance with the latest amendments to the Law on Civil Servants, the Decree on Job Classification and Criteria for Job Description of Customs Officers (*The Official Gazette of the Republic of Serbia*, No. 26/19) was adopted for the first time to regulate the classification of

⁸⁸ Internal records of the Ministry of the Interior.

⁸⁹ No. 148-III-110-01-53/2019 of 20 February 2019.

customs officers' jobs, jobs performed in each of the customs titles prescribed by the Customs Law, as well as criteria for job descriptions in the rulebook on internal organisation and job classification, in accordance with the criteria and norms under the Law on Civil Servants. The job classification of senior civil servants in the Customs Administration is subject to regulations governing the position of civil servants.

Court employees (assistants to judges, judge trainees, civil servants and officials), are subject to laws regulating the work of civil servants and with the Law on the Court Organisation (*The Official Gazette of the Republic of Serbia*, Nos. [116/08](#), [104/09](#), [101/10](#), [31/11](#) – other law, [78/11](#), [101/11](#), [101/13](#), [40/15](#) – other law, [106/15](#), [13/16](#), [108/16](#), [113/17](#), [65/18](#) - US, [87/18](#), [88/18](#) - US), certain specificities relating to court assistants are regulated. They pertain to work conditions, assessment of their work, promotion i.e. acquiring respective titles, as well as employment of judge trainees and the duration of the work status. By this Law the employment procedure for court assistants and judge trainees is to be regulated in detail by the Minister of Justice, whereas the High Judicial Council through by an act determines the criteria and the procedure for work assessment of court assistants.

Civil servants working for the Ministry of Foreign Affairs are subject to laws regulating the duties and the responsibilities of civil servants, the Law on Foreign Affairs (*The Official Gazette of the Republic of Serbia*, Nos. 11/07, 126/07 – *corrigendum*, and 41/09) which – being a special law – regulates diplomatic ranks of civil servants and the conditions for gaining those ranks, and the Decree on the conditions of gaining and losing diplomatic rank (*The Official Gazette of the Republic of Serbia*, No. 80/09) which regulates in more detail special conditions for gaining diplomatic rank and the manner (procedure) for gaining and losing diplomatic rank. In terms of employment relations and human resource management, this Law additionally prescribes certain specificities of recruitment and selection, i.e. filling job posts in the Ministry of Foreign Affairs, special conditions of employment stemming from conducting foreign affairs, special measures for promoting diplomatic staff, re-appointments (transfers) to diplomatic-consular representative offices, discharge from office for the purpose of transfer to a diplomatic-consular representative office, as well as that senior civil servants may have deputies appointed from among diplomats by the minister, professional examinations and professional training and development, special duties stemming from conducting foreign affairs, special rules of disciplinary procedure, salaries, reimbursement of employee costs and other income of employees of diplomatic-consular representative offices, etc.

Officers engaged on the enforcement of penal sanctions are subject to the regulations on civil servants and the Law on the Enforcement of Penal Sanctions (*The Official Gazette of the Republic of Serbia*, Nos. 55/14 and 35/19) which establishes **certain specific features** related to the processes of recruitment and selection, disciplinary proceedings and breaches of work obligations and duties arising from their specific position. This procedure is in accordance with competencies and is further improved by the Competency Framework – Special Functional Competencies in Certain Areas of Work in the Administration for the Enforcement of Penal Sanctions⁹⁰ and is carried out in a competitive recruitment procedure in accordance with the principles defined in the Law on Civil Servants.

Tax officers are subject to the Law on Civil Servants and the Law on Tax Procedure and Tax Administration (*The Official Gazette of the Republic of Serbia*, Nos. 80/02, 84/02 – *corrigendum*, 23/03 – *corrigendum*, 70/03, 55/04, 61/05, 85/05 – state law, 62/06 – state law, 61/07, 20/09, 72/09 – state law, 53/10, 101/11, 2/12 – *corrigendum*, 93/12, 47/13, 108/13, 68/14, 105/14, 112/15, 15/16, 108/16, 30/18, 95/18 and 86/19) which regulates **certain particularities regarding competitive recruitment procedure and promotion of tax officers, and**

⁹⁰ No. 021-02-5/2019-03 of 1 February 2019.

additionally prescribes severe violation of official duties. Also, **the competency system has been applied in all HRM-related processes,** and the Director of the Tax Administration has passed the Decision on Determining Special Functional Competencies for Work in the Tax Administration for the Tax Police⁹¹ and the Decision on Determining Special Functional Competencies for Work in the Tax Administration for the area of misdemeanours and area of administrative and legal protection of the interests of the Tax Administration.⁹² Acts on special functional competencies in a certain area of work have been passed in the Republic Hydrometeorological Service of Serbia,⁹³ the Republic Geodetic Authority⁹⁴ and the Ministry of Education, Science and Technological Development.⁹⁵

The normative framework governing **the employment status of employees in autonomous provinces and LSGU** is regulated by the Law on Employees in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, Nos. 21/16, 113/17, 113/17 – state law and 95/18), the Law on Salaries in State Bodies and Public Services (*The Official Gazette of the Republic of Serbia*, Nos. 34/01, 62/06 – state law, 116/08 – state law, 116/08 – state law, 92/11, 99/11 – state law, 10/13, 55/13, 99/14, 21/16 – state law, 113/17 – state law and 113/17 – state law), relevant by-laws and Special Collective Agreement. Employees in autonomous provinces and LSGU in the context of the aforementioned law are politically elected persons and decision-makers and holders of the civil service system, i.e. senior civil servants and civil servants and state employees. Regulations governing the position of elected persons, as well as the Law on Employees in Autonomous Provinces and Local Self-Government Units, make a clear distinction between officials and civil servants.

The 2016 Law on Employees in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, No. 21/16) established the basic principles of the career civil service system for civil servants employed in bodies of autonomous provinces and LSGU. Thus, **the local civil service system is built on same or similar foundations as the state civil service system,** which allows the movement of staff and mostly meets the normative requirements for further achievement of strategic goals in this area, such as professionalisation, depolitisation, career development, promotion and professional development of employees. The Law on Employees in Autonomous Provinces and Local Self-Government Units is very important for the modernisation of public administration because it introduces a completely new, modern approach to HRM. After almost four years of application of this Law, with significant amendments on two occasions, all major by-laws have been passed – decrees, rulebooks and instructions, and some important umbrella laws have come into force. The Amendments to the Law on Employees in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, No. 95/16) adopted in 2017 and 2018, regulated in more detail the area of professional development and the procedure for evaluation of civil servants and introduced significant changes. One of the most important contributions of this law is the introduction of a standardised system and procedures for employment in autonomous provinces and LSGU. Thus, the status of employees in autonomous provinces and LSGU became more similar to the status of civil servants, which is reflected in the harmonisation of the titles of civil servants at state and local level, and possible transfer of employees from the provincial and local administration to state administration and vice versa.

⁹¹ No. 000-119-00-120/2019-D0010 of 14 February 2019.

⁹² No. 000-119-00-05132-1/2018-K0062 of 14 February 2019.

⁹³ Decision on Special Functional Competencies for Employees in the Republic Hydrometeorological Service of Serbia, No. 92-1/2019 of 11 February 2019.

⁹⁴ Decision on Determining Special Functional Competencies for Work in the Republic Geodetical Authority of 20 March 2019.

⁹⁵ Decision on Special Functional Competencies for Certain Areas of Work in the Ministry of Education, Science and Technological Development, No. 112-01-225/1/2019-02 of 22 March 2019.

For these two key HRM functions, the Decree on Job Classification and Criteria for Job Description of Civil Servants in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, Nos. 88/16 and 113/17 – state law) and the Decree on Internal and Public Competition for Filling Job Positions in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, No. 95/16) were adopted enabling the introduction and concrete, practical establishment of a comprehensive HRM system. In 2017, the Law on Salaries of Civil Servants and State Employees in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, Nos. 113/17, 95/18 and 86/19) was adopted, but its implementation was postponed until the conditions were met for the reform of the salary system in the entire public administration. Therefore, HRM principles set by the Law on Employees in Autonomous Provinces and Local Self-Government Units have not been fully normatively implemented.

The employment status of employees in public agencies is regulated by general labour regulations and the Law on Public Agencies (*The Official Gazette of the Republic of Serbia*, Nos. 18/05, 81/05 – *corrigendum* and 47/18). A public agency is established if its developmental, specialist and regulatory tasks do not require a constant and direct political supervision, and if a public agency can perform these tasks in a better and more efficient manner than a state administration body, particularly when such tasks can entirely or mostly be financed from the fees paid by the users of the services rendered. A public agency may, by a special law, be entrusted with certain state administration tasks as a public authority, which produced different solutions regarding the employment status of employees depending on the purpose of the agency. Thus, in terms of legality, expertise, political neutrality, impartiality, use of official language and script, education and training of employees engaged on entrusted state administration tasks and in terms of office operations, regulations relating to public administration apply to the work of public agencies, and the prevention of conflict of interest of employees in public agencies is governed by the regulations on the prevention of conflict of interest of civil servants. Other rights and obligations of employees are regulated by the Labour Law and the Law on Public Agencies. It is also prescribed that the employer in a public agency is the agency itself, which has the status of a legal entity, in contrast to civil servants and employees in autonomous provinces and LSGU whose employer is the Republic of Serbia or autonomous provinces and LSGU, which is one of the reasons why certain HRM-related issues are regulated separately. In this respect, **HRM in public agencies is somewhat specific and under the competence of the employer. Also, supervision is exercised by the founder in a way different from that in state bodies and bodies of autonomous provinces and LSGU.** The founder appoints and dismisses the members of the management board, which is in charge of organising an open competition for the position of the director of the agency; appoints and dismisses the director of the public agency after the competitive recruitment procedure, approves the annual work programme, financial plan of the public agency and other acts determined by the law which deal with HRM. Bearing in mind that, in accordance with general labour regulations, decision-making on the rights and obligations of employees in public agencies is the responsibility of the director of the public agency, certain issues needed to be regulated by the Law on Public Agencies in order to provide merit-based HRM and strengthen professionalisation of that part of public administration. The Amendments to the Law on Public Agencies (*The Official Gazette of the Republic of Serbia*, No. 47/18), adopted in 2018, provided for merit-based election of agency directors and introduced a list of three most successful candidates for the position of director, while according to the previous legal solution a list of successful candidates was “open”. The requirements for the position of director have also been changed – nine years of professional experience in a public agency are required instead of five. Also, in order to prevent corruption, more precise requirements and criteria are prescribed for the appointment of members of the management board and directors of public agencies, the acting status is limited by setting deadlines for initiating the competitive recruitment procedure

and appointing directors; the number of possible appointments and the value of received gifts and contributions is limited and the conflict of interests of employees in public agencies regulated, etc. Furthermore, the obligation to conduct a transparent competitive recruitment procedure for hiring employees in the procedure prescribed by the law and the obligation to check the candidates' professional qualifications, knowledge and skills in the selection procedure has also been stipulated. Other HRM-related issues are regulated by internal acts of public agencies in accordance with the Labour Law and are not subject to the Amendments to the Law on Public Agencies so there is no need to further analyse them to propose a better solution.

The position of employees in public institutions is governed by special laws regulating the area and the general labour regulations prescribed by the Labour Law following the principle of subsidiarity. In accordance with the need to systematically regulate the activities of public administration and establish a coherent merit-based employment status of employees in public administration, the **Law on Employees in Public Services** (*The Official Gazette of the Republic of Serbia*, Nos. 113/17, 95/18 and 86/19) was adopted in 2017 bringing significant changes to this part of public administration and establishing common principles and systemic solutions regarding personnel planning, employment, rewards, salaries and job organisation, measurability of results and other merit-based HRM aspects in all public services. However, the specific features of these parts of public administration are also taken into account, leaving the possibility for these features to be further regulated within a specific area of activity. Since the implementation of this law is closely linked to the salary system reform, it has not started due to the delay in the salary system reform. Starting from December 2017, only those provisions apply that relate to the organisation of work in the systematisation acts, i.e. the definition of jobs in institutions that are harmonised with the **Catalogue of Jobs in Public Services and Other Public Sector Organisations** (*The Official Gazette of the Republic of Serbia*, Nos. 81/17, 6/18 and 43/18), which is a precondition for the reform of the salary system. Since the adoption of this Law, all systematisation acts in institutions are harmonised with the Catalogue of Jobs in Public Services and Other Public Sector Organisations, which ensures transparency and uniformity of corresponding jobs, and enables further systematic access to HRM as well as mobility of employees in that part of public administration.

The legal framework governing **salaries, salary compensations, reimbursement of costs and other benefits of civil servants and state employees** is established by the Law on Salaries of Civil Servants and State Employees, the Budget Law and the Decree on Reimbursement of Cost and Severance Pay for Civil Servants and State Employees (*The Official Gazette of the Republic of Serbia*, Nos. 98/07, 84/14 and 84/15). In addition to the coefficients for calculating the salary, the Law on Salaries of Civil Servants and State Employees regulates in detail the issue of supplement to basic salary, promotion through salary grades, the right to salary compensations, the right to reimbursement of costs and other benefits of civil servants, as well as the right of state employees to a supplement for the achieved results of work. The Law on Salaries of Civil Servants and State Employees applies to all state bodies, whereas for the Tax Administration a special system of coefficients is established by the Rulebook (*The Official Gazette of the Republic of Serbia*, Nos. 43/19 and 78/20) issued by the Minister of Finance on the basis of the Law on Tax Procedure and Tax Administration, which classifies the titles of tax officers to pay groups and pay grades and which determines the value of the additional coefficient for certain jobs for civil servants in executive positions and employees in the Administration for the Enforcement of Penal Sanctions are regulated by the Decree on the Coefficients for Calculation and Payment of Salaries in the Administration for the Enforcement of Penal Sanctions (*The Official Gazette of the Republic of Serbia*, Nos. 16/07, 21/09, 1/11 – decision of the CC, 83/11 and 102/11) based on the Law on Enforcement of Penal Sanctions. These acts regulate a special system of coefficients because titles in these bodies are different

but in accordance with the principle of their classification into pay groups and pay grades which take into consideration the performance of employees when determining their salary.

Certain benefits of civil servants which are not regulated by the Law on Salaries of Civil Servants and State Employees are regulated by special laws (e.g. a possibility to increase the coefficient up to 20% for certain customs officers who have authorisation to carry and use weapons or are classified into certain titles; an institutional supplement of up to 30% which increases the salaries of employees in the State Audit Institution, the Fiscal Council, the Agency for the Prevention of Corruption and the Constitutional Court due to particular complexity of work; an increase for employees performing tasks in state bodies responsible for data secrecy, handling war crimes cases, enforcing prison sentences and detention measures for criminal offences of organised crime due to special responsibility, work complexity and security risks to which they are exposed, etc.). The basis for determining the nominal amount of salary in these bodies is determined by the Budget Law for each calendar year, varies between different bodies and is different from the base provided for other civil servants and state employees.

The salary system of employees in public services, bodies and organisations of the autonomous province and local self-government units is regulated by the Law on Salaries in State Bodies and Public Services, by-laws and collective agreements. The basis for calculating salaries is determined by the conclusion of the Government in accordance with the available fiscal space in a certain calendar year determined by the Law on Budget System and may differ for certain public services and for certain categories of employees in the same public service. The different bases produced different job values determined by coefficients which reflect the job complexity, responsibilities, working conditions and education, which has been perceived as one of the reasons for the salary system reform in public services.

The Law on Salaries in State Bodies and Public Services, by-laws and special collective agreements are also applied in bodies of autonomous provinces and LSGU. Significant progress has been made with the enactment of the Law on Employees in Autonomous Provinces and Local Self-Government Units since it engaged LSGU in the process of negotiating the conclusion of a special collective agreement which determines certain benefits of employees. However, the regulations on salaries are not harmonised with the novelties in the Law on Employees in Autonomous Provinces and Local Self-Government Units.

The salary system in public agencies has not yet been regulated by a special law and for this reason the salaries of employees in public agencies are determined in accordance with the provisions of the Labour Law, separately for each agency. With the consent of the founder, the management board adopts a general act on rights, obligations, responsibilities and earnings of directors and employees.⁹⁶ The Labour Law allows for a possibility of increasing earnings on the basis of work performance, i.e. the quality and scope of work performed and the employee's attitude towards work obligations.

The salary system reform started in 2016, as an integral part of fiscal consolidation measures aimed at controlling the costs of public administration employees and achieving fiscal stability, but also as a measure to achieve the specific objective of the 2014 PAR Strategy aimed at establishing a coherent merit-based civil service system and improving HRM. In 2016, the Law on the System of Salaries of Employees in the Public Sector (*The Official Gazette of the Republic of Serbia*, Nos. 18/16 and 108/16) was adopted establishing normative framework for the adoption of the following special laws: 1) The Law on Salaries of Civil Servants and Employees in the Autonomous Province and Local Self-Government Units, 2) The Law on Employees in Public Services and 3) the Law on Salaries of Employees in Public Agencies and Other Organisations Established by the Republic of Serbia, Autonomous Province or Local

⁹⁶ Article 41 of the Law on Public Agencies.

Self-Government Unit (*The Official Gazette of the Republic of Serbia*, Nos. 47/18, 95/18 and 86/19) which, in addition to harmonising the elements of salaries in the entire public sector, aim to gradually harmonise the salaries in public agencies with salaries in other parts of the public sector, bearing in mind that the analyses conducted during the work on salary reform showed inequalities in the amount of earnings in favour of employees in public agencies. However, these laws still do not apply.

The salary system reform **provides for the establishment of a General Catalogue** of job positions, which would include a list of all jobs, titles (groups of jobs of the same complexity in accordance with the civil service system), ranks, positions and functions in the public sector for the purpose of determining all jobs performed in the public sector and thus enable alignment of salaries. The Catalogue of Jobs in Public Services and Other Public Sector Organisations was adopted in 2017 and included most of the jobs (about 85%) performed in the public sector, while the other catalogues which make part of the General Catalogue will be adopted in the further course of the salary system reform.

In accordance with strategic principles and goals of the 2014 PAR Strategy, special attention is paid to the major **reform of professional development in public administration** – an area in which the achieved results were observed and recognised by relevant international institutions.⁹⁷

The reform of professional development in public administration started after a detailed situation analysis providing a basis for the establishment of a central national institution for professional development of employees in public administration of the Republic of Serbia.⁹⁸ The process of preparing an improved regulatory framework was preceded by the consultative process which included all stakeholders and had a positive impact on the quality of proposed solutions, as well as on the understanding and acceptance of the new concept of professional development in public administration by all those concerned.

All this led to the adoption of several laws which introduced unique criteria and standards in the system of professional development in public administration. First, the Law on the National Academy of Public Administration (*The Official Gazette of the Republic of Serbia*, No. 94/17) was adopted **establishing the NAPA** as a central institution of the system of professional development in public administration of the Republic of Serbia, with the status of an officially recognised organiser of informal adult education, the work of which is overseen by the MPALSG. The scope of the NAPA, established by this Law, is multi-complementary and correlated and includes competencies and tasks of comprehensive monitoring of the situation in the area and quality control of all processes in the system of professional development, with continuous promotion and guidance of capacity building in the entire public administration. Emphasis is also placed on the **introduction of modern methods and techniques** in the development and implementation of training programmes aimed at obtaining functional and practical working knowledge enabling employees in public administration to perform the entrusted tasks and achieve sectoral goals of organisational units and bodies in which they are employed, but also to become more engaged in the development and implementation of public policy documents and overall reform processes. At the end of 2017, the Amendments to the Law on Civil Servants (*The Official Gazette of the Republic of Serbia*, No. 94/17) and the Amendments to the Law on Employees in Autonomous Provinces and Local Self-Government

⁹⁷ Report of the European Commission 2019, page 13, and Report of the European Commission 2020, page 7.

⁹⁸ Within the project *Basis for the establishment of a central national institution for professional development of civil servants in the Republic of Serbia*, which was implemented with the financial assistance of the Good Governance Fund (GGF) of the UK Government, several analyses and studies were prepared to support the process of developing laws and finding the most adequate solutions for the introduction of a new system of professional development in public administration of the Republic of Serbia.

Units (*The Official Gazette of the Republic of Serbia*, No. 113/17) were adopted to fully regulate the most significant matters related to the implementation of a sustainable system of professional development, processes standardisation, expected results and harmonisation of functional elements of professional development in state bodies, bodies of autonomous provinces and bodies of local self-government units. What is particularly important is that all **civil servants and employees in local self-government units are granted equal access to the right to professional development**, which was not the case in the previous period. In this regard, it should be emphasised that until the introduction of the new system of professional development in public administration, civil servants were able to exercise this right in the HRMS, which, among other things, prepared and implemented an introductory training programme, general training programme and training programme for managers, while employees in local self-government units did not have the opportunity to exercise this right in an organised manner until 2016, when after the adoption of the Law on Employees in Autonomous Provinces and Local Self-Government Units, the first steps were taken towards establishing a system of professional development in local self-government units which has achieved its full intensity only after the aforementioned laws were passed in 2017.

It should also be noted that, in accordance with the improved legal framework, a set of by-laws were adopted including solutions which further supported process standardisation and the establishment of the quality systems in all segments of professional development in public administration: the Regulation on Professional Development through Internships (*The Official Gazette of the Republic of Serbia*, No. 15/19), Decree on Accreditation, Manner of Engagement and Fees of Implementers and Organisers of Professional Training Programmes in Public Administration (*The Official Gazette of the Republic of Serbia*, Nos. 90/18 and 71/19), Instruction on the methodology for determining professional development needs in public administration bodies (*The Official Gazette of the Republic of Serbia*, No. 32/19), Rulebook on central records of professional development programmes in public administration and of issuance of certificates of participation in the programmes (*The Official Gazette of the Republic of Serbia*, No. 102/18), Rulebook on criteria and benchmarks for evaluation of professional development programmes (*The Official Gazette of the Republic of Serbia*, No. 101/18) and Instruction on the manner of mentors' work during the training of trainees in state bodies (*The Official Gazette of the Republic of Serbia*, No. 101/18).

The Republic of Serbia has a decades-long administrative tradition in the related **area of professional exams**. Since their introduction in 1965, this area has been regulated by a large number of laws and by-laws, and until today they have remained an inevitable requirement for work in state bodies, bodies of the autonomous provinces and local self-government units and holders of public authority. The area of professional exams is regulated by the 2005 Law on Civil Servants which defines a state professional exam as an exam of general character that relates to all civil servants who are permanently employed in a state body.⁹⁹ The programme and manner of taking the state professional exam, as well as other issues important for its organisation and realisation are regulated by the Decree on State Professional Exam (*The Official Gazette of the Republic of Serbia*, No. 86/19). In addition, the Law on Civil Servants stipulates that the law in a certain administrative area may provide for taking a special professional exam for employment in job positions with special duties and authority, so this option is exercised, and a special professional exam is regulated in a number of sectoral laws and accompanying by-laws.

⁹⁹ It is necessary to emphasise that the laws regulating the rights and obligations of employees in other parts of public administration, e.g. The Law on Employees in Autonomous Provinces and Local Self-Government Units also prescribes the obligation of taking the state professional exam.

The organisation of the HRM function established by regulations shows that, depending on the competencies of a body, the distinction can be made between HRM jobs at the level of the state administration system within the central institutions and the coordination body and jobs performed at the level of individual state administration bodies.

The HRM institutional framework at the level of the state administration system includes:

- **The MPALSG**, which normatively regulates labour relations and salaries in state bodies, public agencies and public services, the area of state professional exams, capacity building and professional development of employees in state bodies and also performs professional and executive tasks related to the area of state professional exams, capacity building and professional development in state bodies;

- **The Administrative Inspectorate**, a body within the MPALSG which, through the Administrative Inspection Department, oversees the implementation of laws and other regulations governing labour relations in state bodies and bodies of local self-government units;

- **The Ministry of Finance**, which performs state administration tasks that, among other things, relate to the republic budget and financial effects of the system of determining and calculating salaries and earnings funded from the budget of the Republic of Serbia, autonomous provinces and LSGU. Within the Ministry of Finance, the Central Harmonisation Unit has been established, a sector which is responsible for planning, coordination, organisation, preparation, implementation and evaluation of training in the area of financial management, control and internal audit, as well as for development of programmes and coordination of training activities for internal auditors.

- **The HRMS**, which as a Government service, is in charge of performing professional HRM tasks in state administration, providing professional and technical support to HRM bodies, providing professional and technical assistance to the High Civil Service Council, the Government Appeals Board and performing professional and technical tasks of importance for the Government policy regarding personnel planning, outflow of staff, staff retention, etc. The Director of the HRMS is accountable to the Secretary General for his work.

- **The NAPA**, which has been established as a special organisation with the status of a legal entity and which is a central institution of the system of professional development in public administration of the Republic of Serbia and has the status of an officially recognised organiser of informal adult education activities. The work of the NAPA is overseen by the MPALSG. This institution performs professional and related executive and other state administration tasks related to all segments of professional development¹⁰⁰ in public administration of the Republic of Serbia.¹⁰¹

- **The High Civil Service Council**, which as an independent and collective body the members of which are appointed by the Government, brings together experts in the areas important for the work of state administration and senior civil servants. It is in charge of appointing members of a selection panel for conducting the competition when the position is filled by the Government. It also decides on rights and duties of a civil servant who manages a state body and who is appointed by the Government, conducts disciplinary proceedings against a civil servant appointed by the Government, adopts the Code of Conduct for Civil Servants

¹⁰⁰ The scope of the National Academy of Public Administration is established by Article 4 of the Law on the National Academy of Public Administration.

¹⁰¹ The scope of public administration is established by Article 2, paragraph 1 of the Law on the National Academy of Public Administration, and in addition to state bodies and bodies of local self-government units, includes: independent organisations and bodies elected by the National Assembly (supervisory and regulatory bodies); organisations and services of the autonomous province, public agencies and organisations to which the regulations on public agencies apply and which are founded by the Republic of Serbia or the autonomous province or local self-government unit and companies, institutions, organisations and individuals entrusted with public authority.

(*The Official Gazette of the Republic of Serbia*, Nos. 29/08, 30/15, 20/18, 42/18, 80/19 and 32/20), and determines which criminal offences make a civil servant unfit to perform his/her duties and tasks and performs other tasks established by the law.

- **The Ministry of European Integration**, which performs tasks related to the coordination and implementation of training in the area of the European Union.

- **The Government Appeals Board**, which decides on appeals of civil servants employed in state administration bodies, the Government service and the State Attorney's Office against decisions on their rights and duties in administrative proceedings, as well as on complaints of participants in internal and public competitions. Professional, technical and administrative tasks for the Government Appeals Board are performed by the HRMS.

- **The General Secretariat of the Government**, which is the Government's general service in charge of performing professional and other tasks for the needs of the Government and the Government's working bodies. It also performs tasks for the needs of the Cabinet of the Prime Minister and the Cabinet of the Deputy Prime Minister and certain tasks for the needs of the Government services if so determined by the Decree establishing the service (*The Official Gazette of the Republic of Serbia*, Nos. 75/05, 71/08, 109/09, 85/12 and 102/13). The Director of the HRMS is accountable to the Secretary General of the Government.

- **The Public Administration Reform Council**, which as a coordination mechanism of the Government, in accordance with the PAR Strategy, establishes proposals for strategic development of public administration in the Republic of Serbia and initiates and suggests the Government to take measures and activities related to public administration reform and HRM reform measures. The Council consists of ministers, and its Coordination Body comprises state secretaries who should provide political support for measures taken in the area of HRM.

HRM jobs in individual bodies, in accordance with the Regulation on Principles for Internal Organisation and Job Systematisation in Ministries, Special Organisations and Government Services (*The Official Gazette of the Republic of Serbia*, Nos. 81/07 – consolidated text, 69/08, 98/12, 87/13 and 2/19) are, as a rule, performed within the secretariat, which can also perform them for a body within the ministry. There are no special rules for special organisations, bodies within the ministry, government services and administrative district services on how these jobs should be organised.

The HRM institutional framework at the level of the local self-government system, in addition to the MPALSG, which is responsible for regulating the system of labour relations and salaries in the bodies of autonomous provinces and LSGU as well as for capacity building and professional development in LSGU bodies, includes:

- **The Assembly of the Municipality**, which elects and dismisses holders of certain functions (President of the Municipality, members of the Municipal Council, President of the Assembly and other officials) and appoints Secretary of the Assembly, Attorney, Local Ombudsman, etc. The Assembly decides on the rights and duties of officials on behalf of the employer, adopts the personnel plan along with the decision on the budget and adopts a code of conduct for civil servants and state employees.

- **The President of the Municipality**, who is in charge of concluding a collective agreement on behalf of the employer, exercising rights and duties on behalf of the employer for managers of the service or organisation established in accordance with a special regulation, evaluating the work of the head of administration and deputy head of administration.

- **The Municipal Council**, which appoints and dismisses the Head of the Municipal Administration, i.e. the head of the administration for a certain area who is a senior civil servant. It is also responsible for appointing persons with acting status, adopting systematisation acts,

announcing public competitions for filling senior civil servants' positions and establishing a selection panel and the Appeals Board in LSGU.

- **The Municipal Administration**, led by the Head, which decides on the rights and obligations of civil servants and state employees in LSGU, governs the process of determining the needs and preparing a report on the analysis of needs for the professional development of employees in the local self-government units, and then prepares a special professional development programme in a local self-government unit for the calendar year, which it adopts and implements, prepares a joint draft rulebook and submits it to the Council for adoption, appoints a selection panel, makes a decision on the selection of candidates, performs professional, technical and administrative tasks for the Appeals Board. Within the Municipal Administration, an organisational unit is established and an employee appointed to perform HRM activities for bodies and organisations within LSGU.

- **The Appeals Board**, which is a collegial body that in the second instance decides on the complaints arising from the employment relationship. The Appeals Board submits a report on its work to the Council.

- **The Administrative Inspectorate**, a body within the MPALSG which, through the Administrative Inspection Department, oversees the implementation of laws and other regulations in the bodies of local self-government units which particularly relate to the harmonisation of internal organisation with the law, other regulations and the general act, the lawfulness of deployment, transfer, acquisition and promotion of employees and other issues related to labour relations.

- **The NAPA**, which since its establishment, has exercised its competence in the area of professional development of employees in local self-government units, including by preparing and implementing a general training programme for employees in local self-government units and a training programme for managers in local self-government units.

- **The Council for the Professional Development of Employees in Local Self-Government Units**, which was established by the Government in order to ensure the application of the principle of efficiency, fairness and integrity of the system of professional development in local self-government units, and to provide expert opinions and recommendations for its application and improvement. The Council has eight members, out of which the president and three members are nominated by the MPALSG, and four members are nominated by the SCTM. Professional, administrative and technical tasks for the needs of the Council are performed by the MPALSG.¹⁰²

In performing HRM jobs, LSGU may cooperate with the HRMS for the purpose of professional assistance in the application of the provisions of the Law on Employees in Autonomous Provinces and Local Self-Government Units and other regulations governing HRM in LSGU.

At the level of the Autonomous Province of Vojvodina, the Human Resource Management Service was established (*The Official Gazette of the Autonomous Province of Vojvodina*, Nos. 18/06, 3/12 and 34/14) for the purpose of achieving certain goals of the provincial administration reform and development, which are regulated by the Law on Employees in Autonomous Provinces and Local Self-Government Units and the Decision on the Human Resource Management Service (*The Official Gazette of the Autonomous Province of Vojvodina*, No. 65/16). This Service performs professional HRM-related tasks for the needs of provincial administration bodies (provincial secretariats and provincial administrative

¹⁰² The Council tasks are regulated by the Article 119 of the Law on Employees in Autonomous Provinces and Local Self-Government Units (*The Official Gazette of the Republic of Serbia*, Nos. 21/16, 113/17, 113/17 – state law and 95/18).

organisations), the Secretariat of the Provincial Government, services and administrations established by the Provincial Government. The Human Resource Management Service also keeps employees' personnel records and personal files, prepares the Draft Personnel Plan and takes care of its proper implementation. It announces competitions for filling vacancies and performs professional, technical and administrative tasks for the Appeals Board of the Autonomous Province as well as the tasks of registration, change and deregistration of employees in terms of insurance. In addition, the Human Resource Management Service determines the needs for professional development and training of civil servants in provincial administration bodies and professional services of the Provincial Government. It also prepares, implements and evaluates professional training programmes adopted by the Provincial Government, and performs other tasks important for professional development of civil servants in these bodies (*The Official Gazette of the Autonomous Province of Vojvodina*, No. 12/19).

In accordance with obligations under the law governing the work of public agencies, **HRM activities in public agencies are organised through special organisational units**, and the rights, obligations and responsibilities of employees are established by the director or a person authorised by him/her. The role of the management board is to pass acts with regard to the rules of procedure, financial plans and work plans, while the role of the founder is their approval. The founder also appoints and dismisses the director and members of the management board.

The organisation of the HRM function in public services falls under the competence of line ministries and will not be the subject of this Strategy, but of strategic documents which regulate the performance and organisation of certain activities.

Results and challenges

During the implementation of the PAR Strategy 2014–2020, in order to establish a coherent merit-based civil service system, and in accordance with the accompanying Action Plan, the normative framework governing the civil service system at all levels of government was significantly amended and implemented.

Competency framework – Competencies were introduced in all HRM areas in state bodies at the beginning of 2019. Efforts to determine the set of values for the modern state administration in Serbia, including the competency framework, had begun in 2017 with the project support of the German Corporation for International Cooperation (*Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ*)¹⁰³. The work underwent a thorough consultative process.¹⁰⁴ For the first time, **ten key values of public administration work** were laid out in a single document, based on the normative and planning frameworks and the reform course. These values are an ideal to be strived for by public administration as a whole, its bodies and employees through their activities and behaviour (working in the public interest, strengthening legality and legal certainty, development of good governance, strong commitment to the application of ethical standards, strengthening responsible performance of tasks of public importance, etc.). The values were the starting point for designing the Competency Framework which is laid down by the Regulation on Determining Competencies for the Work of Civil Servants (*The Official Gazette of the Republic of Serbia*, No. 4/19) (hereinafter: the Regulation)¹⁰⁵. At the same time, some of the values are enshrined in the Code of Conduct for Civil Servants (*The Official Gazette of the Republic of Serbia*, Nos. 29/08, 30/15, 20/18, 42/18, 80/19, and 32/20) which sets the rules of ethical conduct of the state

¹⁰³ The framework was created through the cooperation of the MPALSG, the HRMS and consultants (professors from the Belgrade University) with the project support of GIZ.

¹⁰⁴ Both documents were presented to all state bodies and stakeholders in late 2017 and published on the websites of the MPALSG and the HRMS, along with the invitation to send comments or suggestions for improving the proposed texts.

¹⁰⁵ The Regulation in Serbian is available at: http://mduls.gov.rs/wp-content/uploads/uredba_kompetencije128_cyr.pdf.

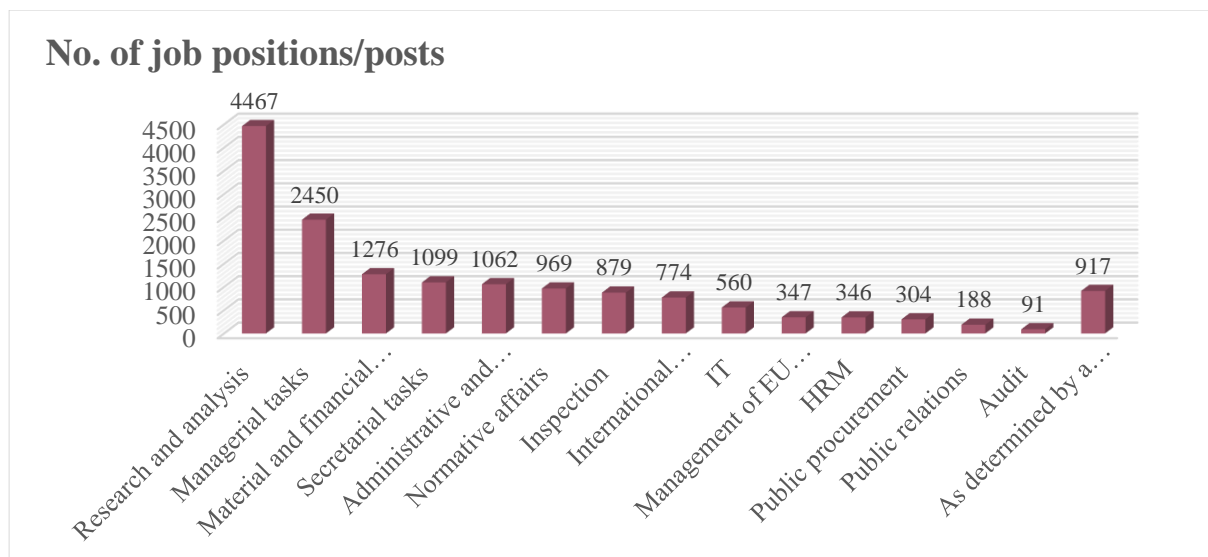
administration, determines integrity standards and rules of conduct of civil servants and provides guidelines for informing the public about the conduct it has the right to expect from civil servants.

Still, **the essence of the concept of organisational culture has not been noticed** in state administration bodies. Since the values of public administration work, competencies identified as expected models of work behaviour of civil servants and the adopted code of ethics are a sufficient basis to start promoting the concept of organisational culture in public administration and creating organisational culture in bodies, future activities should be directed to that end. A key role in the process should be played by HRM units. They should work continuously on creating a model of work behaviour which emphasises the importance of personal responsibility, recognising the professional role of civil servants and the role within the organisation to enable maximum organisational efficiency and avoid or eliminate undesired behaviour as a consequence of working in environments where organisational culture is not perceived as an important part of HRM.

The Law on Civil Servants and the Regulation introduced mandatory **behavioural and general functional competencies** for all civil servants, whereas **specific functional competencies** are mandatory for civil servants who perform certain groups of tasks. The Regulation specifies behavioural and general functional competencies and their indicators as well as specific functional competencies in a specific field of work, how to determine them and their indicators. Further, guidelines and instructions are given to bodies on how to look into and determine competencies for each job. It is also possible for the heads of bodies to make decisions on introducing specific functional competencies for a specific area of work.

The first analysis of embedding the competency framework into regulations on internal organisation and job systematisation in state administration bodies, done in May 2020, showed that **91% of state administration bodies had aligned their systematisation acts with the adopted Competency Framework**, whereas seven bodies (9%) had failed to do so. Six bodies made decisions on introducing specific functional competencies for specific areas of work, in addition to the existing ones, thus enhancing the framework in place.

The process of aligning acts on internal organisation and job systematisation of state administration bodies has shown that, in addition to training and intensive consultations conducted by the HRMS for/with employees in personnel units, there is a need to understand better the importance and the manner of determining properly the necessary job competencies. Although this process offered an opportunity for authorities to review the reasons for the existence of certain jobs and their descriptions, many authorities need to approach it more thoroughly, despite insufficient personnel and professional resources. Practice has shown that there is room for improvement of job descriptions and classification of jobs, as well as the need to strengthen the relevant capacity of HRM units.



Graph 12. Overview of specific functional competences broken down by jobs¹⁰⁶

The analysis shows that **the specific functional competency required for the research-and-analysis field of work is prevalent**. However, a detailed analysis reveals some inconsistency in the manner of determining that competency as necessary for a specific job position, because the authorities link that competency usually to one or two areas of knowledge and skills (e.g. collecting and processing information), which is not enough to conclude that this competency is necessary in order to perform tasks effectively. Experience to date indicates that **it is necessary to improve training programmes and to keep strengthening the job analysts' and managers' capacity to determine competencies properly**.

After a period of application of the Competency Framework in practice, it is necessary to analyse in detail its application in all areas of the HRM function and identify possible weaknesses and opportunities for its improvement and modernisation. Data from such an analysis suggest that it is also necessary to further develop indicators of specific functional competencies for different levels of expertise (e.g. operational, professional and managerial/strategic level), which would significantly contribute to a greater discrimination of the competency framework for jobs classified into different titles under our civil service system.

Major progress has been made by the introduction of the **digital literacy** competency as mandatory for all civil servants. This competency was introduced at its basic level, having in mind the assessment of the pre-existing level of digital literacy of civil servants. However, it is becoming evident that digital skills are not only relevant but also necessary in a modern technological environment or due to the emergence of specific circumstances, such as the COVID-19 pandemic that, in 2020, imposed working-from-home arrangements on administration staff. The level of **digital competency** of civil servants depends, *inter alia*, on how often training courses are attended, and how well training is adapted to modern challenges. The main challenges faced by state bodies and civil servants were **low-level ICT knowledge and skills among civil servants and the lack of standardised ways of communication across the system**. The period of the above-mentioned global pandemic has proved to be a unique opportunity to take advantage of changes, especially in terms of improving, technology-wise, people management processes such as recruitment and training.

In addition, the overall context of competencies can be better understood if viewed through the prism of the relationship between the competencies provided for in the Regulation, the

¹⁰⁶ Exclusive of RGA, MLEVSA and MoI.

requirements that specific types of knowledge and skills entail and the description of skills, techniques and tools that civil servants should make use of. This would provide a better understanding of what is expected from employees and what level of skills is needed to do certain jobs.¹⁰⁷

The competencies which apply to civil servants also apply to **senior civil servants**, with two additional behavioural competencies being determined for them regarding strategic management and HRM. As this is a special category of civil servants whose status, role and responsibilities are significantly different from the status, role and responsibilities of other civil servants, **it is necessary to further develop a special competency framework for this category of civil servants** and to communicate much more clearly the system's expectations from them. The analysis of competencies contained in the systematisation acts for this category shows that it is necessary to further develop the competency framework for senior civil servants to better reflect specificities of official at position.

In addition to the Law on Civil Servants, the 2016 Law on Police has introduced the competency system into the HRM function in the Ministry of the Interior, whereby competencies have become a criterion for selection, evaluation, development and promotion of employees. This was followed by the adoption of the Rulebook on Competencies for Employees of the Ministry of the Interior (*The Official Gazette of the Republic of Serbia*, No. 52/16), specifying in detail the relevant competencies.

The introduction of competencies for local government employees is still at an early stage of consideration. At the end of 2019, an analysis of the applicability of the state-level competency system to autonomous province and LSGU bodies was conducted, revealing that the competency framework can be applied at the local government level with some adjustments to the needs of those bodies and their responsibilities. Therefore, the development of a competency framework for autonomous province and LSGU employees is one of the key steps of further reform efforts in this area, whereby it is necessary to balance between the application of the framework and the resources and findings on the HRM situation in these authorities.

Competencies, as a concept, are not embedded into the HRM in public agencies as it has been done in the civil service system; however, the current normative framework is not an obstacle to lay down the requirements for necessary job-related knowledge, abilities and skills of employees through acts adopted by public agencies. A decision should be made on improvement in this area once a detailed analysis of the HRM situation in public agencies is done.

Human resource planning – Although the Competency Framework has been in place since 2019, the normative framework for personnel planning in state bodies has not changed significantly because until 2019 a major **focus of public administration personnel policy was on the number of staff and on reducing labour costs**, as provided for in two important documents: the 2014 PAR Strategy and the Fiscal Strategy. The 2014 and 2015 Fiscal Strategies¹⁰⁸ envisaged a programme for public finance and employment reform through the adjustment of the number of employees in public administration to real doing business needs to reduce expenditure on employees. The unfavourable structure and excess staff affected the efficiency of public administration, so the **rightsizing process** began. The 2014 PAR Strategy identified the need for rightsizing and reorganising to be ongoing processes in the Republic of Serbia aimed at eliminating unnecessary jobs, streamlining procedures, reducing the number of

¹⁰⁷ *Report on Analysis of Training Needs of civil servants in the area of public policy management*, prepared under the PAR Sector Reform Contract, EuropeAid/137928/DH/SER/RS, points to this relationship which also helps theme-based training to be defined better.

¹⁰⁸ See: <https://www.mfin.gov.rs/UserFiles/File/dokumenti/2013/Fiskalna%20strategija%202014.pdf> and <http://www.fiskalnisavet.rs/doc/dokumenti/Fiskalna-strategija-za-2015-godinu-sa-projekcijama-za-2016-i-2017.pdf>.

employees who are no longer required and cutting costs in general, without diminishing the effectiveness and efficiency of administrative affairs. To that end, the **Law on the Manner of Determining the Maximum Number of Employees in the Public Sector** was adopted, in force until the end of 2019. The Law required the Government, competent bodies of autonomous province and LSGUs and other bodies to pass a special decision on the maximum number of employees in any organisational entity in the public sector. The Law's underlying principle was to ensure that the reduction of labour costs as a result of reducing the number of employees in public administration was, as little as possible, a consequence of linear rightsizing, but of reorganisation of the entire public administration system as much as possible, so the number of employees used to be an outcome of a broad consultation process in public administration. Bodies and institutions designed their systematisation acts to align with thus determined number of employees, which put state administration bodies' personnel plans, as key instruments of personnel management, on the back burner. In addition to downsizing, filling positions that remained vacated due to the 'normal' outflow was 'frozen', with the possibility of new employment in exceptional circumstances if approved by the competent Government commission. In parallel, under the social protection scheme, employees who became redundant or who were retired due to the rightsizing process received severance pay, cash benefits and unemployment benefits. **In addition to reducing wage costs, the rightsizing process has most contributed to decreasing budget expenditure and achieving fiscal consolidation.**

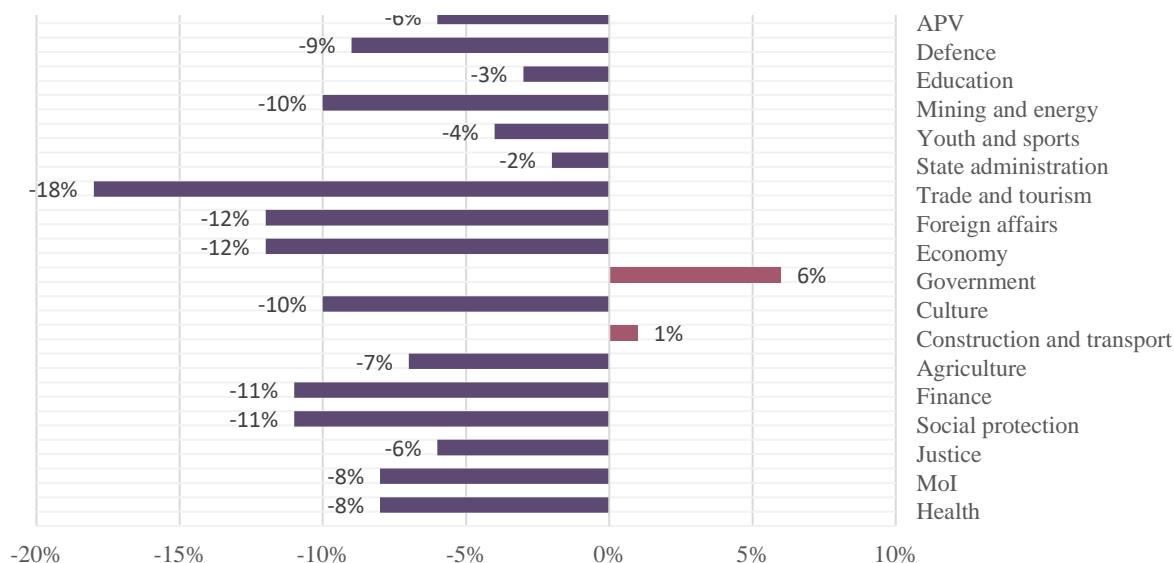
According to the data from the Central Register of Mandatory Social Insurance,¹⁰⁹ during the rightsizing process accompanied by the ban on new employment, the **number of permanent employees in the public sector** financed from the national budget **decreased by 37,367 employees** in the period December 2014 – December 2019.¹¹⁰

¹⁰⁹ The source of data on the number of permanent employees in public administration is the Central Register of Mandatory Social Insurance, except for the Ministry of Education, Science and Technological Development. Here, the data source is the Register of employees, elected, designated, appointed and hired persons in beneficiaries of public funds, maintained by the Treasury Administration. For this Ministry, the headcount is expressed as the full-time equivalent on the basis of the financial data provided by the Register.

¹¹⁰ The number of permanent employees in state bodies and public services (excluding public companies) was reduced by 24,317; in local self-government and public companies by 12,797; and in the Autonomous Province of Vojvodina by 253.

Reduction in staff numbers in the period December 2014 - December

Graph 13. Reduction in permanent staff in the public sector in the period December 2014 – December 2019 (in %)



*Source: Central Register of Mandatory Social Insurance

Although it is clear that the number of permanent employees in certain sectors has significantly decreased, the data also point to the fact that this number has been **compensated by hiring staff for a specific period of time or through other forms of contract-based engagement**. All this shows that the rightsizing process has not had so much impact on the number of employees as it has showed some negative sides, such as the lack of systematic personnel planning and the failure to integrate temporary employees into the civil service system through statutory career mechanisms, which greatly affects sustainability and efficiency of administrative capacities.

The **personnel planning procedure** is regulated in detail by the Law on Civil Servants and the Regulation on the Preparation of Personnel Plans in State Bodies, the latter being the basis for developing personnel plan proposals by the HRMS for ministries, special organisations, government services and professional services of administrative districts. From 2007 to 2012, the Government used to pass personnel plans. However, the need for fiscal consolidation and additional personnel planning mechanisms introduced to reduce staff, as determined by decisions on the maximum number of employees, led to personnel plans not being formally adopted in recent years although the procedure for their development was conducted in accordance with the Regulation. The year of 2020, marked by exceptional circumstances in terms of planning and distribution of funds for measures aimed at curbing the COVID-19 pandemic, also failed to see a formalised personnel plan. An additional reason for departing from the prescribed personnel planning procedure lies in another **ad hoc new employment control mechanism** arising from the Law on the Budget System. According to this Law, the enforcement of which is extended every year as regards this particular matter, in order to prevent a sharp increase in the number of employees in the public sector and to control employment, bodies cannot employ new persons to fill vacant or vacated job positions until 31 December 2020. More precisely, employment relationship with new staff may be established with the consent of the competent **Government Commission**. Retaining the measure of employment control and failure to adopt the personnel plan show that, although the statute limiting the maximum number of employees was repealed, **systematic personnel planning mechanisms have not been put in place**. It is vital to align personnel and finance planning and to establish

better operational planning so that the regulations limiting the number of employees in state bodies cease to be the deciding and directing factor, since currently they have a negative impact on personnel planning. This also implies strengthening analytical capacities of personnel units and of all levels of management in the body so that the internal organisation and job systematisation in the body could be based on principles of effective and coordinated work and work processes in the body and effective supervision within the body, in support of achieving operational and strategic goals through the personnel plan.

These claims are substantiated by two analyses conducted on this issue. The *Capacity Building of Personnel Units in the State Administration Bodies in the Republic of Serbia*¹¹¹ and the *Analysis of the Human Resource Management Process in the State Administration in the Republic of Serbia*¹¹² show that strategic HR planning is at low level. Draft personnel plans are prepared and approved *pro forma*, without any in-depth prior analyses. **In practice, most bodies lack coordination during the preparation of draft planning documents** (work plan, budget, personnel plan and public procurement plan) and personnel units do not set up inter-sectoral groups which would jointly prepare these documents to ensure their alignment. The personnel planning process lacks a systematic approach to the analysis of the organisational structure of bodies and current job descriptions; there is no link established between planned and existing jobs or between required staff and their knowledge and skills. Internal mobility plans for current staff are not prepared on the basis of planned jobs, nor are individual employee development plans included. The personnel plan itself should be improved in terms of content; it should include a comprehensive analysis of the current organisational and personnel structure broken down by jobs, as well as projections of the necessary financial resources for salaries and wages for all persons; a link with the internal labour market should be established, etc.

Therefore, future activities should be aimed at making a significant turnaround in practice so that the **focus is on the goals to be achieved and the work to be done, which should be the basis for determining the required number and structure of non-managerial staff**. Also, innovation of personnel planning should contribute to the implementation of the HRM policy, which is of strategic importance for state administration, whereas HRM units and managers at all levels should establish strategic courses of personnel development as per their competencies. In order to connect institutional goals with human and financial resources and needs and to increase the level of alignment of planning acts, it is necessary to review the place, organisation, role and importance of personnel units in bodies and to enable them to participate in strategic management by strengthening their capacities as well as those of managers. Special attention should be paid to coordinating the implementation of the Government policy through budget and personnel planning so that it could be reflected also in a sustainable personnel plan for state administration bodies that would facilitate the design and implementation of a human resource development strategy in bodies.

In the autonomous province and LSGU bodies, the reform of the civil service has begun by changing the legal framework. A major support to LSGUs in establishing the HRM function is provided through the cooperation between the Council of Europe, MPALSG and SCTM, supported by the EU under the *Human Resource Management in Local Self-Government* programme. In 2019, a functional review was conducted in administrations of 15 LSGUs.¹¹³

¹¹¹ *Capacity Building of Personnel Units in State Administration Bodies in the Republic of Serbia* (original title in Serbian: *Jačanje kapaciteta jedinica za kadrove u organima državne uprave Republike Srbije*), Prof. Biljana Bogičević Milikić, PhD, August 2020.

¹¹² *Analysis of the Human Resource Management Process in the State Administration in the Republic of Serbia* (original title in Serbian: *Analiza upravljanja ljudskim resursima u državnoj upravi Republike Srbije*), Dragana Bajić, Olivera Jovetić, Aleksandar Panovski and Katarina Tadić, April 2016.

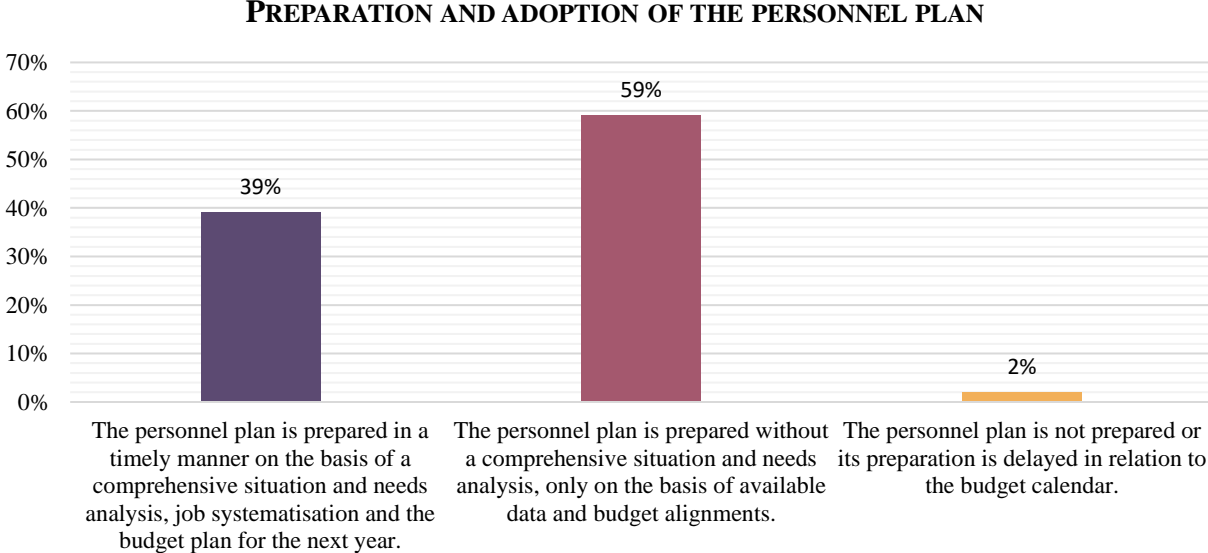
¹¹³ The functional review was done under the project *Support to the Implementation of the Action Plan of the Public Administration Reform Strategy – Local Self-Government Reform 2016–2019*, implemented by the MPALSG with the support

Further, under the *Human Resource Management in Local Self-Government – Phase 2* programme, a situation analysis in all key areas was conducted, using the HRM index developed by the SCTM on a sample of 70 LSGUs.¹¹⁴ Despite the indisputable importance of the innovated normative framework, its implementation remains a challenge.

Both surveys have clearly showed that, despite the fact that HRM is one of the priorities of the local self-government reform, there are still obstacles to and challenges in implementing the prescribed legal framework, but also examples of its inconsistent application in some LSGUs. During the first few years of implementation of the new legal framework, foundations for a modern HRM have been laid, whereas the establishment of a good and functional HRM system is a process requiring a strategic approach and taking many years to complete. That is the reason why this topic is central to the reform of the local self-government system in general. Out of a total of 70 LSGUs analysed through the HRM index, all but one have prepared the personnel plan for 2020 which meets the required form, but the manner and procedure of human resource planning is questionable and often does not reflect the real needs of LSGUs.

Proper preparation of the personnel plan being one of the key HRM activities, it turns out that this is one of the activities which must be improved. **The development of the HRM information system** will create conditions for an analytical approach to personnel and its planning, whereby it is necessary to strengthen, in the long run, the capacity of the staff responsible for planning, both in local and central authorities.

The personnel planning process in public services is not uniformly regulated across the public service system. As part of the strategic planning in a particular area of public service, it is subject to separate regulations and the personnel policy for a particular activity, and is at different stages of development depending on the area it refers to. Public services were subject to the limitation of the number of employees under the Law on the Manner of Determining the



Graph 14. Overview of HRM index findings on the preparation and adoption of the personnel plan

Maximum Number of Employees in Public Services. Specifically, the maximum number was determined by a Government decision for each individual institution. Public services are still

of the Swiss Government. To carry out the project’s Terms of Reference, the MPALSG hired the consortium Change Management Consultants – OPTIMUS-Center for Good Governance.

¹¹⁴ The HRM Index is an SCTM instrument for assessing the capacity of LSGUs to carry out HRM tasks. The last survey was conducted in the period January–February and June–July 2020 on 50 LSGUs covered by HRM support packages under the programme *Human Resource Management in Local Self-Government – Phase 2* and 20 LSGUs that had not been covered by HRM support packages.

part of the public sector which is subject to employment control through budget regulations. Although this strategy is not concerned with the framework, standards and methods of personnel planning in public services which are specific and part of the strategic planning of various activities of general interest, the Law on Employees in Public Services¹¹⁵ has laid down that institutions must adopt personnel plans as an important part of the HRM process, where a specific planning framework is not defined for the activity concerned. Despite the fact that this can be considered a systemic solution for public services in the area of HRM (where priority should be given to separate regulations for a particular activity) and the improvement of the normative framework seeking to establish a single civil service system, the delay in the application of the Law, due to the delay in reforming the salary system, has hampered progress in this area.

The situation is similar in **public agencies**, which are obliged to show staff through work programmes and financial plans by providing only headcount and expenditure data, without presenting in detail the structure of employees or related analyses and planning. To further develop the HRM function in public agencies, it is necessary to analyse thoroughly the elements of the current personnel planning process and their link with the agency's work plans as well as the capacities, role and place of HRM units. The findings should be the basis for a decision on the form, elements, role of the founder in the adoption of personnel plans, etc. and to include them as mandatory in the relevant acts.

Given that the human resource planning is a process which connects an organisation's HR needs with its strategic and operational goals, **it is a prerequisite ensuring that the administration will have a sufficient number of qualified and competent employees to achieve its goals**. While implementing this strategy, it is necessary for personnel planning to be improved, to present better bodies' priorities and needs for employment of specific qualified staff who would work effectively in these areas and to have a more substantial role in the bodies' strategic planning process. This will require the normative framework to be aligned and innovated, an HRM operational information system to be established, but a major emphasis should also be on continuous strengthening of human and analytical capacities of both HRM units and all management levels in bodies.

Recruitment and selection – The amendments to the Law on Civil Servants, passed in 2019, stipulated that the employment of candidates in state bodies should be based on the selection process in accordance with job descriptions as well as the competencies provided for in systematisation acts. To that end, the Regulation on Internal and Open Recruitment for Filling Job Positions in State Bodies (*The Official Gazette of the Republic of Serbia*, No. 2/2019) was adopted, which applies to all state administration bodies. Other state bodies also apply that Regulation, but are autonomous in regulating the aspects related to the composition of the selection panel, the manner of testing competencies and criteria for the selection of candidates.¹¹⁶ The Regulation has standardised the selection procedure in all state bodies, giving a major role to the HRMS in the system development and the selection process.

The Regulation has contributed to improving the recruitment system in accordance with the principle of merit and strengthening the recruitment procedure. This means that **the recruitment procedure is conducted under a code** assigned to a candidate when submitting the application (which ensures the anonymity before the selection panel); mandatory parts of the selection procedure have been introduced aimed at ensuring having the highest quality

¹¹⁵ Article 33 of the Law on Public Services.

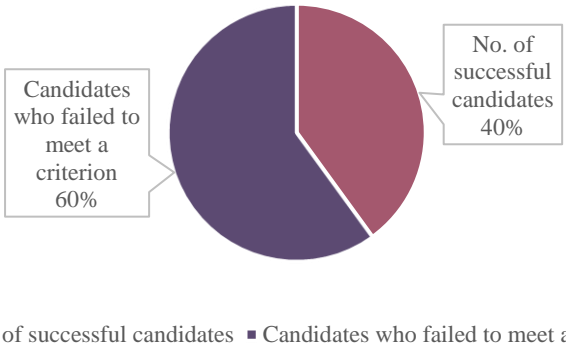
¹¹⁶ The Rulebook on filling job positions in the Office of the Commissioner for Information of Public Importance and Personal Data Protection, the Rulebook on filling non-managerial and senior positions in the Administrative Office of the High Court Council, the Rulebook on filling non-managerial and senior positions in the Administrative Office of the State Prosecutorial Council, etc. were adopted.

candidates in the final round; formalities burdening the recruitment procedure have been simplified; **a single application for all state bodies** have been introduced; the **amount of required documentation has been reduced**; the **short-listed candidate who has achieved best results must be selected** within 15 days from the date of presentation of the list to the head of the body concerned; and **the list of candidates** who fulfilled the selection criteria **must be published** on the HRMS website.

To support authorities and strengthen the capacity of employees to implement the innovated framework, the HRMS collaborated with the MPALSG in 2019 to create and strengthen capacities ensuring successful performance of all tasks within its purview, as well as **uniform operation of employees in personnel units** (all accompanying documents and forms necessary for the work of personnel units and selection panels were prepared; with NAPA support, HRMS representatives were involved in the preparation and delivery of training for employees in personnel units and managers; over 600 civil servants were trained to properly determine competencies and to work in selection panels in 2019; relevant video material and three accompanying manuals were prepared; a database of tests for testing general functional competencies was created and uploaded to the distance learning platform administered by the HRMS, including the database of the results achieved by tested candidates; capacities of the HRMS and personnel units staff for the application of new instruments and methods for testing behavioural competencies were strengthened through the training of over 40 civil servants for observers in the assessment centre; the database of psychometric tests and the database of exercises for testing behavioural competencies were updated; individual consultations were organised for and professional assistance provided to the members of the selection panel, etc.). At the request of other state bodies, in cases when the HRMS staff are not mandatory members of selection panels (Anti-Corruption Agency, Customs Administration, Tax Administration, Supreme Court of Cassation, Constitutional Court, Fiscal Council), the **HRMS also tests candidates’ general functional and behavioural competencies**. The HRMS has put its available premises and equipment at disposal of selection panels conducting the selection procedure. The use of the current candidate testing platform enables two phases of the selection procedure to be conducted in one day, which contributes to the efficiency of the procedure.

Under the new selection procedure, 466 competitive recruitments were announced in 2019 (416 open, 50 internal), 217 were completed, and 23 failed, mainly due to the fact that there were no candidates meeting the criteria for the required competencies.

Percentage of successful and unsuccessful candidates



Graph 15. Ratio of successful to unsuccessful candidates in open recruitment

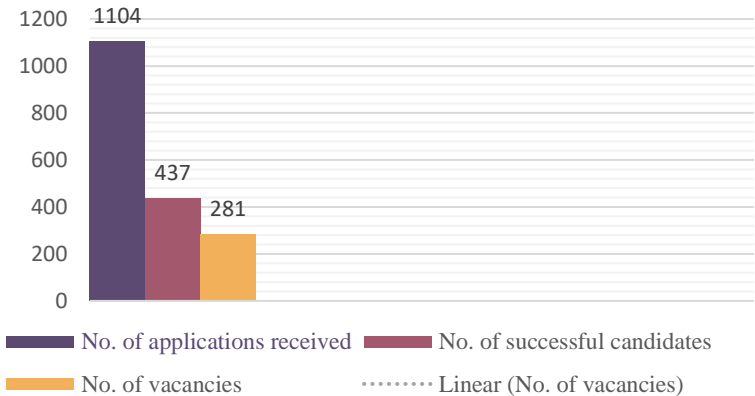
Analyses show that the **average number of candidates in open recruitments** is still **significantly higher than in internal ones**. In 2019, there were, on average, eight candidates for one position in open recruitments, whereas with internal ones two candidates competed for one position.

On a sample of 20 bodies, it was determined that out of 1,104 applicants, 40% (437) were successful, which means they met all the

criteria and went through all phases of the competition procedure, whereas the remaining 60%

of applicants (667) were excluded from the procedure at some point due to the fact that they failed to show they had a competency to a sufficient extent.

Vacancies, applications received and successful candidates - comparison of figures



Graph 16. Vacancies, applications received and successful candidates – comparison of figures

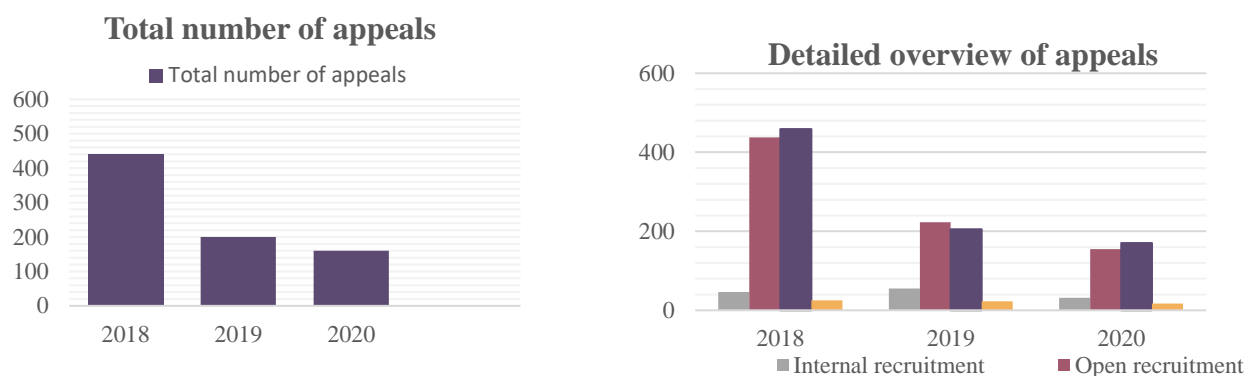
The same sample revealed that there were about four applicants per position, but the analysis conducted following the closure of competitions showed that the number of successful candidates was slightly above the total number of positions (1.5 candidates per position), which is extremely unfavourable. This ratio, which is lower than desired to ensure better competition and quality of selected candidates, indicates that it is necessary to work towards changing the public image of

state administration as an employer and attracting quality candidates. To this end, a systemic approach should be taken to prepare a new communication strategy to promote the values, requirements and opportunities for attracting and employing those who want to pursue their professional career in state administration and have the necessary competencies and potential to develop and contribute innovatively to achieving goals for the future.

A major development is the **obligation for a personnel unit¹¹⁷ to monitor the quality of filling vacancies** in a state body, of which it informs the head of the body once a year, as well as the obligation of the HRMS¹¹⁸ to prepare an annual report on the quality of filling vacancies in state administration bodies, which is presented to the Government. The first such report prepared by the HRMS showed that the average length of the selection procedure – from the announcement to the selection of the best candidate – was 119 days (the two extremes being an open recruitment which lasted 356 days and an internal recruitment requiring 15 days to complete). This state of play, and the situation caused by the COVID-19 pandemic due to which selection procedures were suspended, pose a challenge and require that the possibility of introducing modern selection methods which keep pace with new information technology be analysed as soon as possible and applied in practice.

Compared to previous provisions, the positive effects of the new legislation reflected in **fewer complaints about the conduct of the selection procedure** than in previous years. What is particularly noticeable is that there are fewer complaints about the selection procedures in the bodies where HRMS representatives are members of selection panels.

¹¹⁷ Article 57 of the Regulation on Internal and Open Recruitment for Filling Job Positions in State Bodies.
¹¹⁸ Article 58 of the Regulation on Internal and Open Recruitment for Filling Job Positions in State Bodies.

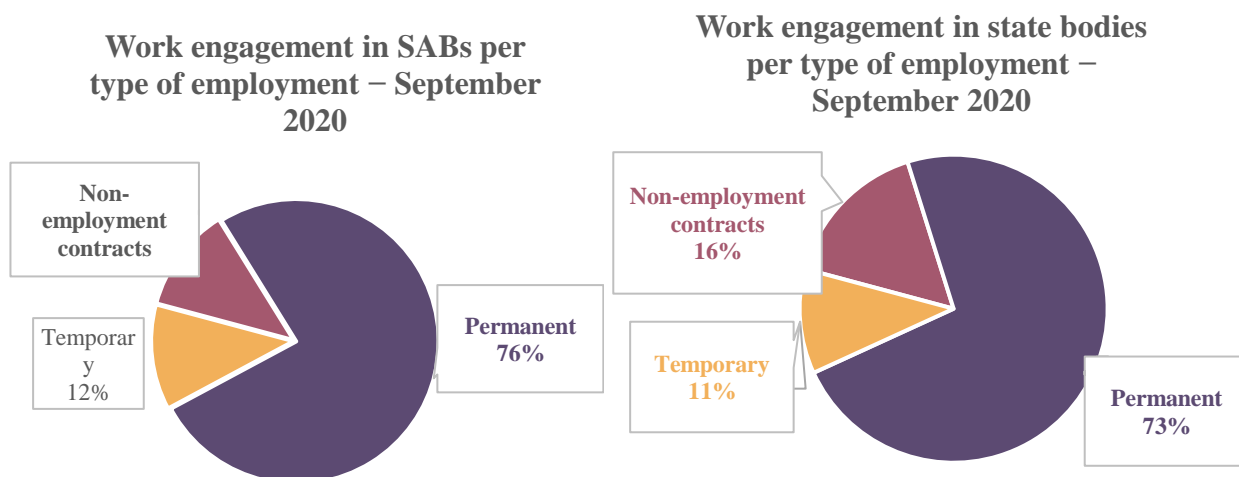


Graph 17. Overview of appeals against the outcome of the selection procedure

In order to increase internal mobility of staff between state bodies and between state bodies and autonomous province and LSGU bodies, the **internal labour market was created** by approving the Regulation on the Internal Labour Market of State Bodies (*The Official Gazette of the Republic of Serbia*, No. 88/19), its purpose being, as of the beginning of 2020, to ensure the efficiency of filling job positions, contribute to career development and retain quality staff. The HRMS has been given a major role in the functioning of that market as an intermediary between bodies, on the one hand, and civil servants who expressed a request for a change of job, on the other hand, and in testing candidates' competencies. Since the beginning of 2020, a total of 207 people have applied to the internal labour market, and by 30 September 2020, 33 people were taken over by another state body with mandatory testing of lacking competencies needed for the job. This is a significant step towards achieving the transparency of staff mobility, but it needs to be further promoted in order to make greater use of its opportunities and increase efficiency in filling positions.

However, in the coming period it is necessary to establish an adequate relationship between the internal labour market and internal recruitment, and opt for the obligatory internal recruitment when the mechanisms of the internal labour market allow internal filling of positions in bodies from a wider range of persons who have expressed the desire to change jobs. Also, current analyses of conducting the internal recruitment process show that it is often used as a promotion mechanism to higher titles of already designated internal employees who do not meet the requirements to be internally transferred to higher positions due to shorter work experience in bodies. This calls into question the purposefulness of some instruments relevant to the employee career development (monitoring and performance appraisal, and gaining experience through work in state bodies as a prerequisite for career development).

Moreover, the innovated framework stipulates that, starting from 1 January 2021, **a contract of temporary employment due to temporarily increased workload can be entered into only following the open recruitment procedure**. An exception to this can be made if a person participated, in the previous two years, in an open recruitment conducted by the state body and met the selection criteria. Although permanent employment is a rule in state bodies, fiscal consolidation, reduction of expenditure on employees, and restrictions on employment in the previous period have led to hiring a number of persons in bodies for a definite period of time through temporary employment or non-employment contracts. The share of temporary employees in the total number of employees in state administration bodies was 10% in December 2019, and 12% in September 2020, whereas the share of other forms of hiring was also 12%, which cannot be deemed favourable. Working too long for a definite period of time negatively affects a person's work motivation, career development opportunities and the stability of the administration capacity.



Source: Central Register of Mandatory Social Insurance

Graph 18. Temporary staff, permanent staff and staff hired through non-employment contracts in SABs – comparison of figures

Due to the controlled employment during previous two years and insufficient number of competitive recruitment procedures, as a precondition for creating a database of persons who may be eligible for temporary employment without the competitive recruitment procedure, it is necessary to engage once again in the consultation process and, with an assessment of bodies' capacity to apply that provision, to review the deadlines for switching to the competitive type of temporary employment so as to avoid jeopardising the efficiency of bodies' work during competitive recruitment procedures. Although the provision itself contributes to the professionalisation of the administration, initiatives launched by some bodies to delay its implementation, and the shortcomings of the systemic personnel planning as described above, require an adequate time frame which would take into account the balance between improving personnel planning and the possibility to put in practice this form of employment with external employment control done by the competent Government Commission in order to avoid possible negative effects on the work of bodies.

The recruitment and selection process in the Ministry of the Interior is governed by the Law on Police, which stipulates that the HRM function is achieved through, *inter alia*, professional planning, recruitment, selection and education in the course of selection and work of employees in the Ministry.¹¹⁹ Pursuant to the Law on Police, employment relationship with the Ministry is established by way of competitive recruitment only for job positions envisaged by the act on internal organisation and job systematisation that are vacant and when filling such a vacancy is in accordance with the personnel plan passed by the Minister. The procedure and manner of conducting competitive recruitment are governed by the Regulation on Conducting Open Recruitment for Filling Job Positions of Police Officers in the Ministry of the Interior (*The Official Gazette of the Republic of Serbia*, No. 18/19). In the selection procedure, the selection panel checks and evaluates candidates' professional qualifications, knowledge and skills and verifies that other necessary conditions stated in the job announcement are met. The recruitment and selection process takes place in observance of the principle of competitiveness, results achieved by candidates at various stages of the selection process (psychological requirements, core competencies, technical competencies – knowledge and skills, interview) and objectivity.

¹¹⁹ Article 130 of the Law on Police.

The PAR Strategy, EC and SIGMA Reports, as well as other documents show the necessity of solving the problem of senior civil servants' professionalization and merit-based recruitment. With the last amendments of the Law on civil servants matters related to the acting status are regulated in a manner to reduce the number of direct appointments by the Government without a previous competitive procedure. Also, the competency framework is introduced and the selection of officials based on competencies with provisions that newly appointed officials must attend the training program for professional development within one year of their appointment.

In 2019, a total of **50 competitive recruitment procedures for senior civil service positions** were announced and completed, and in 2020 (until 15 September), another 46. The average number of applicants remained very low – in 2019, there were about 1.2 candidates per position in internal recruitment and 3.5 candidates per position in open recruitment. This suggests that the need for the internal recruitment procedure should be reconsidered while making competitive recruitment more attractive and understandable for external applicants.

In the same period, **70 persons were appointed to senior positions by the Government following the competitive recruitment procedure**. The data show that out of 382 systematised senior positions, **142 persons were appointed following the competitive procedure**, and 183 positions were occupied by acting senior civil servants, which indicates, when compared to 207 acting positions at the end of 2019 a downward trend but not in the scope that would indicate expected improvement.

The matter of acting positions deserves a special approach given that the de-politisation of senior positions is of high priority in the EU integration process. Stability of those positions is the precondition for further professionalization through professional development measures and for institutional continuity and sustainability and requires a broad dialogue on the roles and expectations towards senior civil servants, their qualifications, competencies, responsibilities. This dialogue with all relevant stakeholders should result in a new common framework for managing senior positions and embedded into respective acts. Until then, it is necessary to establish a communications mechanism between all relevant stakeholders that play a role in the recruitment of senior positions in order to decide with which measure within the present legal framework the negative praxis of acting positions can be counteracted.

In line with competency framework for senior positions it is necessary to analyse the relation between the role of HRMS and the High Civil Service Council and professional staff needed in the selection and selection methods in order to improve the process. The present approach to selection of persons that have already undergone particular selection methods for entry into the civil service needs to be reconsidered (senior civil servant positions, senior positions with proven work results, etc.) and candidates which apply for the first time for a civil servant position so as to align this process with the further development of the civil servants' career development model.

The analysis of the acts on systematisation show that it is necessary to improve the job description and competencies in these acts in order to make them a relevant source for understanding the role and expectations from persons entering the recruitment competition. In the selection process it is necessary to establish the communication between the institutions filling the senior position and the High Civil Service Council so that the institution sets clear expectations for such positions (expressed through final selection/appointment phase) that could be subject of consideration of HRMS and High Civil Service Council. Further point of consideration is the relation between performing the professional state exams within a relatively short term with the selection process for senior civil positions, as the precondition for the selection process. Regarding acting positions, it is necessary already in the first year of the Strategy's implementation to prepare a proposal of key steps that should result in the decrease of positions not being subject to the selection process.

The law stipulates that **new civil servants undergo induction** as part of the probationary period at work (civil servants who are employed for the first time in a state body but are not trainees) and traineeship (persons who are employed in their profession for the first time and trained to work independently). The law does not envisage any induction mechanisms for persons who are transferred or advance during their career, but they specialise in jobs they do through professional training.

In the induction process, a special role is played by the **mentor** whose task is to acquaint the new employee with his/her immediate work environment, and to help him/her integrate into the team as quickly as possible. The Law on Civil Servants prescribes that mentoring in state bodies is carried out in accordance with the general act on trainee induction passed by the head of the body and the general training programme for trainees to take the state professional exam. The process involves direct, in-person transfer of knowledge and experience during a specified period. The NAPA prepares and **delivers a special training programme for mentors** and provides guidelines for their work. Mentors in professional training programmes for trainees in state bodies are, as a rule, civil servants and employees who have considerable experience in performing relevant tasks and who have achieved remarkable and valued results in the work of state bodies. In this regard, NAPA Director issued Instructions on the manner of mentors' work during the training of trainees in state bodies, laying down guidelines for work and determining the manner in which mentors, directly and in-person, transfer their knowledge and experience to trainees who is trained to work independently in the state body, in accordance with the general act on trainee induction and the general and special training programme for trainees to take the state professional exam.

A part of the General Training Programme is the **Introductory Training Programme** which covers professional training of civil servants who are employed for the first time in a state body but also prepares them for taking the state professional exam. It contains core elements of the state professional exam programme and is the same for all trainees and new employees having the same qualification level. The head of the state body has to ensure that the trainee or the new employee has adequate conditions to prepare successfully for taking the state professional exam.

In addition to **training programmes for taking the state professional exam** (part of the Introductory Training Programme) for both state and local-government civil servants, which is prepared and delivered by the NAPA in order to strengthen the induction process, it is necessary to create and implement an introductory, general orientation programme to help new employees and trainees adapt efficiently and adequately to the new work environment, to build capacity – through interaction with colleagues from different bodies – to show their initiative, think critically, work as a team on a specific project task (administrative ‘problem’) and, as active and competent staff, to give their contribution to public administration work. Such training programme could be delivered by the NAPA twice a year. It would complement the concrete induction process carried out by personnel units and facilitate the staff integration into the administration system.

As regards senior civil servants, the Law on Civil Servants stipulates that a civil servant who has been appointed to a senior civil service position for the first time is obliged to attend the training programme for managers, delivered and developed by the NAPA, for one year from the day of the appointment. The purpose of this programme is professional development of civil servants who are preparing or holding managerial positions so that they acquire knowledge and skills and increase their ability to perform the management function in a state body successfully and to improve the quality of the public policy design and implementation process. The programme is structured so as to meet the specific needs of three target groups: senior civil servants, civil servants in managerial positions and civil servants preparing to serve in managerial positions; it aims “to capacitate training participants to perform the managerial job

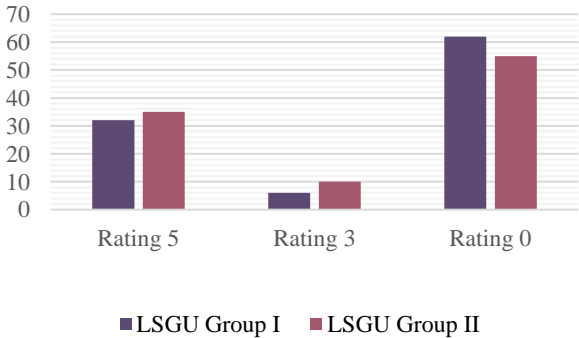
effectively and efficiently, to acquaint them with basic concepts of planning and management in public administration, and to support the development of leadership skills”. In addition, participants can draft their own individual development plans.

In its paper entitled *Analysis of the Professionalisation of the Senior Civil Service and the Way Forward for the Western Balkans*, SIGMA indicates that careful thought should be given to the training programme for managers and the design of individual development plans to form an integral part of the future civil service policy. In addition, with regard to further development, it is advised to link recruitment and professional development better as insights gained by selection panels into selected candidates’ skills could serve as useful information for induction training, which needs to be enhanced in the future.

Passing the state professional exam is a prerequisite for a civil servant to remain employed and for a trainee to continue working in the state body. However, from the recruitment procedure (where certain functional competencies are tested), through training of trainees and new employees (which include testing acquired knowledge), to taking the state professional exam (which is a condition for continuing to work in state bodies and which covers areas presented during the training undergone by new employees), knowledge and skills, and sometimes the same functional competencies, are tested multiple times. Therefore, it is necessary to re-examine the correlation between testing the same competencies at different stages of employment and the state professional exam, determine their expediency and, keeping in mind the aim and purpose of testing, a proposal should be made as to how competencies could be assessed.

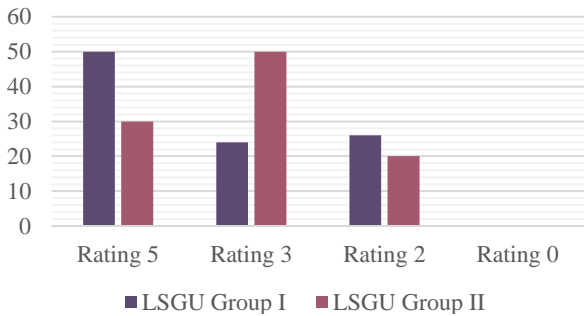
In accordance with the 2016 Law on Employees in Autonomous Provinces and Local Self-Government Units and the Regulation on Conducting Internal and Open Recruitment Procedures for **Filling Job Positions in Autonomous Provinces and Local Self-Government Units** (*The Official Gazette of the Republic of Serbia*, No. 95/16), standardised recruitment procedures have been established. The HRMS has a statutory role in connection with HRM in terms of carrying out, *inter alia*, professional tasks in the recruitment and selection process. In other words, LSGUs can collaborate with the HRMS and get support in carrying out novel procedures.

Preparation and analysis of current job descriptions



Graph 20 Preparation and analysis of current job descriptions

Cooperation with HRM unit/officer in the process of filling vacancies



Graph 19. Cooperation in the process of filling vacancies

The preliminary analysis of LSGU performance in the field of HRM has showed that it is necessary to improve and strengthen HR planning capacities already in the initial phase when systematisations acts are prepared (a survey sample revealed that two thirds of LSGUs did not consider related matters in essence but *pro forma*, which does not ensure a quality competitive recruitment procedure). Regarding cooperation with the organisational unit/officer performing

HRM tasks in the process of filling vacancies, the analysis of the findings indicates that improvement is also needed in that part so that the involvement of HRM organisational units/officers in the process could be not only formal but also substantial.

As regards testing professional qualifications of competing candidates, the analysis shows that the prescribed procedure is followed where candidates' expertise is tested in several segments, whereas more than half of LSGUs assess professional qualifications of candidates only orally. This is indicative of the need to significantly improve this part of the procedure, and to strengthen the capacities of selection panels for the application of all methods of testing candidates' professional qualifications.

Since 2019, **public agencies** have been conducting open recruitments for filling vacancies. The procedure for selecting the director following the open recruitment has been improved in terms of greater transparency of the job announcement, procedure and recruitment criteria. A novelty here is a list of three most successful candidates to select the director from, unlike the previous statutory provision according to which all successful candidates were on the list. Moreover, public agencies must conduct a transparent recruitment procedure for permanent employment in the manner prescribed by law, with mandatory testing of candidates' professional qualifications, knowledge and skills during the selection process. As the amendments to the normative framework were a major step towards the establishment of a transparent and merit-based employment/recruitment system in public agencies, an analysis of the application of the normative framework in public agencies should be done in the coming period to provide relevant information to steer the course of further reform of the HRM function in public agencies.

The **competitive recruitment procedure** for appointing directors of **public services** is laid down in specific laws governing the work of a particular public service, whereas professional staff in the primary and secondary education system, health workers and teaching staff in the higher education and science sector is employed following the competitive recruitment procedure in accordance with the Law on Fundamentals of the Education System (*The Official Gazette of the Republic of Serbia*, Nos. 88/17, 27/18 – state law, 27/18 – state law, 10/19 and 6/20), the Law on Health Care (*The Official Gazette of the Republic of Serbia*, No. 25/19) and the Law on Higher Education (*The Official Gazette of the Republic of Serbia*, Nos. 88/17, 27/18 – state law, 73/18, 67/19, 6/20 – state law and 6/20 – state law), respectively. Other laws regulating the work of a special public service do not stipulate the open recruitment procedure as a way of establishing employment relationship, which is system-wide shortcoming observed in the 2014 PAR Strategy resulting in the adoption of the Law on Employees in Public Services in 2016. This Law prescribes that permanent employment in public services must be established following the competitive recruitment procedure, whereas in case of temporary employment, this procedure has to be observed if it is provided for in the statute governing the work of the public service concerned or in a service's general legal act. All phases of the recruitment procedure – filing an application, composition of the selection panel, rejecting the application, selection procedure, manner of notification, right to object belonging with the candidates who participated in the selection procedure, and judicial protection – are regulated so as to ensure making the best choice between the best quality candidates who are interested in working in the public sector. Bearing in mind that the enforcement of this Law is closely linked with the reform of the pay system, its enforcement in that part has not begun due to the postponement of the reform, which will be a necessary step in the future towards regulating public administration.

Career development – One of the concepts of the civil service system which has undergone the biggest change is the **evaluation of civil servants**; in other words, a completely new model of **competency-based performance appraisal** has been introduced. The Regulation on Performance Appraisal of Civil Servants (*The Official Gazette of the Republic of Serbia*, No. 2/2019 and 69/2019) is applied in all state bodies and regulates in detail the performance

appraisal procedure. The performance appraisal system should ensure the **achievement of all organisational goals, attainment of work behaviour and desired work values in accordance with competencies**, as well as **motivation, learning and development of civil servants**. Also, a link has been established between performance appraisal results, on one hand, and training needs and planning of development and professional training, on the other hand. There is a statutory obligation for civil servants in managerial positions to attend all general and special training programmes enhancing their ability to conduct performance appraisal of civil servants properly. Personnel units have to prepare an annual analysis of performance appraisal ratings, whereas the HRMS has to compile a consolidated report on performance appraisal in state administration bodies.

Performance appraisal of civil servants was first conducted in 2019 and its results show that 54.5% of civil servants exceeded expectations, 44.9% met expectations, 0.6% needed to improve, whereas 0.1% failed to meet expectations. There has been an improvement compared to previous years when the percentage of the most successful employees exceeded 85%, but the situation is still unsatisfactory. Continuous work is necessary towards strengthening the capacity of managers and personnel units supporting those managers so that the appraisal system truly serves its purpose as an HRM and employee development tool. The appraisal procedure should be complemented by developing indicators for organisational goals to measure their achievement in order to obtain relevant data that will serve as guidance for organisational units and in the performance management process.

The Law on the System of Salaries of Employees in the Public Sector laid down the **principles for determining salaries and other benefits in a uniform manner for all employees in the public sector**. As the performance appraisal system is directly linked to adequate planning of expenditure on employees, it is necessary to further improve the performance appraisal process and to strengthen the capacity of all participants in the process. The development of a uniform system of salaries and performance appraisal indirectly contributes to the **motivation and career development of employees, as well as to the retention and attraction of competent staff**. In 2017 and 2018, laws were passed regulating salaries, salary compensations and other benefits of employees in the autonomous provinces and LSGUs, public services, public agencies and other organisations established by the Republic of Serbia, autonomous province or LSGU, as well as a Special Catalogue of jobs in public services and other organisations in the public sector, which is a prerequisite for the evaluation of jobs done in the public sector. This Catalogue, which contributes to structuring the system, is in use and public services design their own rulebooks on job systematisation in accordance with it.

However, despite the initial commitment to implementing the reform process comprehensively and concurrently across the entire public sector, the reform was delayed. Due to variations in the existing public sector salary system which have been the subject of numerous analyses since 2014, strategic documents steered further improvement of the pay system towards its manageability, fairness and efficiency in order to ensure uniform evaluation of the same public sector jobs, facilitate comparability of salaries in the same job positions, make the system of salaries and remuneration of employees more dependent on the demonstrated performance, eliminate competition within the public sector caused by the level of earnings, etc. The reform of the current normative framework has undergone a large consultation process in all parts of the public sector covered by the framework. Yet, the need for further broad consultations on future activities and for the planning and control of employee costs in enforcing legislation while preserving fiscal stability; the challenge regarding the scope and pace of this reform in the public sector until fully reaching new salary ratios and making the system uniform while keeping the fiscal system and the material status of employees intact; the COVID-19 pandemic which slowed down the consultation process in 2020 resulting in the

re-allocation of budget funds – all this is indicative of the complexity of this reform due to which its full implementation has been delayed. Further steps and pace of the reform should entail, first and foremost, **completing the normative framework** by adopting a new Law on Salaries of Civil Servants and other legal acts establishing ratios of the values of jobs in public services (Regulation on Coefficients). Moreover, in line with the set medium-term fiscal policy goal related to maintaining expenditure on employees at a sustainable level (as stated in the Revised Fiscal Strategy for 2020) and depending on the analysis of the financial impact of the reform on the state and local budgets, **the basis for calculation and payment of salaries in the public sector** needs to be determined in the Law on Budget, which would complete the normative framework for the salary reform.

The reform of the salary system was implemented in the Ministry of the Interior. The Catalogue of Jobs and Job Descriptions for Police Officers was developed according to which the jobs were reclassified. This provided a clear basis for the salary system reform aimed at eliminating disparity and internal injustice typical of the previous system, which was achieved by introducing a job evaluation system based on objective criteria arising from job descriptions. A method has also been put in place according to which salaries are being gradually aligned with the newly determined salaries.

At the beginning of the enforcement of the innovated normative framework governing the career development aspect of the civil service system, the HRMS established a **Career Management Centre** with the aim of further improving and modernising competency-based career management. Currently, the Centre is focused on individual civil servants because not all stakeholders' roles in that process have been institutionalised. The services provided by the HRMS in this area are the assessment of individuals' potential, career counselling, design of individual development plans and development support through individual work and work in small groups for all civil servants who apply on their own initiative or are referred by managers.

In the long run, state administration must keep developing an enabling environment and creating conditions for employees who want to achieve their professional and career goals there. Career development means not only climbing the promotion ladder but also increasing competencies and experiences within the current role or expanding one's potential to new roles or new levels. **Creating a single or multiple career models in state administration** and relevant career management tools should, both in general and in individual priority areas of work, facilitate making career decisions for all actors i.e. help them make decisions regarding promotion, rewarding, talent management, mobility, development, etc., and indirectly help attract and retain staff with the required set of competencies. A particular challenge on this journey is how to define and establish the **talent management system** (which includes both talent 'discovery' and its development and guidance by means of horizontal and vertical career maps) which would significantly improve and strengthen internal human potential for current and future jobs, tasks and competencies and addressing challenges of a modern state administration. The legislative and institutional frameworks should define clear roles for employees, managers, the Career Management Centre, NAPA, and especially personnel units, in this process. Personnel units should assume a more significant role in the decision-making process on an individual's career development; this would allow the Career Management Centre to focus its resources on supporting the professionalisation of senior managers/civil servants and talent management. A special approach to professionalisation and career development needs to be adopted with regard to senior civil servants by analysing comprehensively their status, role and responsibilities in the system.

Amendments to the Law on Civil Servants have improved the provisions on **disciplinary proceedings** which had some shortcomings when applied in practice, primarily with regard to the statute of limitations for initiating and conducting disciplinary proceedings, failure to conduct oral hearings in case of minor violations of duties under the employment relationship

and prescribing new severe and minor violations of duties under the employment relationship. The role of personnel units in these proceedings varies greatly in practice: in 50% of surveyed bodies¹²⁰, disciplinary proceedings were not conducted in the past few years or, in case they were, did not involve personnel units' staff. In more than a third of the bodies (39%), personnel units do not have a significant role in disciplinary proceedings, which is deemed an HRM-related shortcoming that needs to be addressed in the coming period by allowing HRM units to play an adequate role. In addition, there is room for improvement of preventive action by both managers and personnel units in terms of improving, first and foremost, organisational culture and promoting a desirable model of work behaviour and attitude to work.

Institutional and administrative capacities for HRM – A prerequisite for a qualitative approach to HRM tasks and effective monitoring of the application of the Law on Civil Servants and the Law on Employees in Autonomous Provinces and Local Self-Government Units, at all levels, is a **Human Resource Management Information System (HRMIS)**. Taking into account all relevant documents pointing to the need to establish a functional personnel database, as of December 2019, the HRMS have been cooperating with the MPALSG and the Office for IT and e-Government, with the support of the EU project *Design and Implementation of HRMIS for Civil Servants*, to develop and set up the HRMIS which should become operational in the first half of 2021. Its purpose is to establish communication in keeping records of all employees in state, autonomous province and LSGU bodies to create a comprehensive record of employees and keep other HRM data on employees and bodies. Further project implementation will require amending the Law on Civil Servants in the part related to the content of the HRMIS and drafting a by-law regulating in detail the content of the system and its functioning.

The new HRMIS will combine all HR processes and data into one system, automate business processes, make data available in electronic form, and turn business rules into application support, which will greatly facilitate the work of both HRMS and personnel officers, and the data will be transparent for both employees and state bodies. The advantage of setting up such an information system is the automation of the HRM process, which will help HRM to be more efficient and to focus resources on strategic issues.

The situation analysis regarding **personnel units**¹²¹ shows that their usual position in the body's organisational structure is **within the Secretariat**, most often within the unit for general, legal and personnel affairs. In most cases the personnel unit manager performs other tasks, outside the scope of the HRM function, with HRM tasks being reduced to administrative affairs. **The structure of staff performing HR tasks appears to be dominated by legal officers**, with few experts from other social and humanistic sciences areas of work. In more than half of the bodies, strategic HRM planning is at a basic level of development (there are few or no HRM goals in the organisation's strategy). **Personnel units rarely develop and implement their own training plans**, and only bodies with large headcount have their own training resources used to organise staff training in sector-specific issues. The overall assessment is that the cooperation between central HRM bodies, primarily between the HRMS and personnel units, is good; however, there are no regular meetings where they could discuss the challenges encountered in their daily work or share lessons learnt, although there is a certain degree of cooperation between these units through informal contacts among staff which are established in the course of work. Having in mind current findings, **it is necessary to take a systematic approach to the development of personnel units and define their adequate role, place, organisation and importance within bodies in order to strengthen the quality of the HRM**

¹²⁰ *Capacity Building of Personnel Units in State Administration Bodies in the Republic of Serbia* (original title in Serbian: *Jačanje kapaciteta jedinica za kadrove u organima državne uprave Republike Srbije*) – GIZ-supported analysis paper.

¹²¹ *Capacity Building of Personnel Units in State Administration Bodies in the Republic of Serbia* (original title in Serbian: *Jačanje kapaciteta jedinica za kadrove u organima državne uprave Republike Srbije*) – GIZ-supported analysis paper.

process. Consequently, given current reviews and findings as well as roles set by the innovated legal framework, it is necessary to conduct an analysis of the organisation of the HRM function in state administration and of the roles played by all HRM actors to determine the course of its future development in line with modern forms of HRM.

Attaching importance to human resources, as well as quality HRM practice, are very important, if not crucial in running organisations. The quality standard is a framework for establishing a systematic and process-related approach to HRM activities in the organisational context. **Establishing quality standards in the area of HRM** in state/public administration would emphasise the importance of the HRM function for the success and performance of the organisation, on the one hand, and enable employees in the organisation to have adequate quality of service provided to them relative to their work and development, on the other hand. In state administration, the process of implementing this function in all areas is governed by law; however, in order to monitor the contribution of this function to achieving organisation's strategic goals, certain criteria or indicators should be determined against which to measure the quality of current practice. Therefore, it is vital to conduct an analysis and make an assessment whether it is necessary and possible – and how – to introduce some of the existing quality standards in the area of HRM in state administration and thus monitor the effectiveness of the current practice and indirectly determine its contribution to a more efficient and effective decision-making process and to the achievement of organisational goals or certain quality standards should be designed and adjusted to our administrative space. Objective measurement of the HRM system ensures transparency of conduct and strengthens trust among employees, organisational units, managers, and different levels of hierarchy. At the same time, failure to meet certain criteria would be a clear indicator that something in the system needs to be changed and corrected in terms of the current practice and the normative framework.

Professional development – The regulation of the area of professional development in public administration began in late 2017. Legal acts were passed introducing a series of innovations in this area, which was followed by a dynamic period of their implementation in practice. As a first step, the **NAPA** was up and running in January 2018. Already in the first year of its operation, it began introducing the necessary standards in the area of professional development to ensure a systematic, complete, quality and competent creation and improvement of human resources in public administration. More modern, **new general training programmes and manager training programmes** for both civil servants¹²² and LSGU employees¹²³ were developed, which were approved by the Government in 2019 and 2020.¹²⁴ A new **methodology for determining the needs for professional development** in public administration bodies was applied for the first time in 2020. The methodology enabled comprehensive collection of data from various sources, the application of several modern information processing methods and techniques and the preparation of the professional development needs analysis report.¹²⁵ Given the number of bodies that participated in the

¹²² The development of the 2020 manager training programme for civil servants was preceded by the preparation of a study entitled *Towards a Modern Programme of Professional Development of the Senior Civil Service in Serbia* (original title in Serbian: *Ka modernom programu stručnom usavršavanju državnih službenika na položaju u Srbiji*). The proposed training programme and the Study were prepared with the support of SIGMA, a joint initiative of the OECD and the EU.

¹²³ The manager training programme in LSGUs was prepared in accordance with the principles of the Council of Europe's *Leadership Academy Programme*, under the project *Human Resource Management in Local Self-Government* (Phase 2), implemented by the MPALSG, the SCTM and the Council of Europe with the financial support of the EU and Council of Europe.

¹²⁴ NAPA's official website: <https://www.napa.gov.rs/tekst/49/godisnji-programi-obuka-naju.php>, last visited on 8 November 2020.

¹²⁵ Compare: *Professional Development of Public Administration Staff in 2021 – Training Needs Assessment Report* (original title in Serbian: *Izveštaj o proceni potreba za stručnim usavršavanjem zaposlenih u javnoj upravi za 2021. godinu*), NAPA, August 2020 (NAPA's official website: [https://www.napa.gov.rs/extfile/sr/2227/TNA-izve%C5%A1taj-2021-sa-prilozima\(1\).pdf](https://www.napa.gov.rs/extfile/sr/2227/TNA-izve%C5%A1taj-2021-sa-prilozima(1).pdf), last visited on 8 November 2020).

process, this should significantly help further innovate these training programmes, or adapt them to the needs of employees and bodies in public administration, the ultimate goal being to transform the administration – following the good governance concept – to be capable of implementing overall reform processes in parallel with always addressing citizens’ and businesses’ needs.



Graph 21. Overview of the NAPA-delivered training programmes broken down by areas and thematic units of professional development

Furthermore, **civil servants who have been appointed to senior civil service positions for the first time have an obligation to attend a training programme**, as these civil servants have to attend the appropriate modules of the training programme for managers within one year from the day of the appointment. This is deemed an initial, but important step towards introducing such obligation for other categories of employees in public administration to attend the training programme. Certainly, it is necessary to determine precisely in advance the purpose and the outcome of introducing this obligation. Professional development is a right, but also a duty, which state and local-government civil servants have in terms of acquiring knowledge and skills and becoming able to perform jobs in accordance with the needs of state and LSGU bodies. In order to impose this duty, however, it is necessary to specify the manner of and conditions for its fulfilment as well as the consequences of the failure to perform it.

Positive effects of the new system of professional development can be observed in greater need and motivation of employees in state and LSGU units to attend training. Since its establishment, the **NAPA has organised 743 training sessions** covered by 5,994 training hours attended by **18,515 participants**, or 21,542 people/training hours.¹²⁶ Employees’ own initiative to exercise their right to professional development has been prevalent in the time of COVID-19, with requests for organising training in matters supporting personal development and skills (stress management, time management, etc.). In this regard, more attention should be paid to topics such as crisis management, change management and innovation management, with

¹²⁶ NAPA’s official website: <https://www.napa.gov.rs>, last visited on 8 November 2020.

greater application of modern (unconventional) forms and methods of professional development.



Graph 22. NAPA-delivered training programmes in 2020

Achievements are also present as regards the introduction of the quality system in those segments of professional development which are relevant to assessing the quality of delivered training programmes. Among other things, the NAPA developed, and then transparently applied in the accreditation process, the **rules for selection of trainers and training organisers** on the basis of their professional and pedagogical competencies (of the former) and technical and spatial resources (of the latter) for the organisation and delivery of training programmes. The **Permanent List of Lecturers and Other Trainers** contains 1,366 trainers (natural persons)¹²⁷, whereas 253 training organisers (legal persons)¹²⁸ have been entered in the **Register of Accredited Training Organisers**. The quality system has also been introduced in the training programme evaluation process, but real results are yet to come since persons exercising their rights, legal interests or duties before bodies or organs which are beneficiaries of professional development programmes have identified the need for improvement, especially in terms of external evaluation of training programmes, including the evaluation from the ministry responsible for capacity building and professional development of employees in state and LSGU bodies and from relevant professional bodies.

The necessary progress has been made in terms of how training programmes are delivered, since in addition to traditional forms, modern forms of learning, such as mentoring, coaching and e-learning, have found their place in the delivery process.

Digitisation of professional development processes under the Central Records of Professional Development Programmes in Public Administration was upgraded with the LMS. In the coming period, this potential should be further developed to support greater availability of training for employees in public administration irrespective of the place of work, which has not been achieved so far as regards the coverage of topics and the expected number of participants. This is particularly important given the fact that distance learning saves time for trainees, training costs are lower and the pace of work is adjusted to trainees' individual needs as it allows them to plan their learning time and adjust it to professional and other obligations. To achieve this goal, it is necessary to keep pace with modern technology and further develop the LMS while using multimedia and interactive methods (group work accompanied by interactive sessions, forums, joint exercises in blackboard systems – virtual classrooms, joint projects, learning in the face-to-face environment and, as a final stage, 'mandatory socialising'

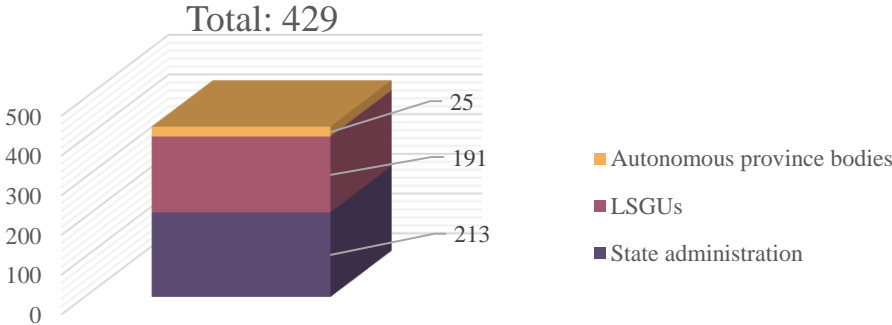
¹²⁷ NAPA's official website: <https://www.napa.gov.rs/lista-akreditovanih-trenera/144/stalna-lista-predavaca-i-drugih-realizatora-obuka.php>, last visited on 8 November 2020.

¹²⁸ NAPA's official website: <https://www.napa.gov.rs/tekst/59/evidencija-akreditovanih-sprovodilaca-obuka.php>, last visited on 8 November 2020.

among participants). On the other hand, it is necessary to further strengthen digital competencies of public administration staff for the use of new technology.

In 2020, 4,115 civil servants and LSGU employees were registered through the LMS as distance learners. There were 13 online training sessions and 90 webinars attended by 2,309 and 4,484 participants, respectively.

In a short time, the NAPA proved to have huge potential and offering significant support to all public administration bodies and organisations in enhancing their human resources for the implementation of reform processes, but also in carrying out their relevant statutory responsibilities. In this regard, with the support of the MPALSG and the SCTM, the NAPA organised a **network of contact persons in public administration for professional development** with the aim of achieving lasting cooperation in all phases of the professional development process, from identifying the needs, through the preparation, accreditation and delivery of adopted training programmes, to their evaluation and verification.



Graph 23. Membership of the Network of Contact Persons in Public Administration in figures

Appropriate premises and equipment are a precondition for proper professional development in public administration, which is why, since January 2020, the NAPA has at its disposal a new training centre adapted to the needs of this institution and its users, covering over 3,500 m² of space, with 14 state-of-the-art classrooms of different sizes which could receive up to 400 training participants from public administration on a daily basis.

In parallel with the NAPA development, state and other public administration bodies contributed to building the professional development system by advancing it through **specific training programmes** which are prepared and delivered for professional development of employees in state and LSGU bodies to meet the needs specific to the purview of these bodies or the needs of individual jobs, types of jobs or specific groups of users. Authorities involved in this form of professional development in 2018 and 2019 were the MPALSG, the Ministry of European Integration, HRMS, Customs Administration, Treasury Administration, Public Procurement Administration, Anti-Corruption Agency, Provincial Government’s Human Resource Management Service,¹²⁹ while a number of bodies were supported in the preparation of these programmes for 2021: 92 LSGUs and four ministries.¹³⁰ Given the total number of public administration bodies, it may be deemed that these programmes are not yet fully applied in practice, and that in the next period it is necessary to determine the reasons behind such state

¹²⁹ NAPA’s official website: <https://www.napa.gov.rs/tekst/61/lista-akreditovanih-programa.php>, last visited on 8 November 2020.

¹³⁰ The process was supported by the project *Strengthening Local Self-Government* (Phase 1), followed by the project *Human Resource Management in Local Self-Government* (Phase 2), implemented by the MPALSG, the SCTM and the Council of Europe with the financial support of the EU and Council of Europe.

of play and propose measures to improve specific professional development in public administration.

Moreover, considering the fact that ‘administration is a living organism’ and that it is constantly being transformed and adapted to the needs of the state and society as a whole, which requires well-trained staff who have knowledge, skills and abilities to implement all changes, there is a need for continuous adaptation of the scope, methods and techniques of professional development to modern trends and technology. A particular challenge, therefore, will be not only to maintain the ascending line of the reform process in the area of professional development in state and LSGU bodies according to the already established standards and quality system, but also to keep the pace of development which will be able to ensure, over the next ten-year period, the involvement of bodies, organisations and holders of public authority from other parts of public administration in this process and the capacity building of the NAPA to take over the dominant role of a single centre for knowledge management and dissemination of the culture of lifelong learning and personal development of all administrative resources in public administration.

As modern trends take into account the need of employees, but also of their employers, for continuous improvement of knowledge, skills and abilities in order to achieve better economic growth, greater competitiveness and permanent employment, another challenge in the coming period will be to create conditions for full implementation of the concept of lifelong learning in the public administration professional development system, to build personnel capacities in support of other HRM elements, particularly evaluation, rewarding and promotion, but also to connect it with additional education of public administration staff. At the same time, it will be necessary to find adequate modalities of support for higher education in producing staff for public administration.

As human resources are key to the success of all reform processes, including in the area of professional development, it is necessary to pay special attention in the coming period to the **transformation of personnel management units** in state and LSGU bodies from the existing structure to the **concept of modern HRM**, which, *inter alia*, implies taking a strategic approach to managing professional development processes in public administration bodies in place of the current, predominantly technical approach to this function.¹³¹ Certainly, this requires a plan-based approach to resolving this issue and adequate support to authorities in establishing functional units for the management of staff and employees in these jobs who are well trained in applying modern HRM methods and techniques.

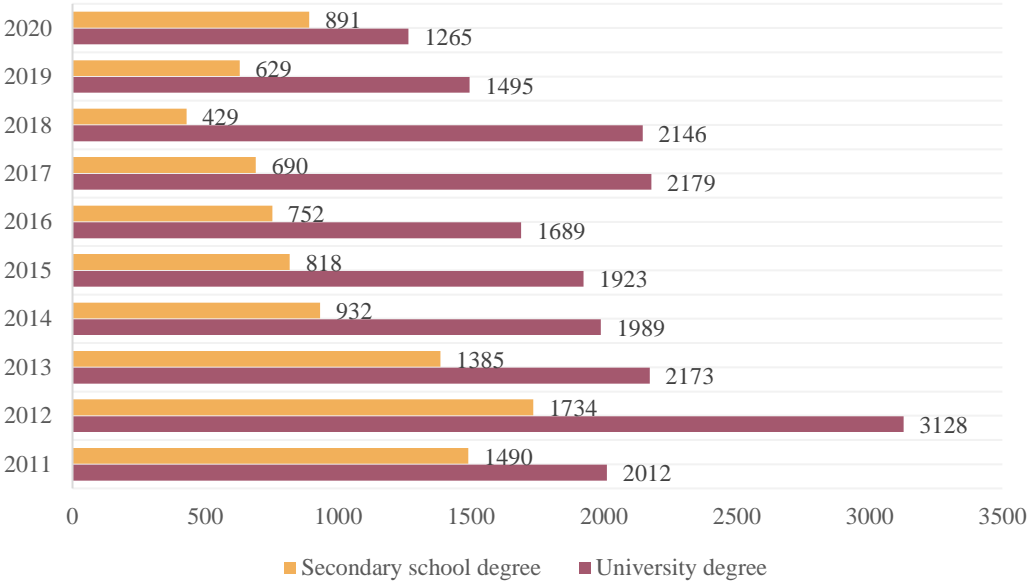
Professional exams – In the previous period, in addition to the general state professional exam, a large number of specific professional exams were introduced into the public administration system for employees in specific jobs positions in state bodies i.e. employees with special duties and authorities.¹³² However, dynamic normative activities and their implementation were not part of a uniform process which should ensure substantial reform and integrity of the body of professional exams at the level of state (public) administration, as well as achieving their purpose in the system. In this regard, the challenges for the future development of this area relate to the need to **anticipate and formulate uniform criteria and standards of professional exams** for state administration first and then for the entire public

¹³¹ In May 2019, SIGMA prepared the document entitled *An Analysis of Human Resource Management Capacities in State Administration Bodies with recommendations for central human resource management coordination bodies and for public administration bodies*. The analysis pointed to the need for HRM units to get involved in strategic HR management.

¹³² According to the *Study on Professional Exams in State Administration in the Republic of Serbia* (original title in Serbian: *Studija o stručnim ispitima u sistemu državne uprave u Republici Srbiji*), prepared by the MPALSG with the support of the GIZ-funded project *Support to Public Administration Reform in Serbia*, by the end of 2018, 105 specific professional exams and licence exams were introduced, licence being a prerequisite for holders of public authority to perform certain state administration tasks.

administration, to link professional exams with the new system of professional development in public administration, but also to improve business processes in the area of professional exams aimed at their standardisation, and to strengthen the ICT supervisory function and application in this area.

The MPALSG has taken its first steps towards modernisation of professional exams by creating a **software product for professional exams** relevant to its purview. The software is such that it could serve as a prototype for the information system to be designed to offer the same kind of support for other professional exams in the state (public) administration system in the Republic of Serbia.



Graph 24. No. of candidates who have passed the state professional exam in the last 10 years

Overview of comparative practice

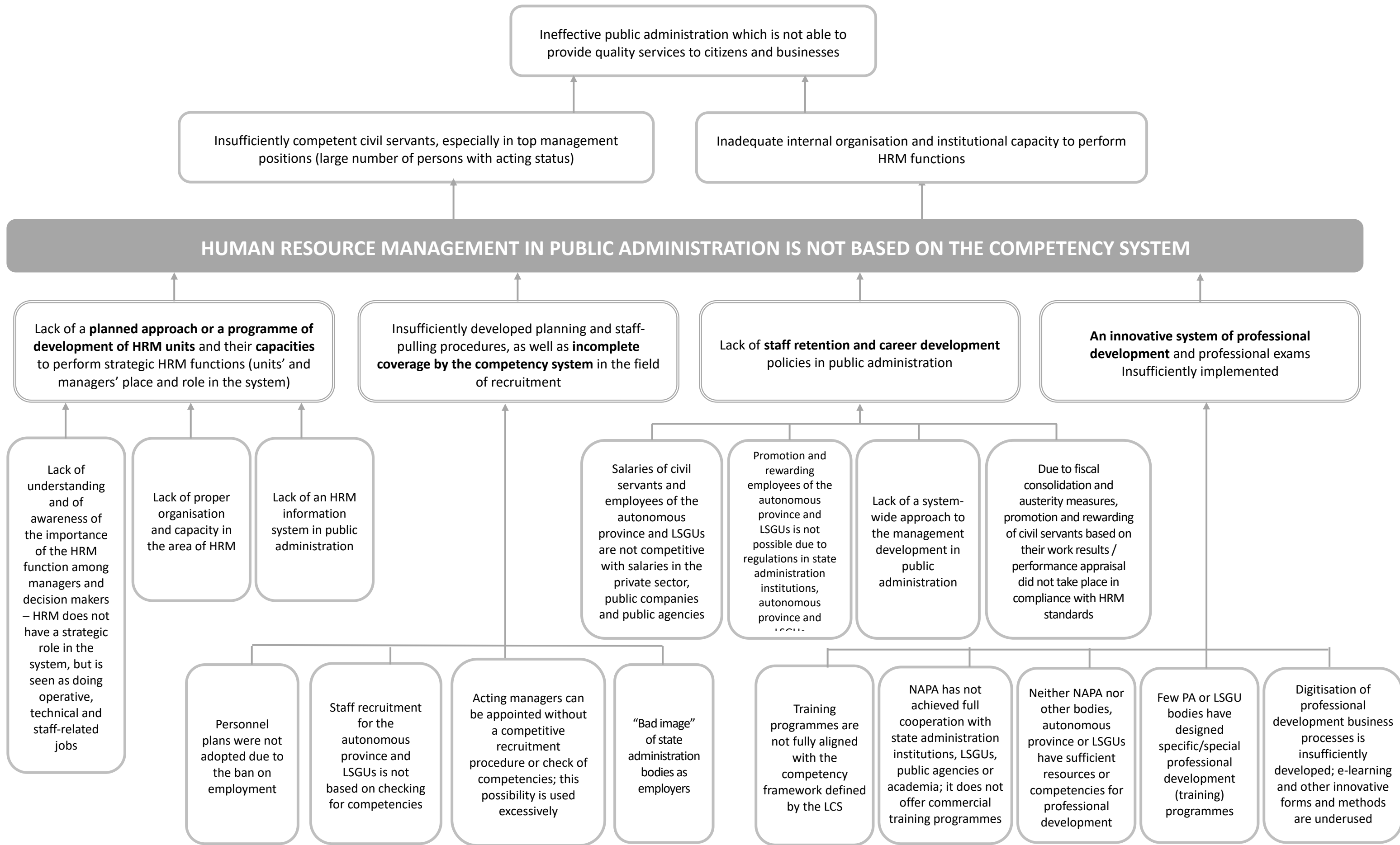
The latest available comparative data on the situation in the area of human resource management can be found in the 2017 and 2019 SIGMA reports. They point to positive results of reform activities in this area. Serbia has made progress in five of the seven SIGMA indicators, whereas two (merit-based recruitment for senior civil service positions and professional development) have remained at the same level. As regards professional development, it is important to note that in the period following the publication of the last report, the Republic of Serbia has launched a series of activities. In addition, a large amount of data related to various HRM aspects, which were not available at the time of the SIGMA assessment, have in the meantime become available or will be available in the near future, especially with the establishment of the new HRMIS. Following the establishment of the National Academy for Public Administration in 2018, progress was achieved in the area of professional development. NAPA is mandated to provide training for all civil servants, including those at the local level. A comprehensive programme of professional development of civil servants on high positions was adopted as part of the overall 2020 training programme, and the Central Records of Professional Development Programmes in Public Administration were created, containing all information about the training programme, its participants, training evaluations, verifications, etc.

Proof of how much ahead in the area of professional development the Republic of Serbia is compared to other countries of the region is the fact that the new system of professional development in the public administration of the Republic of Serbia and NAPA was presented at

the ReSPA Human Resource Management Working Group held on 16 March 2021, at the request of the very members of the Working Group (Montenegro and North Macedonia, in particular, wish to implement the Serbian model of the programme).

Compared to other countries in the region, Serbia lags slightly behind the rest of the Western Balkans only in terms of the horizontal scope of civil service due to the exceptions related to the promotion and dismissal of employees in public agencies. On the other hand, the establishment of the competency framework has significantly improved the quality of the legal framework for employment in state administration. In terms of the institutional setup for professional HRM, only Albania exceeds Serbia's results owing to better availability and use of data in these processes. When it comes to recruitment, Albania and North Macedonia perform better than Serbia. Serbia's poorer performance is mainly due to issues with the availability of data (e.g. on the retention rate), and provisions which allow temporary employment of civil servants. As regards recruitment and dismissal of senior civil servants, Albania ranks best, whereas the situation in Serbia has been assessed as critical in practice, primarily due to appointing acting managers. In respect of the salary system, only North Macedonia scores better than Serbia whose poorer score is, again, due to issues with the availability of data and managerial discretion for awarding bonuses. Finally, in terms of performance appraisal and professional development, SIGMA recognises progress that is exceeded only by Albania mainly due to better availability of data and a slightly higher share of civil servants attending training.

Problem tree – Human resource management



Graph 25. Problem tree – Human resource management

Objective, impact assessment and measures

The general course of action aims towards having a well-run, professional, motivated and efficient public administration, which is an attractive employer, promotes merit and innovation, achieves government goals and meets citizens' expectations.

In order to have a citizen-oriented public administration which is at the same time an enabling environment for employees pursuing those interests, the aim is to ensure further development of the civil service by:

- Attracting and employing the staff having necessary competencies (Specific objective 2.);
- Promoting and retaining competent and motivated staff who achieve their career goals in an enabling environment (Specific objective 3.);
- Innovating the system of professional development and professional exams in public administration based on the analysis of needs for the improvement of competencies, knowledge, skills and abilities of public administration staff (Specific objective 4.).

Specific objective 2: An improved recruitment process in public administration

Outcome indicator	BV	TV
Meritocracy and effectiveness of recruitment of civil servants (SIGMA principle)	(2019): 3	(2021): 3 (2022): 4 (2023): 4 (2024): 4 (2025): 4 (2027): 5 (2030): 5

To improve the recruitment process in public administration, it is necessary to improve personnel planning, promote state administration as a desirable employer, improve the selection process and the process of induction of new employees, improve the procedure for merit-based filling of senior civil servants positions and strengthen the process of induction of senior civil servants.

To achieve Specific objective 2. – An improved recruitment process in public administration applied in practice – the following results are expected to be achieved by the end of 2030:

- Candidates' trust in the recruitment and selection system built and state administration promoted as a desirable employer to better attract good candidates through designing new and more modern ways of promotion of the recruitment and selection process. This is vital because neither encouraging staff mobility nor increasing the continuous training of current staff can strengthen existing resources sufficiently, especially because performing jobs in public administration will require staff to have more and more new skills which are not sufficiently developed yet (information, communication and digital skills). Since a small number of candidates apply when competitive recruitment procedures are announced, it is necessary to increase the transparency of the recruitment process and build citizens' trust in public administration;
- Modern personnel planning system is improved and functional so as to better identify and predict the type of staff needed by state administration who have adequate job competencies;

- The recruitment procedure and the selection of candidates are efficient and merit-based, guaranteeing that vacancies are filled with best candidates in a timely manner and that new employees have positive experience of the recruitment procedure;

- The selection process for senior civil service positions is transparent, efficient and merit-based, with clearly defined selection criteria guaranteeing that senior civil servants have the necessary competencies to work in that position.

Impact assessment of options for Specific objective 2.

The impact test of options envisaged for achieving this goal has showed that they do not have a decisive impact on the criteria. More precisely, their impact would only be moderately relevant. Since three out of the maximum 14 points were scored, a detailed impact assessment is not necessary.

Impact test

Specific objective 2: An improved recruitment process in public administration	Points¹³³
Quantitative criteria	
Change in revenues and expenditures and in proceeds and outflows of state administration bodies/Serbian budget which, at annual level, amounts to more than 10% of the budget for the last fiscal year	0
Impact on more than 200,000 citizens	0
Impact on more than 5% of sole traders or legal persons, or on more than 20% of such persons in a specific business activity	0
Qualitative criteria	
Impact on the market and competition/competitiveness conditions	0
Introduction of major reform and/or systemic changes	1
Horizontal criteria	
Important for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	1
Novelties in relation to current public administration reform processes	
Novelty under public administration reform	1
TOTAL:	3/14

Measures to achieve Specific objective 2.

Measure 2.1: Improvement of personnel planning and promoting state administration as a desirable employer

Results indicator	BV	TV
Recruitment based on stated personnel needs of bodies	(2020): 20%	(2021): 20-25% (2022): 25-30% (2023): 30-35% (2024): 35-40% (2025): 40-45% (2027): 55-60%

¹³³ Legend: 0 – irrelevant, 1 – moderately applicable, 2 – fully meets the criterion

(2030): 85-95%

In the medium run (2021–2025), this measure is aimed at promoting state administration as a desirable employer. It includes the development of a communication plan for promotional activities and its implementation through workshops and seminars, raising awareness among citizens of a variety of jobs in public administration and promoting public administration in the media and on social networks. In addition, it involves strengthening cooperation between state administration bodies and higher education institutions offering arrangements for final-year students to do their internships in state administration bodies. Students would be given the opportunity to acquire the necessary skills, which process would encourage them to apply for job vacancies and to be as successful as possible during the selection process. The focus will also be on the development of a new personnel planning methodology based on the assessment of the real needs for lacking staff with adequate competencies.

In the long run (2025–2030), this measure is aimed at a structured approach to attracting and retaining qualified personnel in accordance with the organisation’s strategic course of action and strategic HR planning, which includes increasing recruitment transparency, promoting key values of public administration, presenting administration as a desirable employer, etc.

Measure 2.2 Improvement of the selection process and the process of induction of new employees

Results indicator	BV	TV
Degree to which the competency framework responds to needs and values public administration	(2020): 1	(2021): 2 (2022): 2 (2023): 3 (2024): 3 (2025): 4 (2027): 4 (2030): 4

In the medium run (2021–2025), this measure is aimed at strengthening the capacity of members of selection panels, developing induction training for trainees and new employees in order to ensure that civil servants acquire the required competencies. This measure also includes an assessment of the possibility of introducing a model of centralised trainee recruitment in order to have a uniform approach to public administration needs and training of candidates. The focus will be on developing a competency framework for staff employed by autonomous province and LSGU bodies and fitting it into the legal framework. Adjustment and improvement of the recruitment process of different categories of employees (selection interview, state professional exam, initial training for new employees) will be looked into so as to avoid assessing the same competencies more than once.

In the long run (2025–2030), this measure is aimed at introducing a centralised recruitment system to encompass also the recruitment of lacking staff in priority areas of work (EU integration and IPA funds, computer programming, analytics, normative work, etc.), as well as improving the competency framework in accordance with key values of public administration work, modern social trends, the development of future occupations and jobs and the link with the National Qualifications Framework.

Measure 2.3 Improvement of the procedure for merit-based filling of senior civil service positions, and their induction

Results indicator	BV	TV
Percentage of senior civil service positions filled in accordance with the competency framework in relation to the overall number senior positions	(2020): 34%	(2021): >40% (2022): >60% (2023): >80% (2024): >90% (2025): >95% (2027): >95% (2030): >95%

In the medium run (2021–2025), this measure is aimed at improving the competency framework for senior civil servants in order to clearly express the expectations from that category of civil servants and to focus on leadership competencies. A priority will also be to establish a cooperation mechanism between key institutions carrying out the senior civil service management policy with the aim to improve filling the senior positions. Activities will be aimed at considering the reasons for revising the legal framework, and its actual revision, if necessary, in order to eliminate the negative consequences caused by the appointments of ‘acting heads’. According to capacities of the Senior Service Council for carrying out the selection process for senior positions, the objective is to decrease the number of acting positions by 10%-20% respectively annually, so as to achieve, in the mid-term perspective, a level of filling senior positions only in cases when it is not possible to carry out the selection process for objective reasons. In that respect, during 2021, together with a thorough analysis of the normative framework and present state in state administration bodies and in coordination with key institutions, the necessary steps will be planned that support the realisation of this priority issue.

In the long run (2026–2030), this measure is aimed at applying the guidelines from the strategic framework for the senior civil service management in order to: place greater emphasis on decisive competencies when making a selection; establish a clear link between job performance expectations and the selection process; ensure that the competitive recruitment procedure ends with an appointment, making it more appealing and thus attracting a wider range of staff; create a database of possible candidates for senior civil service positions from the pool of perceived talents who could be the ones to introduce change and innovation, etc.

Specific objective 3: An efficient career management system applied in practice

Outcome indicator	BV	TV
Degree to which the career management system for the civil service is developed	(2020): 1	(2021): 1 (2022): 1 (2023): 2 (2024): 3 (2025): 4 (2027): 4 (2030): 4

To achieve Specific objective 3, the following results are expected to be achieved by the end of 2030:

- An environment is established that promotes efficiency and innovation and supports motivation to work in state administration which provides conditions for the career development of the most efficient, most innovative and most motivated civil servants. The goal is to stop the outflow of competent staff, to retain staff and to increase staff mobility within and outside public administration;

- The human resource function in state administration is efficient and adequate delegation of authority with regard to HRM is ensured;

- The professionalisation of the senior civil service is ensured through an effective implementation of a dedicated HRM policy.

Impact assessment of options for Specific objective 3.

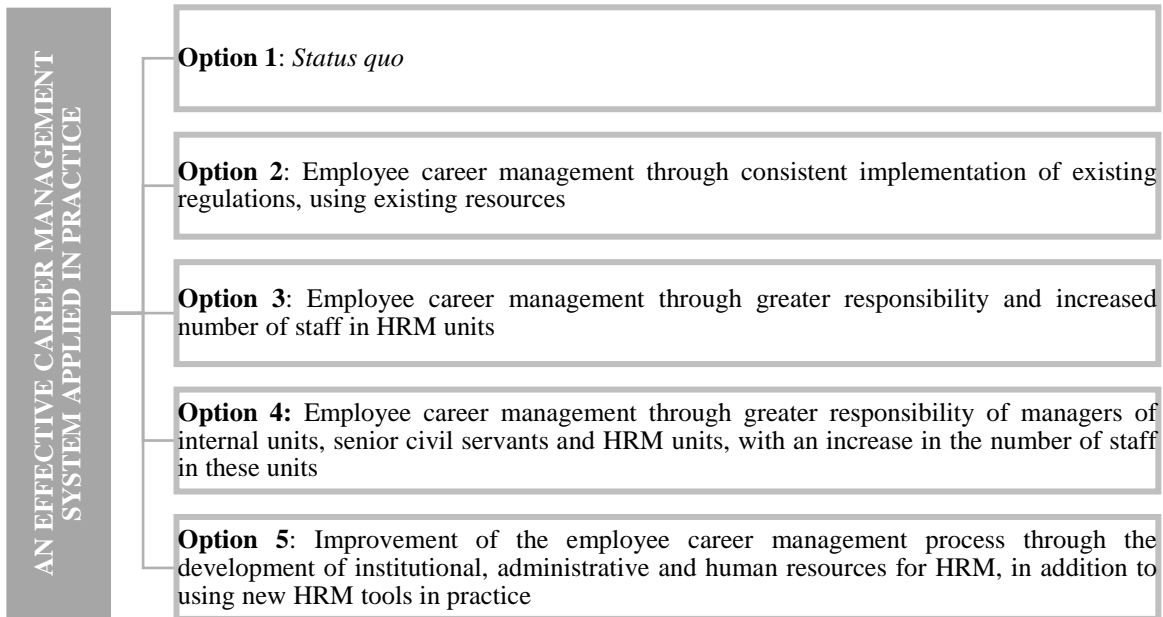
The impact test of options envisaged for achieving this goal has showed that they have full or decisive impact on the criteria. Eight out of the maximum 14 points were scored, which requires elaboration and analysis of impacts of options.

Impact test

Specific objective 3: An efficient career management system applied in practice	Points
Quantitative criteria	
Change in revenues and expenditures and in proceeds and outflows of state administration bodies/Serbian budget which, at annual level, amounts to more than 10% of the budget for the last fiscal year	2
Impact on more than 200,000 citizens	2
Impact on more than 5% of sole traders or legal persons, or on more than 20% of such persons in a specific business activity	0
Qualitative criteria	
Impact on the market and competition/competitiveness conditions	1
Introduction of major reform and/or systemic changes	1
Horizontal criteria	

Important for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	1
Innovative practice	
Novelties in relation to current public administration reform processes	1
TOTAL:	8/14

Detailed impact assessment of options



Option 1 – Status quo

No additional measures taken to change the current situation would imply maintaining the *ad hoc* approach to career development of employees, which will prevent the best employees from being rewarded and from advancing based on their performance results and individual development potential. Further, to continue with current practice would also mean postponing the application of the law on salaries which should establish a new, fair pay system the foundations of which were laid in 2016. All this would result in further outflow of quality staff, which can have a negative impact on the quality of work of bodies and deepen citizens' distrust of the work of public administration. Should this option be chosen, no additional funding will be needed. However, to continue this practice would mean that public funds are still spent inadequately because the best quality members of staff are not always the ones being rewarded, and often the quality staff in whom investments were made leave the administration, and consequently there is no return on the money invested in their development. This option also implies continuing the practice of personnel units dealing only with basic legal matters related to employment relations, such as issuing acts on annual leave, calculating coefficients, issuing acts on sick leave, keeping some basic records, etc. Moreover, managers would continue addressing HRM issues as little as possible, while remaining focused on carrying out their profession-related duties. The only advantage of this option is that it is well-known to staff and does not require any change and additional costs. That the current practice should be abandoned is confirmed also by the fact that all developed countries have discarded the outdated personnel management system and replaced it with a modern HRM system based on a number of new instruments.

Option 2: Employee career management through consistent implementation of existing regulations, using existing resources

If only current regulations were implemented, some progress would be made primarily in the areas of employee appraisal/evaluation and employee salaries. When it comes to employee appraisal/evaluation, it would be fairer if managers applied current regulations properly. In that case, the best employees would be rewarded and promoted in accordance with their performance results, provided that funding is secured for the implementation of the salary system. If new practices for employee career management – such as individual development potential, career guidance, encouraging mobility within the administration in accordance with employees' competencies and expressed preferences on desirable jobs and areas of work – are not introduced, the level of employee satisfaction will not increase and the outflow of quality staff will not decrease, which is the essence of this measure and one of the central points of this objective. The funds needed for the implementation of this option are included in the costs envisaged for the application of the regulations, so it is assumed that funding is secured in the budget, whereas additional funding is not required. On the other hand, there are costs linked to the outflow of quality staff and impossibility to fully use potential of employees. The analysis shows that this option cannot be considered a true alternative to the existing system, because without strengthening the capacity of HRM officers and managers, the regulations cannot be applied or relevant procedures followed properly.

Option 3: Employee career management through greater responsibility and increased number of staff in HRM units

Increasing the number of staff in HRM units and giving responsibility to these units to address HRM matters would solve only part of the problem. This means that the units would no longer be traditional personnel units dealing with administrative matters in connection with employment relations, but would have to take over a wide range of tasks related to personnel planning, recruitment, appraisal/evaluation, professional development of employees, keeping and analysis of relevant data on employees, etc. In case of failure to define clearly the role of managers of internal units in performing HRM tasks, the full effect will not be achieved, which is the weakness of this option. In addition, for this measure to have the desired effect, the process of capacity building of HRM units must be accompanied by the development of public policy documents and procedures governing this area. When it comes to funding, this option would incur additional costs – for recruiting new staff knowledgeable about HRM to work in HRM units, and for organising training programmes for current employees in personnel units. Cost estimate depends on the pace of new employment in public administration bodies and the annual training plan which is based on a detailed training needs analysis. Based on NAPA's annual training programmes, the estimated cost of training in the area of HRM for civil servants and LSGU employees in 2020 is about RSD 1.2 million. The projection concerns the situation in which all training courses stipulated in the programmes covering the HRM thematic area are organised twice. When it comes to costs in connection with new employees, the projection depends on both the number of new employees and the titles under which specific job positions are classified. An analysis of rulebooks on the internal organisation and job systematisation of state bodies and LSGUs shows that the largest number of employees in HRM-related job positions hold the title of advisor. The basic monthly net salary of a civil servant who is classified as an advisor is around RSD 52,000. Should at least one person be employed per each state administration body and local self-government unit (a total of about 250 employees at the central and local levels), the projected cost for their base net salary alone would be about RSD 13 million per month (**RSD 156 million per year**). Given the above, the estimated cost of this option amounts to around **RSD 157 million**, but in the years following new employments, there would only be training-related costs present.

Option 4: Employee career management through greater responsibility of managers of internal units, senior civil servants and HRM units, with an increase in the number of staff in these units

This option implies that HRM activity should equally involve both HRM units formed in accordance with the modern approach to employee career management and managers who play an active role in employee development, achieving their work goals and potentials and retaining the best people in the service by means of rewarding and promoting them. Just as Option 3, this option does not require large additional funds as it implies the same increase in the number of competent staff in HRM units (around 250), but not elsewhere. The only difference is in giving a bigger role to managers who are already in their positions. The weakness of this option is that managers often view HRM tasks, such as appraisal or identifying professional development needs, as an additional obligation to which they do not attach too much importance. Therefore, it may be that additional funding would be needed to train managers to carry out people and process management tasks. An analysis of training programmes for managers in state bodies shows that there are eight training courses contributing to the development of the behavioural competence for HRM. The projection of costs of organising these courses (at least two cycles to cover a maximum of 50 civil servants) is RSD 720,000. In training programmes for managers in LSGUs for 2020, two training courses are planned addressing HRM-related knowledge and skills. Their delivery in at least two cycles would cost about RSD 130,000. In total, about RSD 850,000 would be needed for about 100 managers in state bodies and LSGUs. Given the above, the estimated cost of this option amounts to around **RSD 158 million**, but in the years following new employments, there would only be training-related costs present.

Option 5: Improvement of the employee career management process through the development of institutional, administrative and human resources for HRM, in addition to using new HRM tools in practice

In addition to the full application of salary regulations, proper implementation of the appraisal/evaluation system and ensured performance-based promotion and rewarding of employees, it is necessary to develop new instruments for employee career development, such as the talent management system, assessment of employees' individual potentials, encouraging mobility both horizontally (at the same level of government) and vertically (between state administration and local self-government), identifying the 'most vulnerable' category of employees i.e. those who are most likely to leave the administration. A comparative analysis of the HRM and employee career development system shows that a whole range of instruments can significantly increase the quality of employees' work and the degree of their satisfaction with working in the administration, such as the introduction of flexible work arrangements, rewarding quality work, promotion, etc. In addition, special attention should be paid to managers at all levels across administration, both current and future ones. It is very important to improve HRM skills of middle managers, such as department heads, section heads or group leaders, but also of top managers, such as directors, assistant ministers, heads of local administrations, etc. The advantages of such a comprehensive approach are manifold. Firstly, the quality of work of civil servants is improved as this approach encourages excellence and quality work through the link between performance results, on one hand, and rewarding and promotion, on the other hand. Secondly, it contributes to innovation and knowledge sharing in administration by increasing staff mobility. Thirdly, investing in managers and their skills improves the quality of work of the administration as a whole and contributes to the achievement of strategic and operational goals. The projections of costs of recruiting new employees (about 250 of them) and of strengthening the capacity of HRM officers and managers are the same as for Option 4. This option requires additional funding for the development of new procedures and tools, notably for the development of a new information system which requires about a million euros. Funds for this activity have already been secured in the budget and through the EU project support. The estimated cost of this option is around **RSD 275 million**; however, since the funds have already been secured, the amount would be approximately the same as for the Option 4. Once new tools are introduced, regular annual costs would only be those for training purposes. Although this option requires additional funding for the

development of new procedures, it is estimated that it would be cost-effective in the long run because other measures cannot achieve their full potential without new tools.

Table 4. Option selection table for Specific objective 3.

Criteria Score (1–3) Direct impact (Ponder 2) Indirect impact (Ponder 1)	Total				
	Option 1	Option 2	Option 3	Option 4	Option 5
Specific criteria					
Does the option have a positive impact on retaining quality staff?	1x1=1	1x1=1	2x1=2	2x1=2	3x2=6
Does the option have a positive impact on improving managers' management skills?	1x1=1	2x1=2	1x2=2	3x2=6	3x2=6
Does the option have an impact on the capacity building of HRM units?	1x1=1	2x1=2	3x2=6	1x2=2	3x2=6
General criteria					
Does the option improve the transparency and accessibility of public administration and have an impact on citizens' trust in public administration?	1x1=1	2x2=4	2x1=2	2x1=2	2x2=4
Is the option in line with EU requirements?	1x1=1	2x2=4	3x2=6	3x2=6	3x2=6
Implementation criteria					
Can the option be implemented without great cost?	3x2=6	3x2=6	2x2=4	2x2=4	1x1=1
Can the option be implemented in the short term?	3x2=6	3x2=6	2x2=4	2x2=4	2x2=4
Total per option	17	25	26	26	33

On the basis of the analysis done and points scored according to the criteria for achieving Specific objective 2.2, Option 5 was selected, which means that the employee career management process is going to be improved through the development of institutional, administrative and human resources for HRM, giving greater responsibility and bigger role to managers of internal units, senior civil servants and HRM units, with an increase in the number of staff in these units, in addition to creating new HRM tools in practice. Given its complexity and scope, this option has been elaborated through three concrete, complementary measures which will have a synergistic effect on the creation and effective implementation of the career management system.

[Measures to achieve Specific objective 3.](#)

Measure 3.1: Creating an environment to have efficient, innovative and motivated civil servants

Results indicator	BV	TV
Giving performance appraisal ratings according to HRM standards	(2020): 75%	(2021): 70% (2022): <70%

		(2023): <65%
		(2024): 50-55%
		(2025): 40-45%
		(2027): <35%
		(2030): <35%

In the medium run (2021–2025), this measure is aimed at: preparing a study on possible career models in state administration with recommendations for their application; establishing a talent management system and drafting proposals to incorporate it into regulations; implementing the salary system reform; making an analysis of the HRM function in public agencies; and further development of the competency framework. The focus will also be on the preparation of a study on flexible models of hiring staff.

In the long run (2026–2030), this measure is aimed at applying the created career models for different categories of civil servants, particularly senior civil servants and talents, in order to develop competencies for the future and create a pool of talents who will be the ones to introduce change and innovation and to keep them in the state bodies where they would achieve their career goals.

Measure 3.2: Development of institutional and administrative capacities for HRM

Results indicator	BV	TV
Degree to which personnel affairs in state administration bodies are standardised	(2020): 0	(2021): 1 (2022): 2 (2023): 3 (2024): 3 (2025): 3 (2027): 4 (2030): 4

In the medium run (2021–2025), this measure is aimed at modernising the HRM function through the establishment of an information system supporting HRM to enable a uniform conduct of personnel units’ employees and managers and to contribute to efficient reporting which will improve strategic management and decision-making processes in HRM. It also aims towards developing models of possible quality standards in the area of HRM for state administration bodies, strengthening administrative capacity for quality management, as well as strengthening the capacity of institutions to adequately address HRM issues by looking into a new organisation of the function and the strategic role of HRM units.

In the long run (2026–2030), this measure is aimed at implementing a new organisation of the function and quality standards which should contribute to the process modernisation and effectiveness of strategic HRM.

Measure 3.3: Strengthening the professionalisation of the senior civil service/managers

Results indicator	BV	TV
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Degree to which legal protection of senior civil servants/managers is ensured (based on five SIGMA sub-indicators)	(2019): 9	(2021): 11 (2022): 11 (2023): 13 (2024): 13 (2025): 13 (2027): 15 (2030): 15
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In the medium run (2021–2025), this measure is aimed at developing a strategic approach to the senior civil service management in state administration bodies. In order to adapt and improve the legal framework to cater system needs, it is necessary to adopt a comprehensive long-term approach to the senior civil service management allowing their greater professionalization. The future framework should set clear goals for the long-term development of this category of civil servants, while creating conditions for their networking and professional and career development in order for the state administration to retain and use the potential of this category of civil servants for a longer period.

In the long run (2026–2030), this measure is aimed at maintaining the sustainability of the developed approach to the senior civil service management, creating and delivering specific training modules for working in those posts, and more intensive work with senior civil servants through activities of the Career Management Centre, so that this category of civil servants could become a guarantee of institutional quality and continuity.

Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied

Outcome indicator	BV	TV
Degree to which the system of professional development in public administration is normatively and practically based on the analysis of needs for the advancement of knowledge and skills, i.e. competencies of employees in public administration	(2019): 1	(2021): 3 (2022): 3 (2023): 3 (2024): 4 (2025): 4 (2027): 5 (2030): 5

The activities in this area are aimed at further building a functional and innovative system of professional development across public administration and linking it with the concept of lifelong learning and the education system. At the same time, the reform process encompasses also professional exams in the state administration system in the Republic of Serbia, which has so far been unjustifiably outside the development processes and improvements which can contribute to achieving the required competence of public administration staff, especially bearing in mind that professional exams are one of the requirements for working in state and other bodies and organisations and for holders of public authority. These exams are mandatory for all those who form an employment relationship within this system for the first time (state professional exam) and for employees in jobs with special duties and authority (specific professional exam). This specific objective should ensure the advancement of professional development in several directions.

In the initial phase, it is necessary to complete the process of improving the uniform system of professional development in state and LSGU bodies, namely the segments of professional development having an impact on the sustainability of the quality system in this area. This refers to both material elements, such as selection and accreditation of trainers and training organisers or evaluation of training programmes, and functional ones, such as improving the capacity of state and LSGU bodies and their managers for successful management and implementation of processes of the uniform system of professional development in public administration or user satisfaction survey (among citizens and others) on the work of public administration institutions for the purpose of determining priority areas of professional development of civil servants and LSGU employees.

At the same time, further modernisation of training programmes and their tailoring to the needs of the system concerned and its employees are envisaged. On the one hand, there is a need for continuous development of general training programmes, and particularly for innovations in applying modern (unconventional) methods and forms of professional development which are laid down in regulations but so far have not been applied to the extent ensuring positive impacts on improving knowledge, skills and competencies of employees, and managers in particular (internship, coaching, mentoring, e-learning, study visits, etc.). On the other hand, measures should be taken for specific professional training of employees to meet the needs specific to the responsibilities of a body, i.e. the needs of individual jobs, types of jobs or specific groups of users, which has so far failed to keep up with the pace of development of general training programmes.¹³⁴

¹³⁴ According to the Central Records of Professional Development Programmes in Public Administration, in 2019, eight special training programmes were accredited: three specific professional development programmes in local self-government units and five special programmes in state bodies, whereas in 2020 five special training programmes were accredited: one sector-specific special training

Before starting the next phase of the process standardisation in the area of professional development in public administration, it is necessary to assess the efficiency and effectiveness of the current system and its impact to determine whether any changes should be introduced. The process of assessment of implemented professional development public policies should be preceded by an assessment of minimum uniform criteria and standards for capacity building and professional development of employees across public administration in a broader sense,¹³⁵ and by an analysis of business process optimisation aimed at streamlining, standardising and digitising all professional development processes in public administration.

Due to the employers' requirements and employees' needs for improved knowledge, skills and competencies aimed at maintaining their respective competitiveness in the modern world of business, which includes public administration, professional development must respond by developing a concept focused on lifelong learning. In this regard, when planning, delivering and evaluating training programmes, special attention should be paid to anticipated results (outcomes) of professional development, which are expressed as individual achievements of each employee in public administration, with an ultimate impact on effectiveness, cost-efficiency and transparency of work of their organisation. It is therefore necessary to take a structured approach to the development, regulation and application of the concept of lifelong professional development in public administration and its effects on better personnel planning in public administration and the appraisal and reward system.

It is necessary to establish a relationship with other segments of lifelong learning and lifelong adult education and to find modalities which can further support a continuous process of professional development in public administration tailored to the needs of employees and their managers, as well as of bodies and organisations in that system. Establishing instruments of cooperation between institutions which are responsible for professional development of employees in state and other bodies is one of the first steps in this reform area, as well as developing cooperation with higher education institutions to support schooling / additional education of staff for/in public administration.

It is vitally important to connect this system with the system of professional exams in public administration. The area of professional exams has had a long tradition; yet, it was outside the reform process for many years. In the meantime, a haphazard and segmental approach to addressing individual needs has led to the expansion of regulations governing, on different bases, the same issues which are relevant to the area of professional exams. Therefore, special attention should be paid to establishing a normative framework to regulate uniformly the area of professional exams in the public administration system and to create preconditions for its transformation into a model needed by the entire legal system, as well as individual areas of activity.

Impact assessment of options for Specific objective 4.

The impact test of options envisaged for achieving this goal has showed that they do not have a decisive impact on the criteria. More precisely, their impact would only be moderately relevant. Since five out of the maximum 14 points were scored, a detailed impact assessment is not necessary.

Impact test

Specific objective 4: A functional and innovative system of professional Points development and professional exams in public administration based on the

programme for employees in local self-government units and four special training programmes in state bodies, available at: <https://www.napa.gov.rs/tekst/61/lista-akreditovanih-programa.php>.

¹³⁵ The term *public administration* in Article 2(1) of the Law on the National Academy for Public Administration (*The Official Gazette of the Republic of Serbia*, No. 94/17) includes state bodies and independent and autonomous organisations and bodies, members of which are elected by the National Assembly (supervisory and regulatory bodies), bodies, organisations and services of autonomous provinces and local self-government units, public agencies and organisations to which regulations on public agencies apply, founded by the Republic of Serbia or an autonomous province or a local self-government unit, and companies, institutions, organisations and individuals entrusted with public authority.

analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied	
Quantitative criteria requiring a mandatory detailed impact assessment	
Change in revenues and expenditures and in proceeds and outflows of state administration bodies/Serbian budget which, at annual level, amounts to more than 10% of the budget for the last fiscal year	0
Impact on more than 200,000 citizens	1
Impact on more than 5% of sole traders or legal persons, or on more than 20% of such persons in a specific business activity	1
Qualitative criteria requiring a mandatory detailed impact assessment	
Impact on the market and competition/competitiveness conditions	1
Introduction of major reform and/or systemic changes	1
Horizontal criteria	
Important for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	1
Novelties in relation to current public administration reform processes	
Novelty under public administration reform	1
TOTAL:	6/14

Measures to achieve Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied

Measure 4.1: Improvement of the uniform system of professional development in state and LSGU bodies

The measure is aimed at developing material and functional elements of professional development of civil servants and LSGU employees, and supporting state bodies and LSGUs in their capacity building to manage professional development processes. The measure also includes the development of instruments and methodology for conducting user satisfaction surveys (among citizens and others) with the work of public administration institutions to determine priority areas of professional development of civil servants and LSGU employees.

Results indicator	BV	TV
Degree of implementation of the quality system in the elements of professional development in public administration	(2020): 1	(2021): 2 (2022): 3 (2023): 4 (2024): 5 (2025): 5 (2027): 5 (2030): 5

Measure 4.2: Improvement of professional development programmes in state and LSGU bodies and of the manner of their organisation and delivery

The measure is aimed at ensuring continuity in monitoring the professional development needs of employees and bodies through the development of training programmes ensuring that the necessary

knowledge, skills and abilities are provided to participants in an innovative and functional manner, which will ultimately have a positive impact on bodies' work. For this process to bear fruit, it is necessary to increase human, spatial and technical capacities of the NAPA and of state and LSGU bodies involved.

Results indicator	BV	TV
Fulfilment of participants' expectations from training sessions where innovative forms and methods of professional development were applied	(2020): 0	(2021): 70% ¹³⁶ (2022): 70% (2023): 75% (2024): 75% (2025): 80% (2027): 80% (2030): 80%

Measure 4.3: Improvement of the normative framework governing professional development in public administration

The measure is aimed at carrying out the statutory performance evaluation of public policies in the area of professional development, and drafting amendments to regulations or new regulations in this area.

Results indicator	BV	TV
Quality of new regulations in the area of professional development	(2020): First evaluation due in 2021	(2021): 100% (2022): 100% (2023): 100% (2024): 100% (2025): 100% (2027): 100% (2030): 100%

¹³⁶ Percentage of participants whose expectations were fully met.

Measure 4.4: Establishment of the standardisation process and the quality system in the area of professional development in public administration, with full application of ICT

The measure is aimed at establishing organisational and technical capacities for standardisation and digitisation of processes to support the quality management system in professional development in public administration and the quality management centre of the NAPA and of the MPALSG organisational unit for guiding the development and monitoring the standardisation of professional development and the establishment of the quality system in the area of professional development in public administration.

Results indicator	BV	TV
Number of business processes conducted using information technologies	(2020): 1 (scale 0-6)	(2021): 1 (2022): 1 (2023): 1 (2024): 3 (2025): 4 (2027): 5 (2030): 6

Measure 4.5: Establishment of a planning and management system for lifelong professional development in public administration (lifelong professional development master plan)

The measure is aimed at conducting a comparative analysis of the best systems for planning and implementation of lifelong professional development of employees in public administration in order to prepare a model plan for lifelong professional development in public administration, which would enable better planning of other HRM elements.

Results indicator	BV	TV
Degree of development of the planning and management system for the lifelong professional development	(2019): 0 (scale 0-1)	(2021): 0 (2022): 0 (2023): 0 (2024): 0 (2025): 1 (2027): 1 (2030): 1

Measure 4.6: Establishment of instruments for cooperation between institutions responsible for professional development of employees in state and other bodies

Addressing the need to put the existing organisational forms responsible for professional development in state administration and other bodies into the function of the overall support to improving the knowledge and skills of public administration staff, the measure is aimed at developing the cooperation between responsible institutions, as well as promoting and encouraging inter-sectoral professional development in cross-cutting areas.

Results indicator	BV	TV
Degree of development of a framework for cooperation between institutions responsible for employee professional development	(2020): 0	(2021): 0 (2022): 0 (2023): 0 (2024): 1 (2025): 1 (2027): 1 (2030): 1

Measure 4.7: Introduction of uniform criteria, benchmarks and standards in the field of professional exams in state administration

The measure supports the reforms in the area of professional exams by introducing the normative prerequisites for establishing a single and rounded normative framework addressing issues which are common to all professional exams to provide the legal basis for reform of this area, including the development of ICT services and the introduction of e-government services in this part of public administration work.

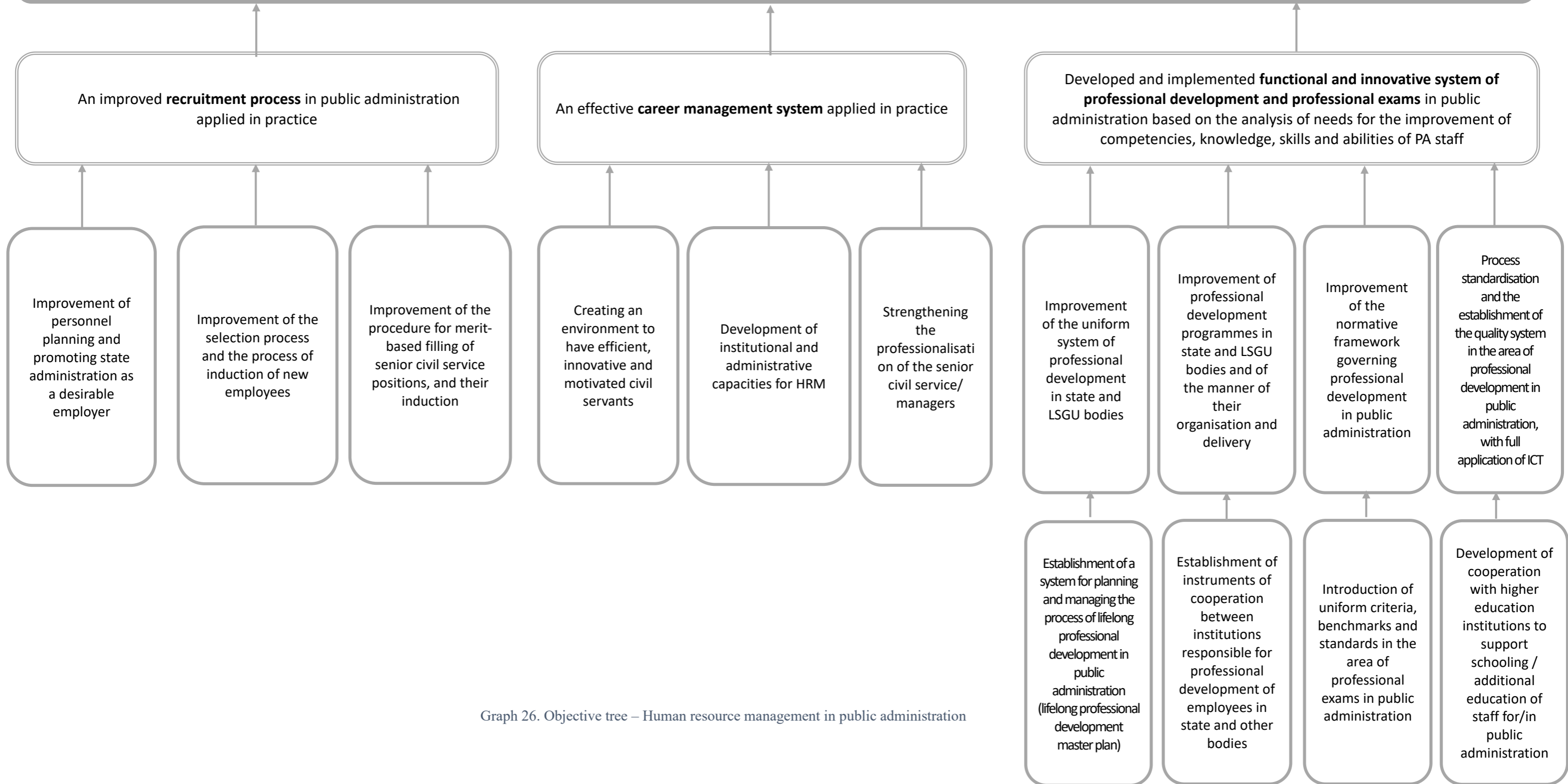
Results indicator	BV	TV
Degree of establishment of uniform standards in the area of professional exams in state administration	(2020): 0 (scale 0-12)	(2021): 3 (2022): 6 (2023): 9 (2024): 12 (2025): 12 (100%) (2027): 12 (2030): 12

Measure 4.8: Development of cooperation with higher education institutions to support schooling and/or additional education of staff for/in public administration

The measure is aimed at both improving normative and practical aspects of additional education of public administration staff and supporting the higher education sector to produce staff for public administration.

Results indicator	BV	TV
Percentage of state bodies and LSGU bodies participating in the student internship programme	0% (2020)	(2021): 10% (2022): 20% (2023): 30% (2024): 40% (2025): 50% (2027): 70% (2030): 100%

HUMAN RESOURCE MANAGEMENT IS BASED ON THE COMPETENCY SYSTEM WITH PUBLIC ADMINISTRATION STAFF HAVING THE REQUIRED COMPETENCIES



Graph 26. Objective tree – Human resource management in public administration

3. Service delivery

Situation analysis

Legal and strategic framework

The Government of the Republic of Serbia has recognised the delivery of services as one of the priorities in the process of public administration reform in the 2014 **PAR Strategy**, which in Strategic objective 4: *Increasing legal certainty and improving the business environment and quality of public services* provides strategic direction for reforms in this area while Measure 1.4 under Specific objective 1 aims at the development of e-Government. Reform processes in the delivery of services can be grouped into two branches of the same unit, in order to facilitate the planning and monitoring of the achieved progress:

- development of electronic government;
- regulatory reform and simplification of administrative procedures.

Reforms in the field of service delivery are currently being implemented through the implementation of three public policy documents: **e-Government Development Programme** in the Republic of Serbia for the period 2020–2022 (*The Official Gazette of the Republic of Serbia*, No. 85/2020),¹³⁷ **Regulatory Reform Strategy and Improvement of Public Policy Management System** 2016–2020¹³⁸ and the "e-Paper" Programme (*The Official Gazette of the Republic of Serbia*, No. 64/19),¹³⁹ as a continuation and expansion of the "**Stop to Bureaucracy**" Plan¹⁴⁰ 2016–2018).¹⁴¹

The service delivery policy is **not implemented through a single national umbrella policy, nor** is a **single coordination mechanism** fully established for all public policy documents in the field of services.

As part of public administration and service delivery reform, the development of e-government has been identified as one of the Government's priorities in the past few years. In June 2020, the **e-Government Development Programme** 2020–2022 was adopted along with an Action Plan for its implementation, which, among other things, is planned to develop 300 new electronic services and services for citizens and business in the period for which it is adopted and strengthen the entire system of service delivery in the Republic of Serbia. The Republic of Serbia is the first country in the region of Southeast Europe to adopt the **Artificial Intelligence Development Strategy** 2020–2025 (*The Official Gazette of the Republic of Serbia*, No. 96/19).¹⁴²

The Law on Electronic Government (*The Official Gazette of the Republic of Serbia*, No. 27/18) **establishes the legal framework for the operation of electronic government** in the Republic of Serbia and harmonisation with applicable European regulations in the field of e-government. One of the key innovations introduced by this law is the establishment of

¹³⁷ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/drugiakt/2020/85/1/reg.>

¹³⁸ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2016/8/1/reg.>

¹³⁹ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/odluka/2019/64/3.>

¹⁴⁰ Available at: <http://www.mduls.gov.rs/doc/Stop%20birokratiji%20konacni.doc>.

¹⁴¹ In the field of e-government development for the period after the expiration of the e-government development programme, the strategic direction of reforms will be set through the PAR Strategy, and the set goals will be operationalised through an operational plan prepared by the Government of the Republic of Serbia, Office for IT and e-Government and MPALSG, bearing in mind the changing digital technologies and the need for plans and actual steps to adapt more quickly to change. The preparation of the Programme for Regulatory Reform and Improvement of the Public Policy Management System for the period after 2020 is in progress.

¹⁴² Available at: <https://www.srbija.gov.rs/tekst/437277.>

interoperability of databases between state bodies and the exchange of data electronically. The law prescribes the mandatory use of ICT in the operation of public administration bodies, both in administrative proceedings and in communication with citizens, businesses and organisations. By-laws have also been adopted,¹⁴³ but it is still necessary to work on completing the legal framework in the field of e-government. The Law on Electronic Government strengthens the implementation of another new law. In 2017, the **Law on Electronic Documents, Electronic Identification and Trust Services in Electronic Business** (*The Official Gazette of the Republic of Serbia*, No. 94/17)¹⁴⁴ was adopted, which set the legal framework for a comprehensive development of electronic business in the Republic of Serbia, i.e. it regulated the legal matter of electronic documents, electronic identification, and trust services in electronic business.

Numerous provisions of this Law, *inter alia*, give validity and evidentiary value to an electronic document, introduce systems of electronic identification which may be used in communication and dealings with the public authorities and serve as a replacement for a handwritten signature, equate a certified electronic signature with a handwritten signature, as well as enable the conversion of paper documents into electronic documents and their use as the original documents in proceedings and procedures conducted by public authorities, are very important precisely because they allow the public authorities to conduct proceedings/procedures electronically (instead of paper-form procedures), greater accessibility of the documents, and a faster communication with the public authorities.

In addition, this Law regulates in greater detail the provision of certified trust services such as certificated electronic signature, certified electronic delivery, certified electronic storage and other services which have been defined in 17 adopted by-laws — all of which form the basis for an uninterrupted development electronic business and communication between the public authorities, citizens and business entities.

Key developments in the field of e-government have occurred with the adoption of the Law on the Central Population Register (*The Official Gazette of the Republic of Serbia*, No. 17/19)¹⁴⁵ and the Law on the Register of Spatial Units and Address Register (*The Official Gazette of the Republic of Serbia*, No. 9/20).¹⁴⁶ The recently adopted Decree on Office Operations of State Administration Bodies is significant (*The Official Gazette of the Republic of Serbia*, No. 21/20),¹⁴⁷ which will come into force on 1 April 2021, and which prescribes that bodies perform office operations through the software solution of e-Dispatch and Archive Office and system for document management.

The planning framework for the simplification of procedures, i.e. services, has been set by the Strategy for Regulatory Reform and Improvement of the Public Policy Management System for the period 2016–2020 and the "e-Paper" Programme, as well as the accompanying methodologies used in the simplification, optimisation and elimination of

¹⁴³ Decree on detailed conditions for the establishment of electronic government, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/1/reg>, Decree on organisational and technical standards for maintenance and improvement of the Unified Information and Communication Network of the Electronic Government and connection of bodies to that network, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/2/reg>, Decree on the manner of keeping the Metaregister, the manner of approving, suspending and revoking access to the service hub of bodies and the manner of operation on the e-Government Portal, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/3/reg>, Decree on the operation of the Open Data Portal, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/4/reg>, Decree on detailed conditions for creating and maintaining a website of the body, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/5/reg>.

¹⁴⁴ <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2017/94/4/reg>

¹⁴⁵ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2019/17/1>.

¹⁴⁶ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2020/9/8/reg>.

¹⁴⁷ Available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2020/21/7/reg>.

unnecessary administrative procedures, i.e. services. Coordination of simplification, optimisation, abolition and digitisation of procedures, i.e. services is performed by the PPS in cooperation with the Office for Information Technologies and E-Government and other bodies in charge of the administrative procedures.

The "e-Paper" Programme elaborates the simplification of procedures related to the business and is the basis for modernisation and transformation of services. The implementation of the "e-Paper" Programme is coordinated by the PPS with the assistance of the Coordination Body for the implementation of that programme. As the body responsible for standards and quality of services provided by public administration has not been determined yet, the Department for Modernisation and Transformation of Public Administration Services, as part of the PPS, is preparing the Law on the Register of Administrative Procedures and bylaws regulating the necessary infrastructure for the sustainability of the service delivery system. The administrative inspection in the MPALSG, as an important part of that process, is responsible for supervising the implementation of regulations in public administration, including the control of the delivery of services in accordance with the regulations.¹⁴⁸

The legal framework for the simplification of administrative procedures is set by the Law on General Administrative Procedure (*The Official Gazette of the Republic of Serbia*, Nos. 18/16, 95/18),¹⁴⁹ which for **the first time defines the notion of a one-stop shop** – where clients can obtain more information and services in one place, whether it is an electronic (e-government portal) or a physical place, but **a bylaw that would regulate the conditions and criteria for the establishment of a one-stop shop has not yet been adopted**. This law establishes the **obligation for administrative bodies to exchange data from official records**, which is one of the important conditions for achieving the principles of economy and efficiency of public administration and its transformation into a service for citizens. The emphasis is on the exchange of data, and not on the exchange of administrative documents. The law provides for misdemeanour liability of authorised officials in the body who do not approve inspection or do not process, obtain, provide, or submit data on facts about which the body keeps official records, and especially emphasised the importance of achieving the principle of assistance to foreigners and providing timely information. The harmonisation of sectoral regulations with this law is delayed, and the capacities of the MPALSG to supervise the implementation of the Law are not sufficient.

There is currently no body in the state administration system that has the exclusive competence to create policy in the field of service delivery. Improvements in this area are in most cases implemented separately and mostly independently by individual state administration bodies, without central coordination, with the exception of the "e-Paper" Programme, and **mechanisms for quality control of administrative services provided by state administration bodies have not been established yet.**

In order to improve institutional management in the field of e-government, strategic planning and normative tasks were assigned to **the MPALSG**, and in 2017, the **Office for Information Technologies and e-Government** was established as a Government service, with additional support from Government expert teams. At the beginning of 2018, the **Government Coordination Council for the Development of Electronic Government** (*The Official Gazette of the Republic of Serbia*, No. 104/17)¹⁵⁰ was established, the task of which is to coordinate activities on the development and implementation of strategic acts in the field of development

¹⁴⁸ However, the human and technical capacity of the Administrative Inspectorate needs to be further strengthened to adequately address the challenges in controlling service delivery.

¹⁴⁹ Available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2016/18/2/reg>.

¹⁵⁰ Decision on the establishment of the Coordination Council for e-government, available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/odluka/2017/104/2/reg>.

and operation of e-government, as and to monitor the situation, needs, development and implementation of standards during the introduction of e-government systems.

In 2019, the Government also established a **Coordination Body for Monitoring the Implementation of the "e-Paper" Programme**.¹⁵¹ The Coordination Body monitors the implementation of harmonised recommendations for simplification of procedures, including digitisation activities and improvement of the quality of public services in the Republic of Serbia. A special working group for the digitisation of administrative procedures within the implementation of the "e-Paper" Programme has been formed within that body. The task of this special working group is to coordinate the work, i.e. monitor the implementation of activities of bodies and organisations implementing the "e-Paper" Programme in the field of digitisation and improving the quality of public services, as well as regularly report to the Coordination Body for monitoring the implementation of the Programme.

Results and challenges

The analysis showed that the results of the reform have been achieved in the past few years, but that it is necessary to improve the development of a **unified system of service creation** and service **optimisation** process, **management** of service delivery so that services are provided to all in a standardised manner as well as **control and quality assurance** of provided services.

The system for the development of user-oriented services through the recognition of real needs of users is not fully built. As a result of the implemented reforms in the last two years, **public confidence in public administration and citizen satisfaction with the provided public services**¹⁵² have been growing, but services are rarely created through prior mapping of user needs. Public administration is still only partially focused on the concept of service,¹⁵³ which means that services in public administration are still primarily viewed formally (whether they are defined as such in normative acts). A formalistic approach and an inherited administrative culture are a key barrier to the proactive development of integrated and efficient end-user services.¹⁵⁴ When creating new services, the authorities do not have standardised and modern tools for involving the public in the design of services, which is why end users are rarely and untimely involved in the process of service development, so they are not always satisfied with the services they receive and their quality.¹⁵⁵ Public administration does not rely sufficiently on innovative international practices in service development, such as designing services in collaboration with the wider community (start-up community, NGO sector, academia and innovative companies) or by establishing service development laboratories as accelerators of innovation in thinking about developing and optimising services, piloting new approaches to service delivery, and disseminating good practice.¹⁵⁶

¹⁵¹ Decision on the establishment of the Coordination Body for monitoring the implementation of the Programme for simplification of administrative procedures and regulations "e-Paper" for the period 2019–2021, available at: <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/odluka/2019/64/2/reg>.

¹⁵² SIGMA Report for 2019 on page 42 states that the public opinion survey shows an increase in citizen satisfaction with the services provided by public administration bodies from 39% to 51% in the period 2017-2019, which indicates that the work of public administration has improved and that citizen satisfaction with the work of the public administration increased, but also that there is a need for additional improvement. Report available at: <http://sigmaweb.org/publications/Monitoring-Report-2019-Serbia.pdf>.

¹⁵³ That is, viewing the service delivery process as an experience that the end user has and his satisfaction with the service delivery process and the quality of the service provided.

¹⁵⁴ The end users in the PAR Strategy are citizens, business entities, but also the administration itself.

¹⁵⁵ SIGMA Report 2018, pp. 44 and 45, available at: <http://sigmaweb.org/publications/Monitoring-Report-2019-Serbia.pdf>. An example of good practice is the e-paper Portal, which gives entrepreneurs the opportunity to suggest ways in which existing administrative procedures can be simplified, merged or abolished as unnecessary. This initiative represents the beginning of a systematic approach to involvement and partnership work on the joint creation of services between the government and users.

¹⁵⁶ Within the PPS, there is also a Group for Innovation in Public Policies, which is developing in the direction of creating innovative solutions in public policies.

Information on services is only insufficiently accessible and clear,¹⁵⁷ despite the obligation to prominently display all services on the authority's portal, noting which services are electronic.¹⁵⁸ **Citizens and business continue to face relatively high costs for services, uneven public administration practices and incomplete exercise of their rights before public administrations, leading to less legal certainty.** This is particularly reflected in the economy, through poor predictability of business conditions,¹⁵⁹ insufficient information about changes, and relatively high administrative costs of doing business,¹⁶⁰ which discourages investment and employment. Access to services is uneven, both territorially and electronically.¹⁶¹ In addition, access to services is hampered for vulnerable and vulnerable groups¹⁶² and members of minority communities.

In the area of service development systems and optimisation processes, the results of the previous reform exist, but further improvements are needed.¹⁶³ In the previous period, **significant results were achieved in the process of simplification, optimisation and elimination of unnecessary administrative procedures.** Five administrative procedures for businesses¹⁶⁴ were abolished, one of which was completely abolished, and four were turned into invisible services of public administration,¹⁶⁵ which resulted in savings for the economy in the amount of over three billion dinars a year for the economy. Recommendations for the simplification, optimisation and abolition of 890 administrative procedures have been prepared, of which 82 services have been simplified, and 11 services have been fully digitised and made available to entrepreneurs through the e-Government Portal. A particularly important result in this area has been achieved with regard to the preparation of the **Unified Register of Administrative Procedures**, which currently contains all detailed information for more than 2,600 procedures at the state and provincial level related to the economy, and for which a special portal will be developed as a unified point with all information relating to procedures and services. A key problem in implementing simplification of administrative procedures is the slow implementation of harmonised recommendations and requests for strong political support for their implementation.

¹⁵⁷ According to the Balkan Barometer Survey (2019), public attitudes are mostly positive about whether the government provides data to the public on time, in full and at a reasonable cost (between 47% and 56% of citizens think it does) and compared to other countries, the situation in the region is somewhat more favourable. However, it should be borne in mind that this research speaks in general about the information provided by the Government, and not only about the information concerning the services.

¹⁵⁸ Based on the Decree on detailed conditions for creating and maintaining a web presentation of the body.

¹⁵⁹ European Commission Report (Serbia 2020 Report), pp. 45, 47, 49, 50.

¹⁶⁰ Administrative operating costs are estimated at 3.26% for 2018.

¹⁶¹ The issue of citizens' access to public services (traditional and electronic) is mentioned in several places in the Progress Report on Serbia (2019) in cases of access to justice (p. 19), health services (p. 89), utilities (p. 31), information of public importance (p. 20), but also general access to public services (p. 14).

¹⁶² SIGMA Report for 2019 (p. 35): <http://sigmaweb.org/publications/Monitoring-Report-2019-Serbia.pdf>

¹⁶³ The SIGMA Report for 2019 estimates that progress has been made in the past two years in the area of quality of services provided, with an average score of three in the area of Service Delivery for all four pillars, on a scale of 0-5. Of the four pillars, access to public services remains the lowest rated area with a score of 2 out of 5 and is one grade better than 2017, p.36, <http://sigmaweb.org/publications/Monitoring-Report-2019-Serbia.pdf>

¹⁶⁴ According to the report submitted by the PPS on 1st January, 2019, the obligations for employers to submit M4 and M-UN forms have been abolished, which abolished the procedures for reporting data for determining insurance length of service, salaries, salary compensation, i.e. insurance base and the amount of paid contributions; the application for payment of contributions on the basis of the agreed compensation, i.e. compensation on the basis of the contract on additional work and the amount of that compensation has been canceled; the Decree on flour flour stamps was repealed, thus abolishing the procedure for certifying requests for the issuance of flour flour stamps; the procedure of the Veterinary Administration was abolished for the Approval of participation in the international interlaboratory comparison and verification of the competence of the laboratory.

¹⁶⁵ The activities that until now had to be performed or initiated by a businessman, are now carried out by the administration on the basis of data contained in official records, i.e. on the basis of data provided by the economy in other administrative procedures.

In line with the process of simplifying administrative procedures and user-oriented services, physical one-stop shops are also being developed. Ending with October 2020, physical one-stop shops have been opened in 10 municipalities,¹⁶⁶ and another municipality has received support to do so by the end of 2020.¹⁶⁷ However, the Decree on the One-Stop Shops has not yet been adopted, which would systematically regulate the conditions and criteria that apply when determining and establishing a one-stop shop, as well as the manner of cooperation of competent authorities regarding the conduct and performance of tasks in a one-stop shop. In order to facilitate the clients' business operation with the state and enable cashless payment of taxes and fees on the spot, hundreds of POS terminals have been installed at municipal and city counters throughout the Republic of Serbia, and the goal is for all local governments to enter the cashless payment system.¹⁶⁸

In addition, the simplification of administrative procedures is a step that precedes the digitisation of services, i.e. establishing a public administration that functions without excessive use of paperwork. Procedures that are digitised, without having previously been simplified, which is a prerequisite for a quality service, do not facilitate the provision of services and do not contribute to increasing customer satisfaction with the services provided. The digitisation of services is slowed down by the lack of coordination in the field of service delivery and the establishment of the necessary IT infrastructure. Sometimes even developed digital services, such as electronic qualified signatures, are insufficiently used (7% of the population uses electronic signatures).¹⁶⁹ It is not an obligatory part of the ID card, but represents the personal choice of the citizen, which also requires them to contact the competent authority again and wait for the use of the electronic qualified certificate to be enabled.

Significant **results** in the previous period **were achieved in the field of e-government.** The Republic of Serbia has advanced on almost all international competitiveness lists in the field of e-government. The latest United Nations study on the development of e-government¹⁷⁰ ranks the Republic of Serbia in 58th place, and in the e-participation index in the 41st place among 193 countries in the world. The annual Benchmark report of the European Union estimates that the Republic of Serbia has made progress in four of the five areas of e-government development.¹⁷¹ Advances in international e-government competitiveness lists are the **result** of numerous **improvements in the provision of e-services:** the e-Government Portal has been redesigned,¹⁷² its use has been adapted for use via mobile phones and meets the standards of equal accessibility. Also, new functionalities have been introduced on the Portal and new services have been developed, such as the service of issuing police clearance certificates. A national portal for electronic identification of citizens and businesses has been developed and a unique electronic identity has been introduced through login in one place,¹⁷³ so that users no longer have to create and remember different usernames and passwords to access a large number of state information systems. Electronic identification via mobile phone, i.e. two-factor

¹⁶⁶ A one-stop shop has been opened in Gornji Milanovac, the website of the Ministry of Public Administration and Local Self-Government, <http://mduls.gov.rs/saopstenja/otvoreno-jedinstveno-upravno-mesto-u-gornjem-milanovcu/?script=lat> (available on 2 November 2020).

¹⁶⁷ Report on the implementation of the PAR AP Strategy for 2018, p. 10.

¹⁶⁸ Office for IT and e-Government has so far signed several hundred agreements on the installation of POS terminals in state administration and local self-government bodies, at the counters of real estate cadastres and the Ministry of the Interior, available at: <https://www.ite.gov.rs/tekst/sr/4294/pos-terminali.php>.

¹⁶⁹ European Commission report (Serbia 2020 Report), p. 17, available at: https://ec.europa.eu/neighbourhood-enlargement/countries/package_en.

¹⁷⁰ Report, see: <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2020>.

¹⁷¹ Report, see: <https://ec.europa.eu/digital-single-market/en/news/egovernment-benchmark-2020-egovernment-works-people>.

¹⁷² E-government portal: <https://www.euprava.gov.rs> (last accessed on 13 May 2020).

¹⁷³ Unification of digital identities is available to users through the national Portal for electronic identification of citizens and businesses <https://eid.gov.rs/>. In addition to accessing the e-government portal, a unique e-identity is also used to access the information system of the local tax administration <https://lpa.gov.rs/jisportal/homepage>, as well as to log in to the e-health portal, available at: <https://e-zdravlje.gov.rs/landing/>.

authentication, such as e-delivery and online payment for services, has been introduced.¹⁷⁴ An electronic mailbox has been established for fast, simple, reliable and free delivery of decisions, other documents and public administration notifications to citizens. It is possible to pay fees and charges on the e-government portal online.¹⁷⁵ In addition to e-scheduling (for issuing ID cards and passports), new services have been developed, such as issuing police clearance certificates, which citizens receive at their home address.¹⁷⁶ Electronic applications for enrolment of children in preschool institutions, primary and secondary schools (e-kindergarten, e-enrolment) are in wide use.¹⁷⁷ About 200,000 babies have been registered through the information system *Baby, Welcome to the World* since the system was launched in 2016. More than 90% of parents decided to use the "all in one place" service and simply and quickly register the child in the birth register, residence records and health insurance at the place where the life event takes place, without going to any counter.¹⁷⁸ As a result of the improvement of the Portal, the number of its users (1,026,347) and the number of services provided through it (76,028)¹⁷⁹ is regularly growing. The Central Population Register has been put into production, so citizens can check personal data from 20 registers and records through the Portal.

The ability of the population to use new digital services has increased and free IT access centres have been opened for wide groups of users. The Serbian–Korean Information and Access Centre (SKIP Centre) has carried out more than 1,000 different free training sessions in the field of ICT use for more than 35,000 citizens and public employees in the period of three years of its existence.¹⁸⁰ SKIP was declared the best and most visited centre in the world competing against 60 centres, the work of which is supported by the Republic of Korea.¹⁸¹

In the past period, significant results were achieved in terms of **construction of technical and technological infrastructure necessary for the development and operation of e-government**: the State Centre for Management and Data Storage in Belgrade was built, the construction of the secondary State Centre for Data Management and Storage is completed, one of the most modern and efficient in this part of Europe,¹⁸² the cloud platform is planned to be installed in the Data Centre Kragujevac by the end of 2020 and the construction of a single e-storage document management system has begun, which will provide better administration and

¹⁷⁴ This is a very important step that will enable the introduction of m-government in the Republic of Serbia. The possibility of logging in with two-step authentication, a medium-level reliability scheme, can be found at the link: <https://euprava.gov.rs/prijava-dvofaktorskom-autentikacijom-za-korisnike-sa-kvalifikovanim-elektronskim-sertifikatom>

¹⁵⁸ Local tax administrations were the first to start delivering decisions on the determined property tax for 2020 via e-delivery to citizens.: <https://euprava.gov.rs/resenje-poreza-na-imovinu>

¹⁷⁵ The e-government portal enables the use of payment cards (Mastercard, Visa, Dina) of all banks operating on the market of the Republic of Serbia, and citizens can also use e-money by purchasing I-pay vouchers, see <https://www.ite.gov.rs/tekst/sr/4134/4-da-li-je-na-portalu-euprava-omoguceno-placanje-online.php>.

¹⁷⁶ More at: <https://euprava.gov.rs/usluge/4875>.

¹⁷⁷ These applications were widely used, especially during the state of emergency and the pandemic of the Covid-19 virus. See: <https://www.ite.gov.rs/tekst/sr/82/evrtic.php> and <http://mduls.gov.rs/reforma-javne-uprave-u-srbiji/aktuelnosti/prijavite-dete-za-vrtic-pomocu-elektronske-usluge-e-vrtic/?script=lat>.

¹⁷⁸ The Republic of Serbia is among the few countries in the world that provide this type of e-service at such a high level, and the service also includes submitting a request for a parental allowance *a click away*: <https://www.ite.gov.rs/tekst/81/bebo-dobro-dosla-na-svet.php>, and the service is available at the link: <https://euprava.gov.rs/usluge/5184>

¹⁷⁹ The data was downloaded on 14th August, 2020 from the Electronic Government Portal: <https://euprava.gov.rs/>

¹⁸⁰ The SKIP Center started operating on 20th December, 2017 based on the "Memorandum of Mutual Cooperation and Understanding in the Field of Information and Communication Technologies", signed by the Ministry of Public Administration and Local Self-Government and the National Information Society Agency of the Republic of Korea. The Ministry provided space for the work of the SKIP centre, and the Government of the Republic of Korea invested 250,000 euros in the purchase of the most modern devices. SKIP centre is a high-tech space consisting of several IT classrooms with SMART podiums for interactive teaching. The space is intended for training of citizens and civil servants in the field of ICT application and work in the latest digital platforms and information systems, available at: http://skipcentar.rs/sr_RS/prostor/?script=lat

¹⁸¹ More at <http://mduls.gov.rs/saopstenja/dve-godine-rada-skip-centra-preko-1-000-obuka-za-27-000-polaznika/?script=lat>

¹⁸² The data center is designed to the highest technical standards and will be able to meet the highest *Tier-4* reliability standard. Data available at <https://www.ite.gov.rs/tekst/114/izgradnja-data-centra-u-kragujevcu.php>

better response to future crises. There are 28 data sets interoperable and available on the Authority Service Hub, which fall within the scope of competence of eight institutions, and 332 institutions successfully exchange data. Since the introduction of the data exchange system, 15,056,084 service calls have been registered.¹⁸³ However, some key state registers, such as the Address Register and the Spatial Units Register, are not yet interoperable, but their integration is ongoing. In the current planning cycle, it is envisaged for the public administration to establish the technical-technological infrastructure that is necessary for the smooth operation of e-government and to continue with the digitisation of services up to the third and fourth sophistication levels. Given the importance of efficient e-government on the competitiveness of the national economy, it is necessary to establish a system that stimulates government to innovate in the development and provision of electronic services in line with global trends, especially in the field of privacy and cyber security given the dynamic global technology development.

Public administration is slow to open data,¹⁸⁴ and the **underutilisation of the potential offered by open data is reflected in lower innovation of companies and start-ups in the development of new services and products.** Currently, 22 examples of the use of open data sets are presented on the Open Data Portal.¹⁸⁵ The opening and use of open data has been developed through a special measure in the e-Government Development Programme and it is being worked on intensively. The culture of data management must be increased in order for data to become a strategic resource and not a by-product of institutions that are not used outside of it. For planning and evaluating the effects of public policies and decision-making, both in crisis situations and in regular conditions, it is crucial that data from various sources are used in the public sector.

It is necessary to adopt a public policy document related to this area in order to provide human, financial and other resources for the creation and long-term sustainability of key data sources, their exchange between institutions, building a common platform for analysis, linking state data with data from academic and private sectors, etc.

Activities on the construction of a national platform for artificial intelligence have begun, which will enable the development of state-of-the-art e-government services based on the use of artificial intelligence.¹⁸⁶ The potentials of using artificial intelligence in service delivery are enormous – from better resource allocation, replacement of expert support in solving simpler challenges to summarising large sets of different types of data that are collected in public administration but still insufficiently analysed.

Resources required for the delivery of services (human, financial, technical-technological) are not adequately distributed either in the areas of service delivery or between different levels of government, which is why some state administration bodies face difficulties in providing services to citizens and ensuring their quality. Human capacities are limited, and the level of qualification of civil servants for service delivery is inadequate and training in the field of service delivery needs to be increased.¹⁸⁷ E-government usually employs

¹⁸³ Data provided by Office for IT and e-Government, which manages the information system for data exchange.

¹⁸⁴ According to the latest data, 363 data sets in 25 categories are available on the Open Data portal (21st March, 2020). In the measurement of the *Global Open Data Index* for 2016/2017, the Republic of Serbia has a score of 41% of the possible 100% and shares 41st place with Israel in the list of 94 countries; in 2014 the Republic of Serbia was in 48th place with almost 42%.

¹⁸⁵ Open data portal: <https://data.gov.rs/sr/reuses/?page=1>.

A study by *McKinsey* consulting agency (2018 Smart Cities: Digital Solutions For A More Livable Future) says that when open data is used in public administration, as the most important technological resource for smart cities, cities function better in more areas: air pollution is reduced by 10– 15% due to better organised traffic, the number of suicides, traffic jams and fires is reduced by 8-10%, the cost of living is reduced by 1-3%, etc.

¹⁸⁶ In accordance with the Artificial Intelligence Development Strategy for the period 2020-2025.

¹⁸⁷ According to the data submitted by NAPA, in 2019 (excluding December), 321 training sessions in the field of providing services for 5,687 participants were carried out, which is 65% more than in 2018.

an IT profile, but it is also necessary to hire people who can (agilely) manage projects, analyse/consider the needs of users and who will work on jointly creating and removing barriers to data exchange between institutions. The period required to process the request and provide the service is not fast enough and it is not measured systematically how much time is really needed for this.

The technical and technological equipment of public administration is still not at a sufficient level for the provision of electronic services, as a modern way of providing services and communication of public administration with citizens and the economy, to be widely available.^{188,189} Technical and technological capacities are also reflected in the insufficiently built infrastructure, although the number of public records that are available in electronic form is constantly growing. Officers avoid obtaining data *ex officio* and instruct service users to submit all necessary documentation in order to provide services in a shorter time because they do not have customised internal business processes, IT equipment and systems, skills to obtain data through eLAP and in addition to this, there are no controls and awareness campaigns on the importance of data exchange.

There is **no unified system in public administration for monitoring, evaluating and reporting on the quality of provided public services in order to ensure their quality in a systematic way, and to inform the public about it.**¹⁹⁰ Common standards for the delivery of public services¹⁹¹ have not yet been introduced throughout the administration, and tools for managing the quality of services provided are not being promoted in a systematic way, although the need for their use in public administration is growing.¹⁹² There is no mechanism for systematic measurement of customer satisfaction with the services provided, which is the basis for monitoring the quality of services provided and their improvement, nor is there a system for measuring the performance, number of services provided and cost of individual services provided, to identify areas of inefficiency and inefficiency in service delivery.

Registers of administrative procedures/services should serve as a basis on which the quality of services will be controlled by the body/organisation that will be in charge of it, but also by citizens and businesses. The catalogue of administrative procedures is being prepared, but the legal framework for its functioning has not been adopted. A list of administrative procedures related to businesses is in force, and it is planned to expand to administrative procedures related to citizens. Preliminary analysis was conducted, coordination was initiated with the authorities that have certain official registers, and the exchange of electronic data between the authorities was improved.¹⁹³ The unified public register of administrative

¹⁸⁸ The new e-Government Development Programme envisages the infrastructural foundations for the development of electronic services in the country (procurement of hardware, development of shared services, development of electronic office and archives, establishment of the Metaregister and interoperability, etc.).

¹⁸⁹ According to the UN e-Government Index from 2018, the Republic of Serbia has improved its position in the past five years, moving from 69th to 49th place on the list of e-government, but still lags significantly behind countries from the European continent.

¹⁹⁰ Customer satisfaction with the work of public administration, previously cited, is periodically measured, but there is no systematic, regular monitoring of customer satisfaction that would serve as an information basis for assessing the current situation in service delivery, development of new and improvement of existing services and public administration as is the case in other countries.

¹⁹¹ In some countries where public administration is highly efficient, such as Australia, a set of principles for the attitude of civil servants towards citizens in the provision of services has been developed in order to improve services, and then these principles are monitored and ensured consistently in practice.

¹⁹² Although an increasing number of institutions use quality management tools and (most often ISO 9001), these tools are still not promoted or systematically used through the state administration system. The tools used for quality management in state administration bodies were mapped in 2019, and the MPALSG is the first body in which the European quality management tool is applied – CAF (Common Assessment Framework).

¹⁹³ According to the Report on the Implementation of the PAR Strategy for 2019, 71% of bodies exchange data electronically.

proceedings¹⁹⁴ has so far identified over 2,600 administrative proceedings at the state and provincial levels. Unnecessary procedures are simplified, optimised, digitised and removed, and standardised models have been prepared for 188 proceedings in local self-government.¹⁹⁵

When the register is fully functional, it will also have an important role in managing the quality of services because it will map all the legally prescribed steps and all the necessary information in each administrative procedure/service. If a citizen notices that the state administration body is not behaving in accordance with the law, they can file a complaint through that system,¹⁹⁶ which enables systematic involvement of citizens in quality control of provided services, and the state administration to react in time to violations in providing services that are most important for citizens. This register is accompanied by the appropriate portal on the e-government Portal, through which all information for each service in the register will be provided.

As service quality management requires constant and consistent supervision over the service delivery process, in the coming period it is **necessary to strengthen capacities, especially of the Administrative Inspectorate**, both through hiring new staff and through organising training sessions to improve employee skills. Bearing in mind that the strategic orientation is the development of innovative services through their creation with partners from the economy, civil sector, academia and citizens, it is necessary to establish a system for lifelong learning and improve the skills of inspectors in order to be ready for all changes. The functional analysis of all national inspections shows that the number of inspectors is less than necessary and amounts to 2,413, which is why the Action Plan for the employment of officials who perform inspection supervision for 2019-2021 envisages engagement of additional 1,272 inspectors this year. At the proposal of the MPALSG, in June 2019, the Decree on Job Classification and Criteria for Job Description was adopted (*The Official Gazette of the Republic of Serbia*, Nos. 117/05, 108/08, 109/09, 95/10, 11/2012, 84/2014, 132/14, 28/15, 102/15, 113/15, 16/2018, 2/2019, 4/19, 42/19). This Decree removes the restriction on the number of officials performing inspection activities, who assume the position of a senior associate officer, which means that all civil servants performing inspection activities are allowed to move to the position of a senior associate officer if they meet the conditions, and the designation "inspector" is therefore introduced in the title of the position. This should increase the capacity of inspections, but new solutions are needed to overcome the main difficulties in the operation of inspections, especially in times of crisis and change. The internal personnel analysis showed that the problem of the age of the staff was expressed in the national and local inspections¹⁹⁷ - the average age of the inspector is 56 years.

Overview of comparative practice

The latest available data in the area of service delivery for individual Western Balkan countries are presented in the 2017 and 2019 SIGMA reports. Comparative reviews, both from 2017 and from 2019, indicate that progress in this area can be achieved in a short period of time. Serbia has made significant progress by establishing some of the key drivers for modern service delivery, implementing certain quality management tools, and collecting feedback from service users.

¹⁹⁴ More information on the process can be found on the PPS website: <https://rsjp.gov.rs/cir/vesti-cir/pocao-popis-administrativnih-postupaka/> (last accessed on 13 May 2020).

¹⁹⁵ PPS eternal evaluation report, p. 44.

¹⁹⁶ SIGMA monitoring report for Serbia, p. 43.

¹⁹⁷ The analysis was conducted on all inspections in the country, so it is not specific only to the Administrative Inspectorate, which is particularly important in the area of service delivery.

The regional comparison also indicates that when efforts are focused on improving the quality of service delivery through the establishment of a centralised policy in the implementation of services, the results follow quickly.

The regional leader is Albania with 17 out of 24 points for the corresponding SIGMA indicator. Compared to the 13 points that Serbia achieved for the same indicator, it was noticed that the main differences relate to the establishment of a central policy for the quality of services with standardisation of quality and interoperable infrastructure. Therefore, it is anticipated that the implementation of the e-Government Development Programme 2020–2022, along with the activities planned by this strategy, will quickly make Serbia a regional leader.

In terms of harmonised citizen-oriented service delivery policy, central digital service policy, systematic policy of simplification of administrative procedures, as well as strong central coordination of all government digitisation projects, Montenegro is a regional leader and scored 30 out of 32 points for the relevant SIGMA indicator. Serbia, in comparison, achieved only 16 out of 32 points.

The ambition of this strategy is to focus attention on precisely these aspects in service delivery policy and seize the opportunity for systematic and sustainable progress in terms of service quality.

Framework 1 Covid-19 as a special challenge in service delivery

The Covid-19 pandemic was a test for the reforms that were implemented before 2020, i.e. how much the administration, citizens, economy, infrastructure are ready for the wide use of contactless digitised services. The crisis emphasised the importance of faster development of digitisation of public administration, introduction of contactless services, but also establishment of a new working method for employees in the form of work from home using modern telecommunication technologies. The pandemic poses a challenge to civil servants and the government given the ever-changing epidemiological situation.¹⁹⁸

Public administration and e-government reforms carried out before the pandemic, such as the development of open data or established e-services, helped the government respond quickly to the emergency. A central national portal www.covid19.rs was developed with all key information on the development of the pandemic in the country, an electronic test of self-assessment of symptoms was introduced, as well as a portal with open, machine-readable, regularly updated data on Covid-19 www.covid19.data.gov.rs, on the number of citizens in self-isolation, infected with coronavirus, tested, hospitalised and deceased in the territory of the Republic of Serbia. An e-scheduling service for PCR testing on personal request has been established, as well as an e-notification service for PCR test results. Solutions such as the Digital Classroom for distance teaching have been introduced. Innovative initiatives have been launched, such as "Digital Solidarity" and "Be a Volunteer" and the communication channels of institutions have been strengthened, so Viber Serbia Covid-19 chat box, Covid-19 Contact centre at number 19819¹⁹⁹ have been developed (dialling this number free of charge citizens could obtain advice and recommendations from experts in the fight against coronavirus, as well as contact the competent professional services throughout the country); Contact centre for assistance to the elderly at number 19920²⁰⁰ (by calling this number free of charge, citizens can turn for help in the procurement of groceries, medicines and other necessities in the city and

¹⁹⁸ Analysis of the economic and social consequences of the Covid-19 pandemic in the administrations of the Western Balkans countries, ReSPA: <https://www.respaweb.eu/download/doc/ECONOMIC+AND+SOCIAL+CONSEQUENCES+of+COVID+19.pdf/e97586d30e7b07fa0dd3f00ebf84dce8.pdf>

¹⁹⁹ For more information on the Covid-19 Contact centre: <https://bit.ly/3e8PBO6>

²⁰⁰ For more information on the Contact centre for assistance to the elderly: <https://bit.ly/3e8PBO6>

municipal centres where volunteers are engaged). In order to mitigate the impact of the pandemic on economic flows, an e-market platform has been established that allows producers to continue their work in the conditions of a pandemic, and citizens to order products and procure food without being exposed to physical contact. A unique Contact Centre of National Inspections has been established, to which citizens and the economy can report illegal raising of prices of foodstuffs, medicines, medical devices and protective equipment, both by phone and via the website www.inspektor.gov.rs.²⁰¹ This centre is connected with all local self-governments, which enables the reporting of citizens and businesses, which are not within the scope of competence of the national inspections, to be forwarded to the competent local inspections.

Innovative solutions were presented in the "Review of digital government initiatives to combat the Covid-19 pandemic", published by the United Nations, the Department of Economic and Social Affairs, UNDESA²⁰², and 22 innovations from the Republic of Serbia became part of the platform entitled "Tracker of innovative responses to the corona crisis" of the OECD Public Sector Innovation Observatory.²⁰³ The responses of the Republic of Serbia to the crisis caused by the coronavirus have found their place in the international initiative "Partnership for Open Government".²⁰⁴ Four initiatives were awarded in the regional context through the ReSPA awards in the field of public administration reform for 2020.²⁰⁵

During the state of emergency, two acts were passed that affected the exercise of the rights, obligations and interests of citizens in administrative proceedings. The Conclusion on the Suspension of Work with the Clients Through Direct Contact (*The Official Gazette of the Republic of Serbia*, Nos. 35/20, 37/20) and the Decree on the Application of Deadlines in Administrative Proceedings During a State of Emergency (*The Official Gazette of the Republic of Serbia*, Nos. 41/20, 43/20) were adopted. Despite the closing of the counters, the institutions were obliged to ensure the continuation of the work that was done electronically, but some bodies, especially those which were not accustomed to electronic acting, were less able to cope. The clients in general and special administrative procedures during the state of emergency did not bear the consequences due to their inaction within the prescribed deadlines. Research on the functioning of the system of local self-government in the Republic of Serbia²⁰⁶ during the Covid-19 pandemic has shown that **inspection and supervision activities were one of the most difficult tasks in a crisis situation caused by the Covid-19 pandemic.**

²⁰¹ Submission is conducted via the online form: <https://inspektor.gov.rs/submission>. For more information about the Contact Centre, go to: <http://mduls.gov.rs/saopstenja/otvoren-jedinstveni-kontakt-centar-za-prijavljivanje-nezakonitosti-u-vremenu-pandemije-korona-virusa/>.

²⁰² See: <https://publicadministration.un.org/egovkb/Portals/egovkb/Documents/un/2020Survey/UNDESA%20Compendium%20of%20Digital%20Government%20Initiatives%20in%20Response%20to%20the%20COVID-19%20Pandemic.pdf>.

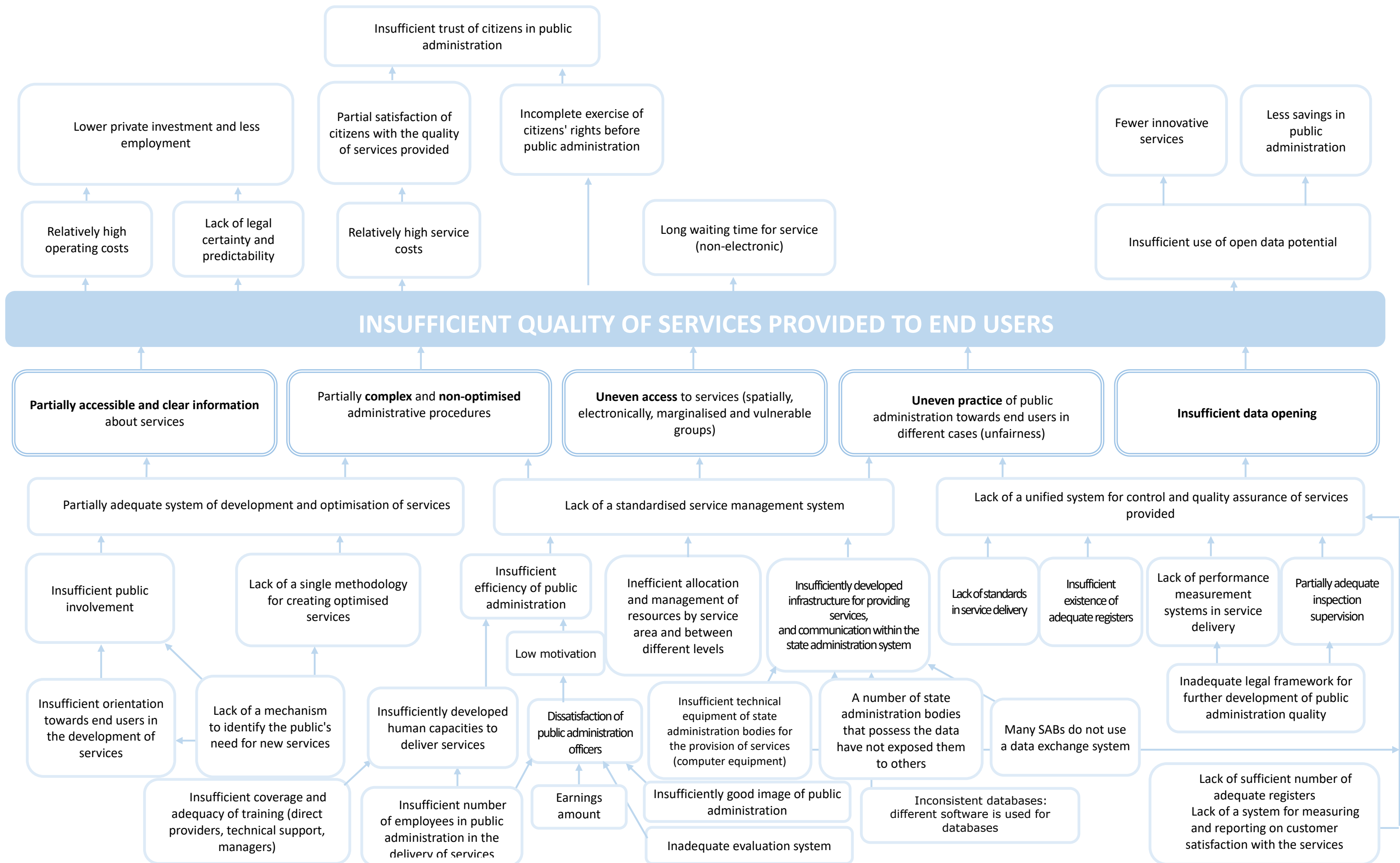
²⁰³ Available at: https://oecd-opsi.org/covid-response/?_countries=serbia.

²⁰⁴ Available at: <https://www.opengovpartnership.org/collecting-open-government-approaches-to-covid-19/>.

²⁰⁵ Available at: <https://www.ite.gov.rs/vest/5392/kancelariji-za-it-i-eupravu-cetiri-nagrade-za-efikasnost-i-prilagodljivost-javne-uprave-tokom-pandemije-covid-19.php>.

²⁰⁶ The research was conducted within the joint project of the European Union and the Council of Europe "Human Resources Management in Local Self-Government Units – Phase 2", conducted by the Council of Europe in Serbia in cooperation with the MPALSG and SCTM as an implementing partner, p. 7, available at: <https://rm.coe.int/survey-report-serbia/16809e831b>.

Problem tree – Service delivery



Graph 27. Problem tree – Service delivery

Objective, impact assessment and measures

The reform in the field of service delivery by 2030 is aimed at creating an adaptable public administration that provides integrated user-oriented services in a short period of time and at reasonable costs, especially taking into account minority and vulnerable social groups.

It is necessary to establish a system for the development of new, user-oriented existing services and their optimisation by continuously engaging the wider community in the process of service development and by using innovative tools, following the EU values and applying EU standards in this area. Effective delivery of quality services will also depend on the capacity of public administration to effectively use large data sets, artificial intelligence and block chain technology to quickly identify opportunities to optimise existing and develop new services, as well as to improve internal background processes in service delivery.

When building physical one-stop shops, the accessibility of facilities for vulnerable groups, such as persons with disabilities or parents with children, must be taken into account and assistance provided to clients in the use of information and communication technologies. Inclusive development of services also implies reliance on solutions for improvement that citizens come up with independently, which requires that public administration data be opened to external users and greater cooperation among all stakeholders in each phase of service development.

Having in mind that digitisation of public administration is an important element of more efficient delivery of services, it is necessary to additionally support the implementation of the Electronic Government Development Programme²⁰⁷ through construction of technical-technological and personal resources necessary for digitised administration and improvement of interoperability. This means that the state administration bodies are better technically equipped and more training of civil servants is conducted. A prerequisite for the widespread use of e-government is to ensure full legal certainty in the use of all its services, so it is necessary to continue to establish the legal framework and technical-technological solutions in this area. The ultimate goal of the development of e-government, as a modern way of providing services, is to increase the availability of e-government to citizens and businesses by introducing user services of the third and fourth level of sophistication for optimised user-oriented services.

Simultaneously with the establishment of a system for the development and optimisation of services and the construction of the necessary technical-technological and human capacities in order to provide user-oriented services, it is necessary to establish an effective system of quality control of services provided. Building effective monitoring and information base for the development of better services requires strengthening the capacity for internal control, but also establishing mechanisms for external, independent evaluation, so it is necessary to introduce continuous assessment and measurement of end-user satisfaction as one of the most useful indicators of public administration success in achieving the objectives set before it by the citizens of the Republic of Serbia, but also by itself.

²⁰⁷ In the field of e-government development for the period after the expiration of the e-government development programme, the set objectives of the programme will be elaborated through an operational plan prepared by the Government, OFFICE FOR IT AND E-GOVERNMENT and MPALSG, having in mind the speed of development and changes of digital technologies and the need to adapt plans and specific steps to changes more quickly. In other words, the operational plan will elaborate specific steps through the already existing framework of the overall objective of the eGovernment Development Programme: Development of efficient and user-oriented government in the digital environment and specific objectives of the eGovernment Development Programme:

- Development of infrastructure in e-government and ensuring interoperability
- Improvement of legal security in the use of e-government
- Increase in the availability of e-government to citizens and businesses through the improvement of customer services
- Open data in e-government

In the field of professional development for different categories of employees, it is necessary to include in the NAPA training programmes as of 2021, training for employees and implementers of training related to innovation and public services in accordance with the concept of focus on end users as it is a fundamental shift in thinking and work in public administration in relation to previous practice in this area.

Specific objective 5: Public administration delivers services that meet the needs of end users in an efficient and innovative way and improve their user experience

Outcome indicator	BV	TV
SIGMA’s average score for service delivery for all four pillars (SIGMA Monitoring Report)	(2019): 3	(2021): 4 (2022): 4 (2023): 4 (2024): 4 (2025): 5 (2027): 5 (2030): 5
The GDP share of the administrative burden of citizens and businesses	(2018): 3.11%	(2021): 3.00% (2022): 2.90% (2023): 2.85% (2024): 2.80% (2025): 2.75% (2027): 2.55% (2030): 2.40%

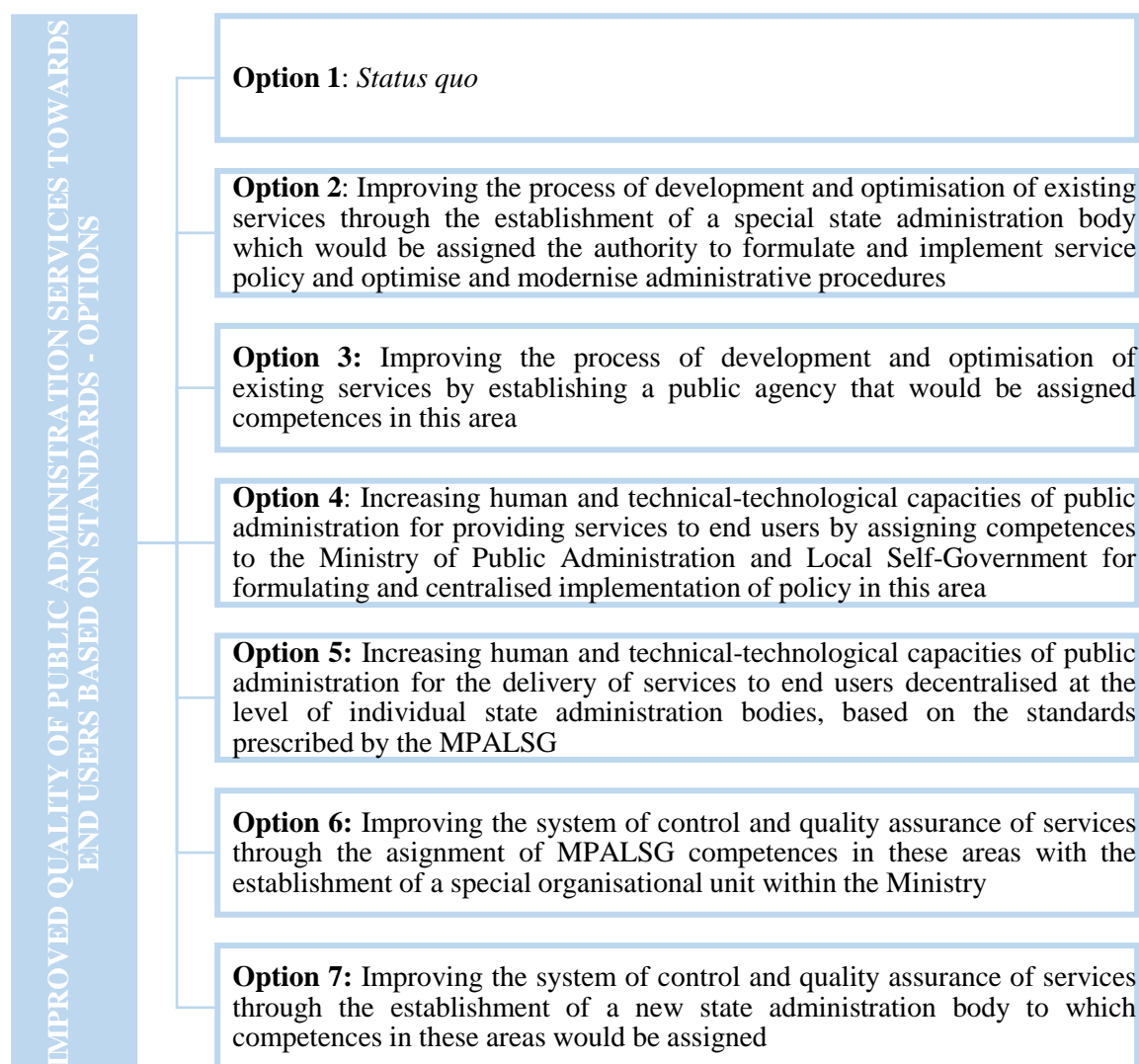
Impact assessment of options

The impact test of the options envisaged to achieve this objective has a fully or moderately relevant impact on the criteria. 11 out of a maximum of 14 points were scored, which requires the effects of options be analysed in detail.

Impact test

Specific objective 5: Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience (Improved quality of public administration services towards end users based on standards)	points
Quantitative criteria that require a detailed impact assessment	
Change in revenues and expenditures, as well as revenues and expenditures of state administration bodies/budget of the Republic of Serbia, on an annual level higher than 10% of the budget compared to the previous fiscal year	0
Impact on more than 200,000 citizens	2
Impact on more than 5% of entrepreneurs or legal entities, or on more than 20% of those persons in a certain activity	2
Quantitative criteria that require a detailed impact assessment	
Market impact and competition/competitiveness conditions	1
Introduction of significant reform, i.e. systemic changes	2
Horizontal criteria	
Important for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	2
Innovative practice	
Novelties in relation to the ongoing reform processes within PAR	2
TOTAL:	11/14

Detailed impact assessment of options for Objective 5.



Option 1: Status quo

This option implies that services are developed in the current way - decentralised and largely uncoordinated between state administration bodies. Thus, no state administration body has the exclusive competence to create and implement service policy, and coordination and synchronisation for services involving multiple bodies would rely on existing coordination mechanisms such as APIGP and special, thematic Government working/coordination groups. It also implies that there will be no changes in the capacity to provide services as there is no additional employment or procurement of new equipment beyond what is provided for in existing policy documents, such as the e-Paper Programme and the e-Government Development Programme. This option does not anticipate changes in the efficiency and quality of services provided as there are no changes in the way they are delivered. The *status quo* option does not require any additional costs, but it does not provide any additional benefits for society or for the public administration itself.

Option 2: Establishment of an independent body responsible for drafting proposals and implementing service policy documents and optimising and modernising administrative procedures modelled on similar institutions in Europe, such as the Agency for Modernisation of Administration in Portugal²⁰⁸.

Since the capacities of state administration bodies, including the MPALSG, are small, the implementation of this option requires the employment of a completely new highly qualified staff, whose current average annual gross salary in the MPALSG amounts to 1.24 million dinars. For the operation of a new body, it is necessary to procure office and technical-technological equipment for work, such as furniture, computers, printers and other devices necessary for work. Since it is necessary to hire highly qualified staff of various professional profiles, such as legal professionals and IT experts, who are highly paid in the market and the salary in public administration is insufficiently competitive, the implementation of this option would require regular engagement of certain number of external experts. In areas such as digitisation, this can create dependence on external consultants and suppliers, which poses a risk to efficiency and effectiveness in implementing this option. The benefit of this option is reflected primarily in the financial savings for public administration that can be achieved through the simplification of the process of providing services, but also savings for businesses and citizens, and for society in general.

Option 3: Improving the process of development and optimisation of existing services by establishing a public agency that would determine the competences in this area

This approach to addressing the institutional framework of service delivery policy compared to Option 2 implies the establishment of a special agency that would be provided with the authority to create service delivery policy and implement the documents in which that policy is set.

As in Option 2, the establishment of a new body implies new employees, which creates an additional annual cost for state finances, but also the procurement of equipment and material needed for work. The advantage over Option 2 is the greater competitiveness of the salaries it can offer to its employees, which opens up a greater opportunity to attract and retain highly qualified staff, which the public administration itself is unable to do, but also implies higher annual salary expenditures. The analysis of the existing national agencies shows that in most of them the average annual salary of employees is about 32% higher than the salary of employees in ministries and amounts to 1.64 million dinars per year, and that the share of highly educated staff in them is about 80% of all employees. The establishment of the agency would reduce the dependence of the public administration on external partners and potentially enable the administration to have stronger ownership over the implementation of service policy.

Option 4: Increasing the human and technical-technological capacities of the public administration for the delivery of services to end users by determining the competence of the MPALSG for the development and centralised implementation of public policy documents in this area.

This option implies that the MPALSG plans the staff hiring and the staff hiring process. This requires the engagement of staff for the tasks of that planning, as well as the procurement of the necessary technical and technological equipment. There is also a risk of some rigidity and slowness in decision-making and implementation because the need to adapt staff and equipment to change changes centrally, but centralisation also brings advantages in terms of lower procurement prices due to higher amount. The assessment of the costs of implementing this option depends on the assessment of the need for staff, their professional structure and work

²⁰⁸ Internet portal of the Agency for Modernisation of Administration in Portugal: <https://www.ama.gov.pt/web/english>.

experience, the assessment of additional implementation costs of this option, the assessment of one-time costs, such as procurement of equipment for newly hired staff, and the assessment of preparation and training and other activities envisaged to implement this option.

Option 5: Increasing human and technical-technological capacities of public administration so that state administration bodies would provide services to end users de-centrally, individually, and on the basis of standards prescribed by the MPALSG

Decentralised improvement of human and technical-technological capacities of public administration for the delivery of services requires greater efforts in coordination of implementation, which could affect the efficiency of capacity building. On the one hand, this option could be more efficient in adjusting the capacities to the set standards, because the MPALSG would not be expected to harmonise the capacities with the local needs for services.

Option 6: Improving the system of control and quality assurance of services by determining the competence of the MPALSG in these areas and establishing a special organisational unit within the MPALSG

Impact assessment of this option, given that it refers to the way of establishing a new system related to services - through the existing state administration bodies with intensive use of external professional services. In this regard, the impact assessment would be based on the assessment of: the cost of hiring additional labour, the cost of purchasing the necessary equipment, the benefits of improving the quality of services provided, the complexity of establishing a new organisational structure, the impact of organisational structure on the efficiency of quality control of delivered services as well as the cost of continuous measurement of customer satisfaction by hiring external agencies.

Option 7: Improving the system of control and quality assurance of services by establishing a new state administration body for which the competence in these areas would be defined

Improving the system of control and quality assurance of services by establishing a new state administration body for which the competence in these areas would be determined includes assessment of the costs of hiring additional labour, costs of procurement of necessary equipment, benefits of improving the quality of services, complexity of establishing a new organisational structure, as well as the costs of continuous measurement of customer satisfaction by hiring external agencies.

Table 5. Cost calculation for options for Specific objective 5.

In RSD, annually	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Number of employees	80	80	25	10	40	40
Average annual labour costs per employee	1,244,681	1,643,678	1,244,681	1,244,681	1,244,681	1,643,678
Total annual labour costs	99,574,483	131,494,253	31,117,026	12,446,810	49,787,241	65,747,126
Average overheads per employee	91,500	91,500	91,500	91,500	91,500	91,500
Average costs of office supplies per employee	42,254	42,254	42,254	42,254	42,254	42,254
Total annual material costs	10,700,320	10,700,320	10,700,320	10,700,320	10,700,320	10,700,320
TOTAL OPERATING COSTS	110,274,803	142,194,573	41,817,346	23,147,130	60,487,561	76,447,446

In RSD, one-off	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Costs of procurement of technical equipment per employee	120,000	120,000	120,000	120,000	120,000	120,000
Costs of furnishing the premises per m²	36,000	36,000	36,000	36,000	36,000	36,000
Total costs of procurement of technical equipment	9,600,000	9,600,000	3,000,000	1,200,000	4,800,000	4,800,000
Total costs of furnishing the premises (10m ² per employee)	28,800,000	28,800,000	9,000,000	3,600,000	14,400,000	14,400,000
TOTAL FURNISHING COSTS	38,400,000	38,400,000	12,000,000	4,800,000	19,200,000	19,200,000

Table 6. Table for selecting options for Specific objective 5.

Eligibility criteria Rating (1–3) Direct impact (weight 2) indirect impact (weight 1)	Total						
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Specific criteria							
What impact does the option have on citizens?	1x1=1	2x2=4	3x2=6	3x2=6	3x2=6	2x2=4	3x2=6
What impact does the option have on the businesses?	1x1=1	2x2=4	3x2=6	3x2=6	3x2=6	2x2=4	3x2=6
Does the option affect efficiency and effectiveness in staff planning and their engagement in providing services to end users?	1x1=1	2x2=4	3x2=6	3x2=6	3x2=6	2x2=4	3x2=6
What is the institutional, organisational and managerial complexity of this option?	1x1=1	2x2=4	2x2=4	1x2=2	2x2=4	2x2=4	2x2=4
Overall criteria							
Does the option improve the transparency and accessibility of public administration and affect citizens' trust in public administration?	1x1=1	2x2=4	3x2=6	2x2=4	2x2=4	2x2=4	3x2=6
Is the option in line with EU requirements?	1x1=1	3x2=6	3x2=6	3x2=6	3x2=6	3x2=6	3x2=6
Implementation criteria							
Does the option require high implementation costs?	3x2=6	2x2=4	1x2=2	1x2=2	3x2=6	2x2=4	1x2=2
What is the deadline for implementing the option?	3x2=6	2x2=4	1x2=2	2x2=4	3x2=6	2x2=4	1x2=2
Total by options	18	34	38	36	44	34	38

Selected options have been marked grey.

[Measures for achieving Specific objective 5.](#)

Measure 3.1.1 - Improving the development of services tailored to citizens through improving the development process and optimising existing services: The measure is aimed at establishing a system for the development of services based on the principle of targeting end users (citizens, businesses and public administration) thus making inefficient services that are not equally available to all citizens. In the period until 2021, efforts were focused on making inventory of 2,600 administrative procedures related to economic entities and their optimisation and digitisation are being prepared, and in the following period, an inventory of administrative procedures related to citizens will also be made. Therefore, this measure represents a significant systemic reform that will fundamentally change the way public services are developed. This will create the potential for large savings in the work of public administration, but also savings in costs and time required to perform services for all end users.

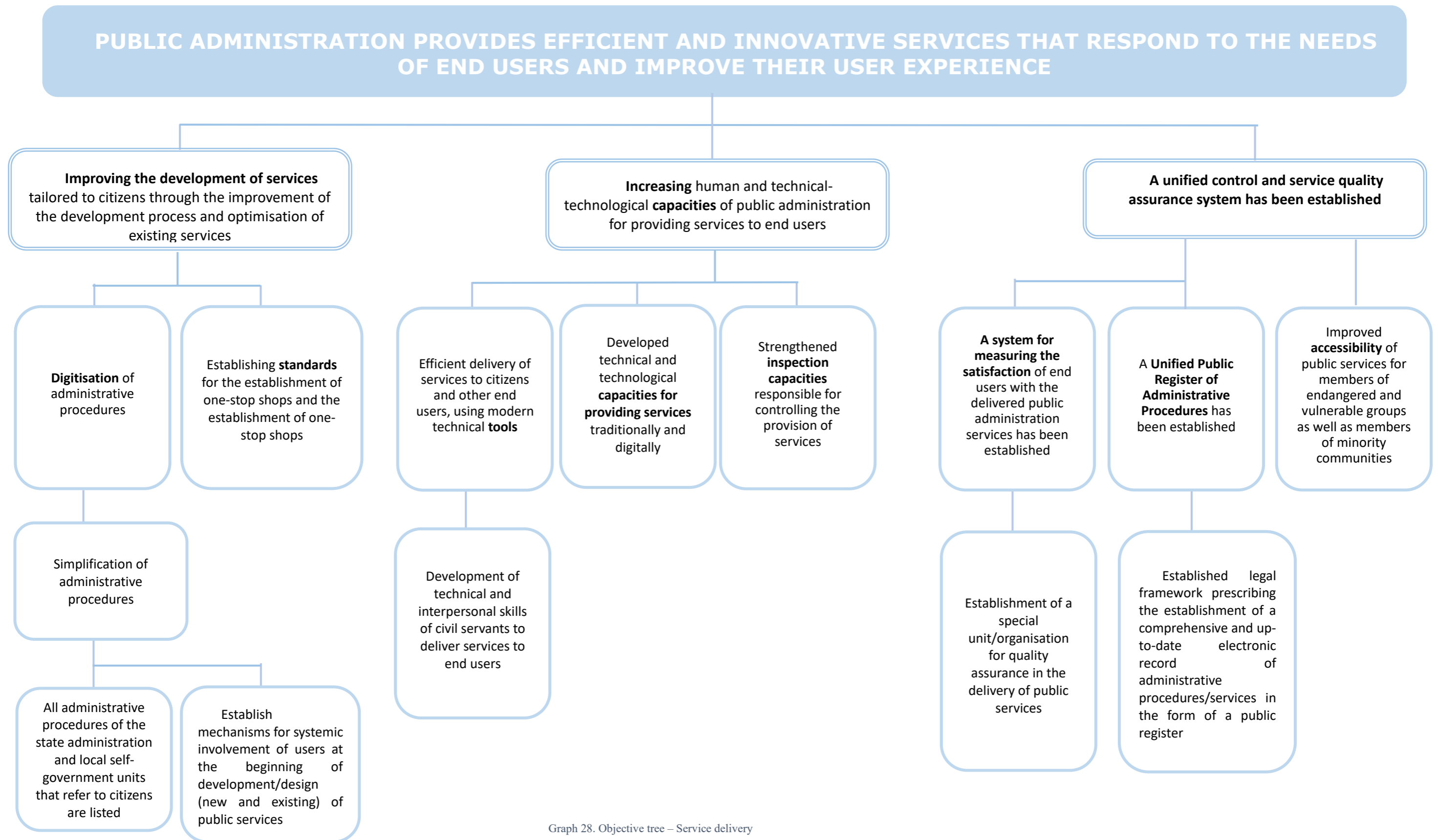
Result indicator	BV	TV
Number of simplified administrative procedures for citizens and business	(2020): 125	(2021): 250 (2022): 350 (2023): 450 (2024): 500 (2025): 550 (2027): 600 (2030): 700
Number of established one-stop shops in local self-government units	(2020): 14	(2021): 19 (2022): 24 (2023): 29 (2024): 34 (2025): 39 (2027): 50 (2030): 80

Measure 5.2 – Raising human and technical-technological capacities of public administration for service delivery to end users: The measure is aimed at establishing a unified approach for the organisation of human capacities engaged in delivering services, both in terms of systematic determination of their number, location and continuous professional training on the principles of orientation in the delivery of services to end users. In addition, the measure requires the determination of the technical and technological state of matter of public administration in the field of service delivery, as well as the procurement of lacking equipment and technology in order to raise the capacity for efficient service delivery.

Result indicator	BV	TV
The number of civil servants and local self-government employees in service delivery jobs who successfully completed a training in the field of service delivery quality (improvement)	(2019): 5687	(2021): 10,000 (2022): 15,000 (2023): 20,000 (2024): 25,000 (2025): 30,000 (2027): 40,000 (2030): 50,000
EU Benchmark for e-Government – key prerequisites in place	(2020): 35	(2021): 37 (2022): 45 (2023): 60 (2024): 75 (2025): 90 (2027): 94 (2030): 96

Measure 5.3 - Improved service quality control and assurance system: efficient management of service delivery also requires effective quality control to be performed by inspections that have not yet been established. The measure implies the construction of a system for monitoring and quality control of delivered services, which requires the standardisation of service delivery, as well as monitoring the satisfaction of end users with the services delivered.

Result indicator	BV	TV
Number of bodies that have implemented <i>CAF</i> as a quality management tool	(2020): 0	(2021): 2 (2022): 4 (2023): 6 (2024): 8 (2025): 10 (2027): 14 (2030): 20



Graph 28. Objective tree – Service delivery

4. Accountability and transparency in public administration

Situation analysis

The situation analysis in the field of accountability and transparency in public administration relies mostly on the findings from the OECD/SIGMA report on monitoring public administration reform in the Republic of Serbia from 2015 and 2017,²⁰⁹ as well as on annual reports on the progress of the Republic of Serbia in the accession to the European Union process.²¹⁰ Within the SIGMA indicator *Functioning of internal control* there are two sub-indicators relating to this thematic area.²¹¹

For the area of accountability, five EU/OECD principles have been established, which concern: a) the rationality and adequacy of the overall central government organisation and managerial accountability; b) the right to access information of public importance, which is regulated by law and is consistently exercised in practice; c) the existence of functional mechanisms for the protection of citizens' rights to good administration and protection of the public interest; g) guarantees of fair treatment in administrative matters, *inter alia*, through judicial review of decisions; and d) the right to compensation and/or adequate compensation for violations of regulations by public authorities.²¹² Having in mind the complexity of the area and the fact that there are other strategic documents concerning certain aspects of accountability and transparency, the Republic of Serbia has decided to focus on the first, second and third principles in this strategy. On the other hand, measures and activities related to fair treatment in administrative matters (the fourth principle) are comprised in the Judicial Development Strategy 2020–2025²¹³ and the revised Action Plan for Chapter 23.²¹⁴ Bearing in mind that the insufficient efficiency of the Administrative Court in the mentioned international reports was perceived as one of the basic obstacles to exercising the right to a fair trial in administrative matters, the Judicial Development Strategy 2020-2025 and the revised Action Plan for Chapter 23 contain measures and activities aimed at increasing the efficiency of the functioning of this court. On the other hand, in the area of accountability and transparency, this strategy also covers the issue of strengthening integrity and ethical standards in public administration, to which one of the EU/OECD principles related to the field of public service and human resources management is committed.²¹⁵

The PAR Strategy 2021–2030 and the accompanying Action Plan 2021–2025 aim at creating an appropriate environment and preconditions for significant progress in the field of accountability and transparency. In terms of managerial accountability, activities aimed at making analyses, mapping the current situation in public administration and formulating specific recommendations for all three key elements (delegation of responsibilities, clear lines

²⁰⁹ Initial measurement: Principles of public administration - Serbia, April 2015; Monitoring report: Principles of public administration - Serbia, November 2017, <http://www.sigmaweb.org/publications/monitoring-reports.htm>

²¹⁰ The last annual report was published in October 2020, European Commission: Report for Serbia 2020, available at: <http://europa.rs/godisnji-izvestaj-o-srbiji-2020/>

²¹¹ These are: *Effectiveness of basic mechanisms of managerial accountability for central government's bodies* and *Delegation of responsibility for decision making in ministries*

²¹² OECD/SIGMA: Principles of Public Administration - 2017 edition, available at: <http://www.sigmaweb.org/publications/Principles of Public Administration 2017 edition SER.pdf>

²¹³ Judicial Development Strategy 2020–2025, July 2020, measure 6.3, <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-22072020.php>

²¹⁴ Revised Action Plan for Chapter 23, Subchapter *Justice*, July 2020, activities: 1.3.3.2, 1.3.3.3, 1.3.3.4, available at: <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-22072020.php>

²¹⁵ *Public Service and Human Resources Management*, Principle 7 - Measures to Promote Integrity and Prevent Corruption and to Ensure Discipline in the Civil Service, OECD / SIGMA: Principles of Public Administration - 2017 Edition, p. 50, <http://www.sigmaweb.org/publications/Principles of Public Administration 2017 edition SER.pdf>

of responsibility between institutions and performance measurement at the institutional level) are envisaged and will be accompanied by appropriate changes to the legal framework. The Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia for the period 2018-2020, within the specific objective aimed at improving the organisational and functional subsystems of public administration, plans to establish a Register of holders of public authority in order to jointly record public administration bodies and types of their powers and clearly show the relationship of vertical accountability between them. As this activity was not implemented, the action plan for its implementation was transferred to this strategy. The establishment of the Register of Holders of Public Authorities will be preceded by a comprehensive list of public authorities, and after the analysis, a typology of public administration bodies will be developed, which will contain uniform names, definitions and scope of their competence, as well as established vertical lines of accountability. These data will enable a detailed horizontal, vertical and systematic functional analysis to be carried out in order to determine which tasks and activities of public administration are needed and to avoid overlapping of competences. This analysis will be the basis for establishing the best organisation. In the first five years of implementation of this strategy in this area, the focus will be on measuring the performance of institutions, which will be implemented within a special measure that includes regulatory changes and support to their implementation. Another special measure envisaged for this area is aimed at creating preconditions for the establishment of an efficient ethical infrastructure in public administration, i.e. a more efficient system for preventing corruption in public administration bodies. This measure includes amendments to the Law on Free Access to Information of Public Importance and the Law on the Protector of Citizens, and the implementation of these activities should further approximate the functioning of public administration in the EU/OECD principles, which require citizens to consistently exercise their rights to free access to information of public importance and that there is a functional mechanism for the protection of citizens' rights to good governance and protection of the public interest.

Legal and strategic framework

In the PAR Strategy for 2018–2020, the specific objective that was planned to be achieved in this area was to increase the participation of citizens, transparency, improvement of ethical standards and accountability in performing business. The Report on the implementation of that plan for 2019 states that 38% of the planned activities were implemented and 33% of the planned results in this area were achieved.

In order to better harmonise the work of public administration with the principles of good governance by 2020, the legislative framework regulating the areas of transparency, publicity, accountability and human resources management has been greatly improved. These are the Law on State Administration, the Law on Civil Servants, the Law on Local Self-Government (*The Official Gazette of the Republic of Serbia*, Nos. 129/07, 83/14 - state law, 101/16 - state law, 47/18), Law on Free Access to Information of Public Importance (*The Official Gazette of the Republic of Serbia*, Nos. 120/04, 54/07, 104/09, 36/10), Law on Salaries of Civil Servants and State Employees, Law on Employees in Autonomous Provinces and Local Self-Government Units, Law on Salaries of Civil Servants and State Employees in Autonomous Province Bodies and Local Self-Government Units, Law on the Manner of Determining the Maximum Number of Public Sector Employees, Law on Public Service Employees, Law on Public Sector Salaries, Law on Employee Salaries in Public Agencies and Other Organisations Established by the Republic of Serbia, an Autonomous Province or Local Self-Government Unit and the Law on Inspection Supervision (*The Official Gazette of the Republic of Serbia*, Nos. 36/15, 44/18 - state law, 95/18). The LPS expands managerial accountability to policy making (vertical component), introduces measurable indicators and monitors the implementation of planning documents, which make it easier to establish this type of accountability and to facilitate

institutions and their functional parts in determining measurable objectives and indicators. This law also contains provisions pertaining to greater information and public participation in the preparation of public policy documents and regulations. The Law on Budget System defines managerial accountability as “the obligation of managers at all levels of users of public funds to perform all tasks legally, respecting the principles of economy, effectiveness, efficiency and publicity, and to be accountable for their decisions, actions and results to the authority which appointed them or assigned responsibility to them”. The basic provisions of the Law on Budget System for Managerial Accountability are elaborated in more detail in the Rulebook on Financial Management and Control, Handbook for Financial Management and Control, as well as in the methodological guidelines developed by the Central Harmonisation Unit (hereinafter: CHU).²¹⁶ Additionally, special measures focused on that topic were implemented within the PIFC Strategy 2017-2020.

In the area of accountability, by 2021, laws have been enacted that are important for managing conflicts of interest of public officials, civil servants, employees of the AP and local self-government units, as well as public services. These laws, along with the Law on Protection of Whistle-blowers (*The Official Gazette of the Republic of Serbia*, No. 128/14)²¹⁷ and local anti-corruption plans,²¹⁸ contain certain elements that can be treated as initial steps towards establishing a comprehensive and efficient ethical infrastructure in public administration, in accordance with 12 OECD²¹⁹ principles and comparative experiences.

In order to help users of public funds to understand the concept of managerial accountability, as well as to be able to establish this concept in institutions in accordance with existing regulations and organisational structure, Guidelines on the concept of managerial accountability have been developed.²²⁰ New and updated documents of the CHU will provide support for the management of public funds in accordance with the principles of internal financial control, in order to achieve strategic goals of the public sector and strengthen transparency and accountability in performing public administration functions (Guidelines on Performance,²²¹ Guidelines on Delegation,²²² Guidelines on Financial Management and Control for Small Users of Public Funds, Manual on Financial Management and Control, Guidelines for Financial Units for Reporting Irregularities and for Assessing the Quality of Internal Control Systems).

Within the Project: “Restructuring and optimisation of public administration in Serbia” realised from July 2015 until June 2019 four functional analyses have been carried out by the World Bank. These are: horizontal functional analysis „State administration plus“ by which 94 institutions at central level were included; functional analysis for providing services to citizens in the health, education and social protection sector; vertical functional analysis of MF; vertical functional analysis of the Ministry of agriculture and environment protection. The implementation rate of activities within the Action plan for carrying out recommendations of

²¹⁶ Consolidated Annual Report on the State of Internal Financial Control (PIFC) in the Public Sector in the Republic of Serbia: <https://www.mfin.gov.rs/wp-content/uploads/2019/10/Consolidated-PIFC-report-2018-.pdf>

²¹⁷ Available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2014/128/1/reg>

²¹⁸ The obligation of cities and municipalities to adopt and implement local anti-corruption plans is provided for in the Action Plan for Chapter 23 - Area 2.2.10, p. 193 and 194: <http://www.mpravde.gov.rs/tekst/2986/pregovori-sa-eu.php>

²¹⁹ OECD, Recommendations of the Council for the Advancement of Ethical Conduct in the Civil Service, including Principles for the Management of Ethics in the Public Service, OECD/LEGAL/0298, 23 April 1998: <https://legalinstruments.oecd.org/public/doc/129/129.en.pdf>

²²⁰ Guidelines on the concept of managerial accountability :<https://www.mfin.gov.rs/UserFiles/File/CJH/2019/Smernice-o-upravljackoj-odgovornosti.pdf>

²²¹ This document was prepared during a pilot exercise within the Twinning project with France "Support to Further Development of PIFC", a funded by the EU.

²²² This document was prepared during a pilot exercise within the Twinning project with France "Support to Further Development of PIFC", funded by the EU.

the horizontal functional analysis „State administration plus“²²³ is 28,57%. The implementation rate of activities in the Action plan for carrying out the vertical functional analysis of MF is 100%, Ministry of Health 60%, Ministry of Labor, Employment, Veterans and Social affairs 40-55%, Ministry of agriculture and Forestry 50%, Ministry of Education 92,85%. Most of activities that will contribute to implementing horizontal aspects of the analysis and that were not implemented are addressed within this Strategy.

The Register of Holders of Public Authorisations has not been formed yet, but a Feasibility Study has been prepared, as well as the Methodology for the Development and Establishment of a Unified Register of Holders of Public Authorisations in the Republic of Serbia.

Results and challenges

In the area of accountability in the work of public administration bodies, minimal results have been achieved with the implementation of the PAR Strategy from 2014, so all the problems identified in that document still exist. In this area, one of the biggest challenges concerns the organisation of management at the central level. The legal framework in this area is fragmented, there is no procedure that would ensure the institutional development of public administration based on previous analysis, while the **organisational culture is not focused on achieving results, i.e. performance management**, which is confirmed by the fact that neither horizontal nor vertical performance management has been established. **Centralised management** interferes with managerial autonomy and accountability at lower levels.²²⁴

Relevant laws contain definitions of constituent bodies, special organisations and agencies, but this division of administrative entities is not clearly defined. Different bodies can be established to perform a large number of similar tasks, which means that the **legislative framework does not provide clear criteria for selecting an adequate organisational form in specific cases.**²²⁵

As a result, bodies and organisations are established under inadequate names, which do not reflect their real organisational forms, so the organisational forms of state administration bodies are mixed and do not differ from the entities entrusted with the exercise of (administrative) public powers, e.g. public agencies and independent agencies. The reasons why some entities, e.g. public agencies, function independently of the Government and have a significant level of autonomy, instead of being part of a state administration system with a lower level of organisational independence or an administrative body within ministries are not always clear enough. It is also not clear why these entities are considered more economical and efficient than other organisational forms in the public administration system.

Regarding managing the budget, the evidence of budget users is kept as an electronic data base in the Treasury and is publicly accessible. It contains data on all budget users in the public sector, as well as data on those users that do not belong to the public sector to which the resources are transferred. This Registry will be the basis for establishing the Register of Holders of Public Authorisations which again is crucial to help solving matters in this area.

Problems related to the organisation of authority at the central level also concern the supervision system. There are obvious differences in the control mechanism to which bodies of the same type are subject, e.g. supervision over a number of special organisations is performed

²²³ Action plan for the optimisation based on the horizontal functional analysis for the period 2017/2018: <http://upravljajnepromena.gov.rs/wp-content/uploads/2019/02/Akcioni-plan-za-optimizaciju-na-osnovu-preporuka-iz-dokumenta-Svetske-banke-Horizontalna-funkcionalna-analiza-20dec2017final-1.pdf>

²²⁴ Monitoring Report: Principles of Public Administration - Serbia, November 2017, SIGMA Programme, OECD 2017, p. 93 and 95 <http://www.sigmaweb.org/publications/Monitoring-Report-2017-Serbia.pdf>

²²⁵ Monitoring Report: Principles of Public Administration - Serbia, November 2017, SIGMA Programme, OECD 2017, p. 93 and 95 <http://www.sigmaweb.org/publications/Monitoring-Report-2017-Serbia.pdf>

by individual ministries, while for other special organisations, it is not prescribed. The current laws do not provide clear criteria and reasons for granting the status of a legal entity, so not all bodies and organisations of the same type have the same status.

There are no clear criteria for establishing "regulatory bodies". Although the possibility of legally entrusting public powers to special bodies through which the regulatory function is exercised in certain areas or activities is provided by the Constitution, this organisational form is not clearly defined, nor are the criteria for their establishment.

The end consequence of these problems is an unjustifiably large number of bodies, organisations and public administration bodies. In addition, a number of bodies, organisations and public administration bodies operate in the same area and often have overlapping responsibilities and tasks. As a result, public administration activities are performed inefficiently and ineffectively, the number of employees in certain bodies, organisations and bodies is disproportionately large, resources are used inadequately, and public administration costs are unnecessarily high.

In public administration, **managerial accountability is not understood uniformly**,²²⁶ i.e. managers and employees do not know enough about the principles of this type of accountability, and the main reason for that is that there are no systemic solutions in this area.

One of the preconditions for the effective application of the principle of managerial accountability at all levels is to monitor the fulfilment of objectives from the planning documents in public administration bodies and to establish their coordination and cooperation in these processes. Biggest leaps in the past period are regulatory changes related to the planning system and the practice of formulating goals at the level of organisational units, that came by improving the work performance assessment. The available data show that **the principles of shared accountability and reporting mechanisms between the "political" and "professional" part of the public administration body are not yet sufficiently developed in the public administration.**²²⁷ Although much effort was devoted to prescribe the forming of analytical units, as the support to the planning system and the managerial role, their introduction is lagging behind.

The LPS and accompanying bylaws have established mechanisms for planning and monitoring the implementation of planning documents on the basis of achieved indicators, determined in accordance with the overall and specific objectives. However, it was noted that further steps need to be taken to better implement these mechanisms, primarily in terms of **reporting on the results in achieving the objectives set out in the planning documents.**²²⁸ Even though much has been done regarding the introduction of analytical units as support to implementing the planning system and the managerial function, it has been delayed. Bearing in mind the said, amendments to the Decree on the criteria for internal organisation and job systematisation in Ministries, special organisations and government offices in order to introduce units that will give professional support to management. Thus, a consistent government policy

²²⁶ The concept of managerial accountability is defined in the Law on Budget System as the obligation of managers of all levels of users of public funds to perform all tasks legally, respecting the principles of economy, effectiveness, efficiency and publicity, and to be accountable for their decisions, actions and results to those who assigned the accountability to them. On the other hand, the Law on Public Administration contains provisions on the powers and various aspects of the managerial accountability of ministers, i.e. heads of bodies.

²²⁷ SIGMA Bulletin no. 58, Managerial Accountability in the Western Balkans, 2018, available at <http://www.sigmaweb.org/publications/Managerial-accountability-in-the-Western-Balkans-SIGMA-Paper-58-November-2018.pdf>

²²⁸ European Commission: Report for Serbia 2019, p. 10, available at https://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/20190529-serbia-report_SR_-_REVIDIRANO.pdf

planning system will be established as well as the support to effective management at the institutional level. The adoption of the Decree is expected in 2021.

It is necessary to further regulate and systematise the obligations of state administration bodies, state bodies, as well as the autonomous province bodies and local self-government units that are important in the field of **preventing corruption, strengthening integrity and identifying irregularities and fraud**. Measures from integrity plans to manage the risks of corruption and strengthen integrity, as well as recommendations of independent state bodies to improve the organisation, efficiency and effectiveness of public administration are not used sufficiently.²²⁹ Unlike examples from comparative practice, there is no obligation or recommendation to public authorities to authorise employees to monitor the implementation of the Code of Conduct for Civil Servants, promote ethical behaviour, provide advice to employees on ethical issues, provide regular professional development of employees in this area and receive and act on complaints of unethical employee behaviour. The regulations insufficiently elaborate the provisions governing the establishment of a system of management and reporting of irregularities and fraud, and in practice problems were identified regarding the status of authorised persons in public authorities to perform management tasks related to conflicts of interest of employees and handling reports regarding internal whistleblowing. Weaknesses in the mechanisms of external coordination and supervision over the implementation of public authorities' obligations regarding the implementation of these mechanisms, which are important for preventing corruption and strengthening integrity, were also identified.²³⁰

In the past period, the **transparency of public administration has increased**. The LPS introduced a legal obligation to announce the start of the preparation of public policy documents and draft laws,²³¹ as well as to hold consultations and public hearings in order to inform the public about the preparation of new regulations from the very beginning. Since 2015, institutions in the Republic of Serbia have been opening data in their possession. An Open Data Portal has been established,²³² which is a central place where open data from public institutions are consolidated and made available to citizens, the private and non-governmental sectors. The Law on Electronic Government defines the concepts of open data and data reuse, while the Decree on Detailed Conditions for Creating and Maintaining a Web Presentation of the Body (*The Official Gazette of the Republic of Serbia*, No. 104/18)²³³ introduced the obligation to publish content on these presentations in machine readable form. The aim of the Decree is to unify the structure of web presentations of bodies in order to make information easier to see and find. The implementation of that decree is still at an early stage, so there are no measurable results.

Every year, the Ministry of Finance publishes the Citizens' Guide through the budget of the Republic of Serbia,²³⁴ and more and more local self-government units apply this good practice and publish their local citizens' budgets, while some involve their citizens in deciding on local budgets through the participatory budgeting initiative.²³⁵

²²⁹ See Anti-Corruption Agency, 2019 Work Report, 2020, p. 27, available at <http://www.acas.rs/wp-content/uploads/2020/03/ACASizvestaj2019WEB.pdf>

²³⁰ J. Nicić and A. Arsenjević Momčilović, Introduction of Ethics and Integrity Officers in Public Administration in Serbia - Comparative Analysis of the System in the United States, the Netherlands and Croatia and Analysis of the National Normative Framework, EU IPA 2013 Project "Prevention and Fight against Corruption", 2019, p. 37, 40 and 44, available at http://www.acas.rs/wp-content/uploads/2020/01/2019-12-25-ANALIZA_Nacionalni-pravni-okvir-i-komparativna-analiza_oficiri-za-etiku.pdf?pismo=lat

²³¹ Article 77 of the Law on Public Administration.

²³² Open data portal: <https://data.gov.rs/sr/>

²³³ <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2018/104/5/reg>

²³⁴ Civil guide through the budget of the Republic of Serbia for 2020: <https://www.mfin.gov.rs/dokumenti/gradjanski-vodic-kroz-budzet-republike-srbije-za-2019-godinu/>

²³⁵ Municipality of Ruma: <http://skr.rs/qg7>

The application eCalendar of public competitions²³⁶ for financing projects and programmes of civil society organisations from the budget of public administration bodies of the Republic of Serbia has been developed, which contributes to predictability in planning the activities of civil society organisations.

In November 2018, the Government launched a new web site²³⁷ that should facilitate two-way communication between the competent institutions and citizens. The deadline for answering citizens' questions is 72 hours. Also, the Contact Centre for Public Administration²³⁸ has been established through which employees in the IT systems eLAP, eInspector, eBaby and the unified information system of the local tax administration can get all the necessary information, instructions and regulations in these areas.

The Catalogue of Public Authorities was drafted within the meaning of the Law on Free Access to Information of Public Importance,²³⁹ which in October 2020 contained data for 11,075 entities. That number is subject to change because an invitation is open to all interested parties to submit their proposals for supplementing or deleting the entities in the Catalogue.

A new Law on Free Access to Information of Public Importance is being prepared, which plans to introduce the obligation to electronically publish the Labour Information Booklet, in which all data that taxpayers must publish will be available in a machine-readable format. The law is planned to be passed in 2021.

Since 2012, the Republic of Serbia has been a participant in the international initiative "Partnership for Open Government".²⁴⁰ The implementation of the third Action Plan for the implementation of the initiative "Partnership for Open Government" for the period 2018-2020²⁴¹ is underway and preparation of the fourth Action Plan for the period from 2020-2022. This action plan contains specific measures to increase the transparency of public administration, public participation in decision-making, as well as for open data. This initiative is constantly being promoted at the local level, so as of 2018, representatives of five local self-government units will also participate in the work of the Working Group for the development of the Action Plan. In addition, three LSGUs²⁴² have adopted their local action plans, while two LSGUs are developing them.

The project of improving the eParticipation portal is being implemented. This project should enable better functioning of the portal in terms of the existing and more comprehensive and participatory public consultation process.

In accordance with the Law on Inspection Supervision²⁴³ and the established eInspector Information System, the work of all inspections has been improved and coordinated and transparent supervision has been enabled. This uniform internal information system enables digitisation and coordination of inspections and automated risk assessment, as well as inspection planning. The system enables the transition to eOffice and eArchiving, effectively

²³⁶Office for Cooperation with Civil Society, Calendar of Public Competitions: <https://konkursi.civilnodrustvo.gov.rs/naslovna>

²³⁷ Government of Republic of Serbia <https://www.srbija.gov.rs/>

²³⁸ Contact centre for public administration <https://www.ite.gov.rs/tekst/1836/kontakt-centar-za-javnu-upravu-g2g.php>

²³⁹ Catalogue of public authorities on the website of the Commissioner for Information of Public Importance and Personal Data Protection <https://www.poverenik.rs/sr-yu/katalog-organa.html>, Catalogue of public authorities on the Open Data Portal: <https://www.poverenik.rs/en/catalogue-of-bodies.html>

²⁴⁰ Open Government Partnership <https://www.opengovpartnership.org/>

²⁴¹ All action plans for the implementation of the Open Government Partnership initiative are available at: <http://mduls.gov.rs/uprava-po-meri-svih-nas/strateska-dokumenta/>

²⁴² Open Government Partnership, Implementation of OGP in local communities: <https://ogp.rs/sprovođenje-pou-u-lokalnim-sredinama/>

²⁴³ Law on Inspection Supervision (*The Official Gazette of the Republic of Serbia*, Nos. 36/15, 44/18 - state law, 95/18): <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2015/36/1/reg>

reports and coordinates the work of inspections in order to avoid overlapping of supervision, to make all registers available to inspections and to improve inspection-court practice.

Although the described improvements have been made, it is important to note that the available data from international and national reports and research indicate the need to further develop both transparency and all aspects of accountability in the work of public administration.²⁴⁴

One of the common causes of problems in the area of accountability and transparency is the **inadequate consideration of reports by independent state bodies in the National Assembly**. Although it was determined as a legal obligation, in the period from 2015 to 2018, the National Assembly did not consider the annual reports of independent state bodies in the plenum. Only in 2019, the National Assembly considered and debated in the plenum the reports of those institutions for 2018, and finally reached conclusions with recommendations.²⁴⁵ It is necessary to further develop mechanisms for the implementation and reporting to the public on the implementation of the recommendations of the National Assembly concerning the improvement of the situation in the areas within the scope of competence of independent state bodies.

Progress at the level of results has not been fully achieved. Although there is now a large amount of data collected and processed by state administration bodies that can be freely accessed, it is necessary for state administration bodies **to be more active and proactive and reactive in publishing information**. It is necessary to establish greater accountability and influence the authorities by reducing the number of cases of "administrative silence", in which requests for free access to information of public importance are ignored, as well as the excessive number of documents marked with confidential label. According to the Report on the work of the Commissioner for Information of Public Importance and Personal Data Protection for 2018,²⁴⁶ public authorities rejected requests for access to information of public importance during the previous year, citing, most often, the confidentiality of information, and then the abuse of rights and violation of privacy. The degree of execution of the Commissioner's decision has been decreasing in the last few years, and in 2018 it was the lowest since the beginning of the operation of that institution, around 70%.²⁴⁷ This trend continues and, according to the data from the Report on work, the degree of execution of decisions rendered in 2019 is 69.38%.²⁴⁸ These data indicate weaknesses in the conduct of public authorities under the Law on Free Access to Information of Public Importance. In order to enhance the level of proactive transparency in the next phase, after the adoption of the changes to the Law on Free Access to Information of Public Importance and establishment and full implementation of the electronic Work Informer it is necessary to consider carrying out an analysis that would include the information on the type and number of documents per each administration body, whether they are in electronic format, whether they contain any classified or personal data. Also the information is needed whether those documents are available and under which section within the internet presentation of the administration body, or findings on potential constraints for proactive publishing. The analysis would contribute to proactive publishing of a higher number of documents in possession of public administration bodies. The Government of the Republic of Serbia is committed to continue improving the praxis of publishing data and widening the

²⁴⁴ For more details see, for example: <https://govdata360.worldbank.org/subtopics/h8112a987?country=SRB>

²⁴⁵ Conclusions available at <http://www.parlament.gov.rs/akti/ostala-akta/doneta-akta/doneta-akta.1039.html>

²⁴⁶ Report on the work of the Commissioner for Information of Public Importance and Personal Data Protection for 2018 <https://www.poverenik.rs/sr-yu/o-nama/godisnji-izvestaji.html>

²⁴⁷ Report on the work of the Commissioner for Information of Public Importance and Personal Data Protection for 2018 <https://www.poverenik.rs/sr-yu/o-nama/godisnji-izvestaji.html>

²⁴⁸ Commissioner for Information of Public Importance and Personal Data Protection, Report of the Commissioner for 2019, 2020, p. 44, available at <https://www.poverenik.rs/sr-yu/o-nama/godisnji-izvestaji.html>

scope of information to be published, thus contributing to enhancement of proactive transparency.

Improvements are needed in the conduct of public administration bodies also in the recommendations of other independent state bodies. During 2018, the Protector of Citizens gave 305 recommendations to public authorities. Out of 59 recommendations due for implementation in 2018, public authorities acted upon 44 within the deadline (74.58%),²⁴⁹ while for 246 recommendations in the period of publishing the Report on work for that year, the deadline left for the authorities to act has not expired yet.²⁵⁰ During 2019, the Protector of Citizens gave 239 recommendations to public authorities, and out of 98 recommendations that were due for implementation that year, public authorities acted upon 81 within the deadline (82.65%). For 141 recommendations in the period of publishing the annual work report for 2019, the deadline left for the bodies to act has not expired yet.²⁵¹ According to the Report of the Commissioner for the Protection of Equality for 2018, in 81 cases, an opinion was issued identifying a violation of the provisions of the Law on Prohibition of Discrimination and recommended a measure. These recommendations were acted upon in 61 cases (78.2%), while in 17 cases they were not acted upon (21.8%), and in three cases the deadline for acting on the recommendation had not expired yet at the period of submitting the report to the National Assembly.²⁵² Measures for achieving equality, which were recommended to public authorities and other persons, were implemented in 98.3% of cases, which is a total of 88.2% on average, including the recommendations given in individual cases.²⁵³ During 2019, an opinion was issued in 52 cases, which confirmed that the provisions of the Law on Prohibition of Discrimination were violated thus measures were recommended. These recommendations were acted upon in 35 cases (87.5%), while in five cases they were not (12.5%), and in 12 cases the deadline for acting on the recommendation had not expired yet at the period of submitting the report to the National Assembly. 90.3% acted on the recommendations of measures for achieving equality to public authorities and other persons, which is a total of 88.9% on average, including the recommendations given in individual cases.²⁵⁴

The Anti-Corruption Agency states in the Annual Report for 2018 that the largest number of measures and decisions, a total of 124, were imposed on officials due to the accumulation of offices, and 113 due to situations that represent a conflict of interest.²⁵⁵ Out of 124 decisions related to the cumulation of public offices, the Agency issued one measure to make public the recommendation for dismissal from public office, while in situations of conflict of interest, out of a total of 113 measures, it issued 42 measures to make public recommendations for dismissal.²⁵⁶ In practice, sometimes the competent bodies that have elected, appointed or delegated state officials do not implement and do not respect the recommendation of the Dismissal Agency,

²⁴⁹ Protector of Citizens, Regular Annual Report of the Protector of Citizens for 2018, 2019, p. 17–19, available at https://www.ombudsman.rs/attachments/article/6062/Zastitnik%20gradjana_Godisnji%20izvestaj%20za%202018.%20godin_u.pdf

²⁵⁰ Protector of Citizens, Regular Annual Report of the Protector of Citizens for 2018, 2019, p. 17–19, available at https://www.ombudsman.rs/attachments/article/6062/Zastitnik%20gradjana_Godisnji%20izvestaj%20za%202018.%20godin_u.pdf

²⁵¹ Protector of Citizens, Regular Annual Report of the Protector of Citizens for 2019, 2020, p. 26–27, available at <https://www.ombudsman.rs/index.php/izvestaji/godisnji-izvestaji>

²⁵² Commissioner for the Protection of Equality, 2019, Abridged Regular Annual Report, pp. 7–8, available at <http://ravnopravnost.gov.rs/wp-content/uploads/2020/05/Skraceni-redovni-godisnji-izvestaj-2019-engl.pdf>

²⁵³ Commissioner for the Protection of Equality, 2019, Abridged Regular Annual Report, pp. 7–8, available at <http://ravnopravnost.gov.rs/wp-content/uploads/2020/05/Skraceni-redovni-godisnji-izvestaj-2019-engl.pdf>

²⁵⁴ Commissioner for the Protection of Equality, Abridged Regular Annual Report for 2019, 2020, p. 9–10, available at <http://ravnopravnost.gov.rs/izvestaji/>

²⁵⁵ Anti-Corruption Agency, Work Report for 2018, 2019, p. 14, available at <http://www.acas.rs/wp-content/uploads/2019/04/ACAS-izvestaj-web.pdf>

²⁵⁶ Anti-Corruption Agency, Work Report for 2018, 2019, p. 14.

which is primarily present at lower levels of government.²⁵⁷ Most public authorities that do not respect the decisions of the Agency state that they did not act on the decision because they determined that there had been no conflict of interest, which was not within their competence and did not lead to the rule of law and respect for institutions.²⁵⁸ During 2018, the Agency prepared opinions on corruption risk assessment in the provisions of fourteen draft laws and two proposed laws and submitted them together with recommendations for text change to the ministries, of which only some were adopted fully or partially. During 2018, 20% of the Agency's recommendations were adopted, mostly of a technical nature, e.g. prescribing a deadline for the actions of public authorities, while recommendations that required significant interventions in the proposed regulations, as a rule, were not accepted, which means that in all laws proposals of which the Agency had previously analysed, there remained decisions that contain certain corruption risks.²⁵⁹ In the Annual Report for 2019, the most measures and decisions were imposed on state officials due to the cumulation of offices, while the second most numerous measures were imposed due to situations that represent a conflict of interest. Out of a total of 117 decisions related to the cumulation of public offices, the Agency did not impose any measures to publish a recommendation for dismissal, and out of 82 measures imposed due to situations of conflict of interest, the Agency issued 32 measures to publicly disclose a recommendation for dismissal of public offices.²⁶⁰ During 2019, due to the violation of the provisions of the Law on the Anti-Corruption Agency, the Agency imposed a total of 295 measures, of which 41 measures to make the recommendation for dismissal public.²⁶¹

The presented data from the annual reports indicate that in 2019, some progress was made in the actions of public administration bodies regarding the recommendations of independent state bodies. Thus, acting on the recommendations of the Commissioner for the Protection of Equality increased in 2018 from 88.2% to 88.9%, while the number of accepted recommendations of the Protector of Citizens that were due for implementation increased from 74.58% in 2018 to 82.65% in 2019. Available data also indicate that the percentage of fulfilled recommendations of the Anti-Corruption Agency for eliminating the risk of corruption in the analysed proposed laws increased from 20% in 2018 to 30% in 2019.

There is not enough data in the possession of public administration bodies published in electronic form, including public records, and there is little data published in machine-readable form that would provide easier and faster search, analysis and use. By 2020, 46 institutions published their data in an open format on the Open Data Portal, including six ministries (33%) and 24 local self-government units (14%). One of the reasons for the low percentage of publishing data in machine-readable format is that data held by public administrations are often not prepared to be published in open format, and due to the ban on employment and uncompetitive public sector salaries for IT staff, there is a lack of staff who would deal with the issue. Due to that, as well as due to insufficient information about the advantages of opening data, there is a fear of error and additional work after publishing data in an open format.²⁶²

²⁵⁷ Anti-Corruption Agency, Work Report for 2018, 2019, p. 26.

²⁵⁸ Anti-Corruption Agency, Work Report for 2018, 2019, p. 26.

²⁵⁹ Anti-Corruption Agency, Work Report for 2018, 2019, pp. 34–35.

²⁶⁰ Anti-Corruption Agency, Work Report for 2019, 2020, p. 23, available at: <http://www.acas.rs/wp-content/uploads/2020/03/ACASizvestaj2019WEB.pdf>.

²⁶¹ Anti-Corruption Agency, Work Report for 2019, 2020, p. 61.

²⁶² Assessment of readiness for data opening in the Republic of Serbia, available at: https://www.rs.undp.org/content/serbia/sr/home/library/democratic_governance/ocena-spremnosti-za-otvaranje-podataka.html.

Bearing in mind that proactive transparency is based on self-initiative, it is necessary to influence decision-makers, i.e. to acquaint/train them on the advantages of increasing the transparency of the work of bodies.

Overview of comparative practice

The latest comparative data on compliance with EU/OECD accountability principles in the Western Balkans can be found in the 2017 SIGMA Public Administration Reform Monitoring Reports for individual countries. From the perspective of the main focus of this strategy, the most important data are on the fulfilment of the first EU/OECD principle in this area, which concerns the rationality and adequacy of the entire central government organisation and managerial accountability. According to the SIGMA methodology, the existing framework for the organisation of central government and managerial accountability in the Republic of Serbia is burdened with several typical shortcomings. The legal framework in this area is fragmented and there are no procedures to ensure the institutional development of public administration based on the previous analysis, while the organisational culture is not results-oriented, i.e. performance-based management. Comparative data show that Montenegro, Albania and North Macedonia are better rated than Serbia, but Serbia is better rated by a sub-indicator regarding the clarity and comprehensiveness of the public administration typology and received four of the maximum five points, as did Albania, while North Macedonia and Montenegro received two points each. To illustrate, according to the indicator on the basis of which the accountability and organisation of government at the central level is measured, Serbia received only eight out of a total of 40 points, Montenegro 17 and North Macedonia 10, while according to sub-indicators concerning the policy and legal framework for central government Serbia received seven out of 20 points, Montenegro 12 and North Macedonia 9. Serbia was assessed on four sub-indicators for which there was no data or documentation, but since the planned reforms are being carried out and data and documents are being collected, it is assumed that future estimates will be more adequate and meaningful. SIGMA re-evaluated this area for Albania in 2019. Albania received 15 out of a total of 40 points on this indicator, including 10 for policy and legal framework sub-indicators. In short, with regard to this principle, future reforms in all countries of the region should be aimed at introducing and further developing a culture of performance management, and in the Republic of Serbia at additional normative interventions in order to create an appropriate regulatory framework for central government.

For issues of strengthening integrity and ethical standards in public administration, relevant international standards and experience from comparative practice are presented in a comparative analysis of systems in the United States, the Netherlands and Croatia. This experience indicates that among the most important preconditions for strengthening the integrity and respect of ethical standards in public administration of a country are as follows: a) effective legislative framework, b) enforceable employee accountability mechanisms, c) enforceable code of ethics, d) elected ethics officers in each public body d) an established coordinating (supervisory) body in charge of assisting ethics officers, directing them how to act and supervising their work, as well as making proposals for harmonisation of ethical standards with international practice, and e) implementation of ethical infrastructure systems in public administration at all levels of government – central, regional and local.²⁶³ Existing research on the effectiveness of mechanisms for strengthening integrity and respecting ethical standards shows that citizens' trust in institutions is much higher, i.e. that the perception of corruption is

²⁶³ Guidelines and recommendations for the introduction of Ethics and Integrity Officers, available at: <http://www.acas.rs/wp-content/uploads/2020/01/2019-12-25-Smernice-i-preporuke-za-uvodjenje-sluzbenika-za-etiku-i-integritet.pdf?pismo=lat>.

lower in countries that have developed ethical infrastructure in public administration than in those that have not.²⁶⁴

²⁶⁴ Corruption Perceptions Index, available at: <https://www.transparency.org/en/cpi/2019/results/swz>.

Problem tree – Accountability and transparency



Graph 29. Problem tree – Accountability and transparency in public administration

Objective, impact assessment and measures

The general course of action until 2030 is towards creating a public administration in which citizens will have confidence, in which public affairs are performed impartially and professionally, and in which efficient work supervision systems have been established, enabling performance management and work efficiency. Within this specific objective, the network will establish a more efficient ethical infrastructure in public administration with sustainable capacities and minimised risk of corruption and unethical behaviour. Emphasis will also be on regular publication of open data and informing the public on all aspects of the work of public administration, in order to enable citizens to monitor and influence its operation, including reports on the achievement of objectives from public policy documents.

Specific objective 6: Increased level of accountability and transparency at all levels of government.

Outcome indicator	BV	TV
Annual assessment of the European Commission on progress in the area of accountability	(2020): no	(2021): no (2022): yes (2023): yes (2024): yes (2025): yes (2027): - (2030): -
SIGMA indicator: Access to information of public importance	(2017): 21/30 (4)	(2021): 22/30 (2022): - (2023): 24/30 (2024): - (2025): 30/30 (5) (2027): - (2030): -

Impact assessment of options for Specific objective 6.

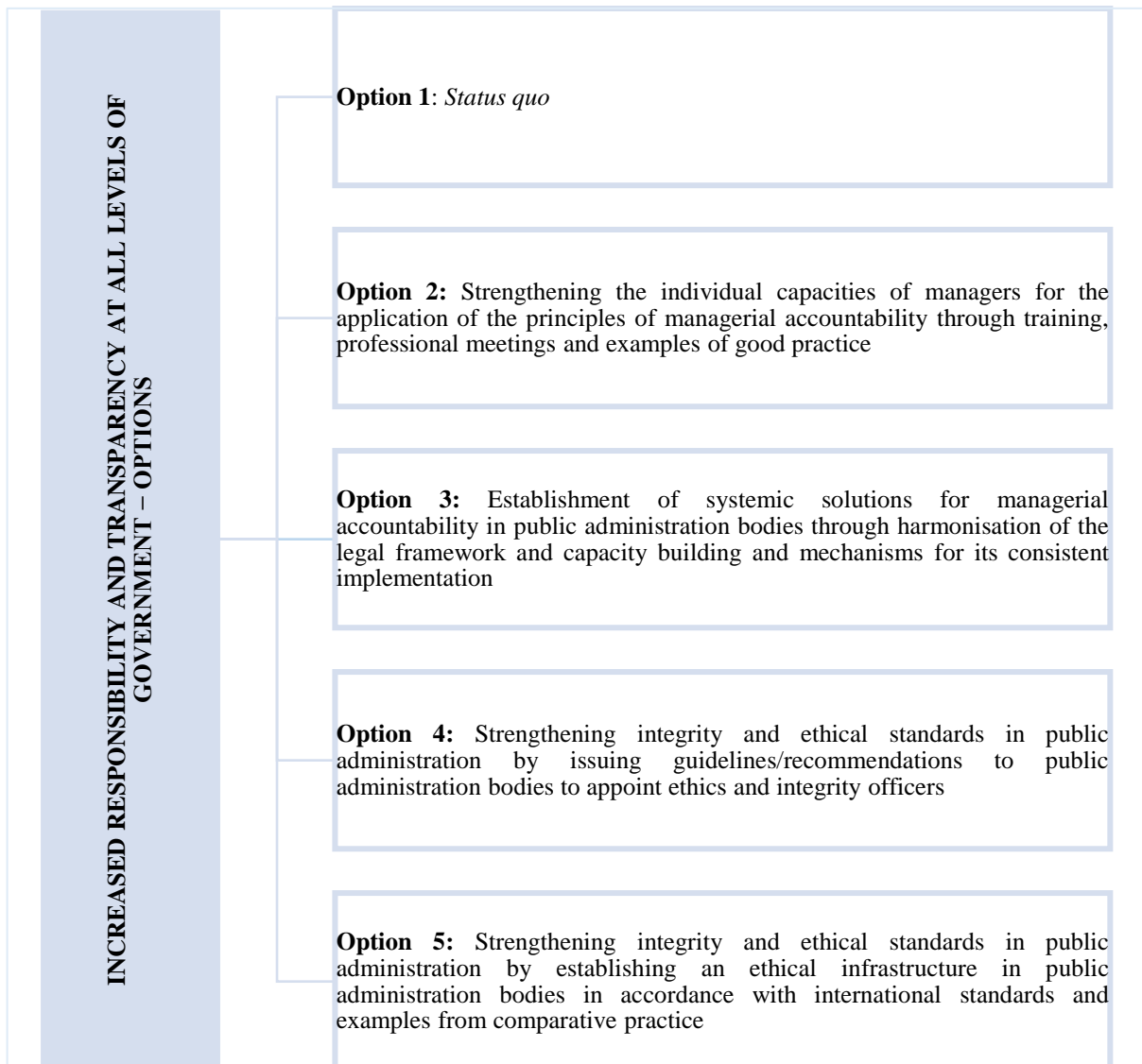
The impact test of the options envisaged to achieve this objective has a fully or moderately relevant impact on the criteria. 11 out of a maximum of 14 points were scored, which requires the effects of options be analysed in detail.

Since certain mapped measures to achieve this objective have no alternative, and at the same time do not significantly affect the set criteria, they were not considered in the assessment.

Impact test

Specific objective 6: Increased level of accountability and transparency at all levels of the government.	Points
Quantitative criteria that require a detailed impact assessment	
Change in revenues and expenditures, as well as revenues and expenditures of state administration bodies/RS budget, on an annual level higher than 10% of the budget compared to the previous fiscal year	1
Impact on more than 200,000 citizens	2
Impact on more than 5% of entrepreneurs or legal entities, or on more than 20% of those persons engaged in a certain activity	0
Qualitative criteria that require a detailed impact assessment	
Market impact and competition conditions	0
Introduction of significant reform, i.e. systemic changes	2
Horizontal criteria	
Important for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	1
Innovative practice	
Novelties compared to the ongoing reform processes within PAR	2
TOTAL:	8/14

Detailed impact analysis of options



Option 1 – Status quo

The concept of managerial accountability is partially defined by the Law on Budget System, the provisions of which are elaborated in the Handbook for Financial Management and Control, as well as in the Methodological Guidelines developed by the CHU. The CHU has also prepared Guidelines on the Concept of Managerial Accountability in order to establish it in accordance with existing regulations and organisational structure. However, the concept of managerial accountability, which includes delegating responsibilities, clear lines of accountability between institutions and measuring performance at the institutional level, has not taken root in practice, so there is still no unified understanding of the concept in public administration, i.e. managers and employees do not know enough about these types of accountability. The available data show that the principle of shared accountability and reporting mechanisms between the "political" and "professional" part of public administration bodies are not sufficiently developed. The LPS and the accompanying bylaws were not sufficient to a system for measuring the performance of institutions establish in the public administration in achieving the objectives set out in these documents. With this in mind, the *status quo* option does not allow further development of the principles of managerial accountability in practice, nor increase in the autonomy in public administration bodies, which are prerequisites for professionalisation of administration and building a results-oriented organisational culture.

Obligations of public administration bodies that are important in the field of prevention of corruption and strengthening of integrity are not fully regulated and systematised, while there are certain normative and institutional solutions that can be treated as first steps towards establishing a comprehensive ethical infrastructure in public administration. There are regulations governing the prevention of corruption, the status of public servants at the central, provincial and local levels, as well as harassment and protection of whistleblowers. These regulations and local anti-corruption plans provide for an obligation or recommend that public administrations designate among their employees persons whose duties are related to the role of ethics and integrity officers, as they exist in comparative practice. However, unlike the examples from comparative practice, in the Republic of Serbia there is no obligation or recommendation to public administration bodies to authorise a person among employees to monitor the implementation of the Code of Conduct for Civil Servants; promote ethical behaviour; provide advice to employees on ethical issues; take care of regular education of employees in this area and receive and act on complaints of unethical behaviour of employees. Data collected in recent years during the implementation of various projects to support public administration bodies for the implementation of anti-corruption mechanisms show that there are several problems related to the status of these persons: no conditions and criteria pertaining to the prevention of corruption and strengthening the integrity of public administration bodies have been previously established and often one person in a public administration body is authorised to perform all or most of the mentioned tasks, without these tasks being described in the acts on internal organisation and job classification. In practice, problems have been identified which emerged due to the shortcomings and weaknesses of the mechanisms of external coordination and supervision over the implementation of the obligations of public administration bodies, primarily related to the management of conflicts of interest of employees and handling reports related to internal whistleblowing.

Existing research on the effectiveness of the application of mechanisms for strengthening the integrity and respect for ethical standards speaks of their significant impact on increasing citizens' trust in institutions. On the other hand, it has been recorded that the regulated ethical infrastructure has a positive effect on the motivation, job satisfaction and productivity of public administration employees. Thus, the perception of corruption in countries with developed ethical infrastructure in public administration is lower than in those with underdeveloped ethical structure. According to the Corruption Perceptions Index, the United States and the Netherlands have been ranked as countries with a very low level of perceived corruption for years, while Croatia is among the best positioned countries in the region.²⁶⁵

Option 2 – Strengthening the individual capacities of managers for the application of the principle of managerial accountability through the implementation of training and professional meetings in order to exchange experience and examples of good practice in this area

Delegation of responsibilities is a procedure by which the authority to manage work processes and public resources is transferred from ministers and heads of public administration bodies to lower-level managers. In order for managerial accountability to really come to life in practice, it is necessary to have a sufficiently developed principle of division of accountability between the "political" and "professional" segments of public administration bodies. Developments in this area can be based on strengthening the capacity of managers to apply the principles of managerial accountability through training and professional conferences where experience and examples of good practice in delegating authority and measuring performance in the institution are exchanged. Given the scope of public administration bodies in which managerial accountability should take root, as well as the complexity of the reform, which

²⁶⁵ Corruption Perceptions Index, available at: <https://www.transparency.org/en/cpi/2019/results/swz>.

implies a completely different way of management, such an option would have a limited impact, i.e. it could not fully lead to the predicted outcome in this area.

Option 3 – Establishment of systemic solutions for managerial accountability in public administration bodies through harmonisation of the legal framework and capacity building and mechanisms for its consistent implementation

Previous normative interventions and other activities have not been enough for the concept of managerial accountability to come to life in practice, so it is necessary to establish systemic solutions that would further develop and improve the legal framework, as well as build institutional and personal capacities of managers in public administration. In order for these changes to be implemented in the most adequate way, it is necessary to conduct a comprehensive analysis of the current situation and formulate specific recommendations for system solutions for all three pillars of management accountability, i.e. for delegating responsibilities, clear lines of accountability among institutions and measuring performance at the institutional level. Once the legal framework is in line with these recommendations, the infrastructure capacity for managerial accountability needs to be further strengthened. Thus, the Register of Public Authority Holders would help to establish a single record of public administration bodies, the types of their competences and authorities, as well as to clearly define vertical lines of accountability. Institutional capacities and personal capacities of managers in public administration bodies for managerial accountability would be strengthened through the practical application of guidelines focused on basic management issues in the context of public administration (resource management; planning; performance management and reporting), through training and expert meetings for knowledge exchange and experience.

Option 4 – Adoption of guidelines/recommendations to public administration bodies to appoint ethics and integrity officers

Further steps towards the establishment of a comprehensive ethical infrastructure in public administration in the Republic of Serbia could be based on the competent state bodies - the Agency for Prevention of Corruption, MPALSG and the High Civil Service Council preparing guidelines with recommendations to public administration bodies to appoint ethics and integrity officers that would perform certain tasks important to prevent corruption and strengthen integrity. Comparative experience²⁶⁶, as well as our experience in other areas where interventions were based on recommendations sent to public administration bodies, indicate that this solution would not be efficient and effective. In this way, ethics and integrity officers would not be appointed according to a previously established uniform procedure in all public administration bodies, nor would they have identical tasks in them.

Option 5 – Establishment of a system of ethical infrastructure in public administration bodies in accordance with international standards and examples from comparative practice of countries

This option is based on the establishment of a system of ethical infrastructure in public administration bodies in accordance with international standards and examples from comparative practice and implies numerous reform interventions. The backbone of this system should be ethics and integrity officers, who would guide the development of an organisational culture based on ethics and integrity and perform tasks important for preventing corruption in all public administration bodies. In order to most adequately determine the tasks and status of ethics and integrity officers, it is necessary, first of all, starting from the already prepared

²⁶⁶ Comparative experience is presented in the Comparative Analysis of Systems in the USA, the Netherlands and Croatia and the Guidelines and Recommendations for the Introduction of Ethics and Integrity Officers in the Public Administration of the Republic of Serbia, available at: <http://www.acas.rs/wp-content/uploads/2020/01/2019-12-25-Smernice-i-preporuke-za-uvodjenje-sluzbenika-za-etiku-i-integritet.pdf?pismo=lat>.

documents,²⁶⁷ to develop guidelines with recommendations for systematisation and integration of various tasks related to prevention of corruption and strengthening integrity in public administration bodies, to determine conditions and criteria to determine these persons and the rules of their conduct. In accordance with the guidelines and recommendations, this system would then be tested in a selected number of public administration bodies, and based on the experience, findings and recommendations gained in this way, the legal framework in this area would be improved and institutional and personal capacities for further development of ethical infrastructure through special training programmes for managers, officers for ethics and integrity in public administration bodies and other employees would increase, additional educational material developed etc.

Such an approach makes it possible to systematically regulate all issues relevant to the establishment of a comprehensive and efficient ethical infrastructure, as well as to reduce the risk of different interpretations of the obligations of public authorities in this area.

Table 7. Table for selecting options for Specific objective 6.

Eligibility criteria Rating (1–3) Direct impact (weight 2) Indirect impact (weight 1)	Total				
	Option1 <i>Status quo</i>	Option 2	Option 3	Option 4	Option 5
Specific criteria					
Does the option positively affect anti-corruption behaviour?	1x1=1	2x1=2	2x2=4	2x2=4	3x2=6
Does the option support effective delegation of managerial accountability to government bodies?	1x1=1	2x2=4	3x2=6	1x1=2	1x1=2
Does the option affect the responsible disposal of financial resources?	1x1=1	2x1=2	3x2=6	2x1=2	3x2=6
Overall criteria					
Does the option increase the transparency and accessibility of public administration and affect citizens' trust in public administration?	1x1=1	2x1=2	3x1=3	3x1=3	3x2=6
Is the option in line with EU requirements?	1x1=1	2x1=2	3x2=6	2x1=2	3x2=6
Implementation criteria					
Can the option be implemented without great expenses?	3x2=6	3x2=6	2x2=4	3x2=6	2x2=4
Can the option be implemented in the short term?	3x2=6	1x1=2	1x1=2	3x2=6	1x1=2
Total by options	17	20	31	27	32

²⁶⁷ Comparative analysis of the system in the USA, the Netherlands and Croatia and the Guidelines and recommendations for the introduction of ethics and integrity officers in the public administration of the Republic of Serbia.

In addition to the measures for which there were no alternatives, based on the conducted analysis and the achieved points according to the selected criteria for achieving objective 4.1, an additional combination of options 3 and 5 was selected.

Measures for Specific objective 6: Increased level of accountability and transparency at all levels of the government

Measure 6.1 – Establishment of systemic solutions for managerial accountability in public administration bodies (increasing autonomy): This measure is aimed at conducting analyses, mapping the current situation in public administration and formulating specific recommendations for all three pillars of managerial accountability - delegating accountability, clear lines of accountability between institutions and measuring performance at the institutional level, as well as appropriate changes in the legal framework, implementation of training programme, exchange of knowledge and experience, development of handbooks and raising awareness of managers and employees in public administration. It is also envisaged to establish a Register of holders of public authorisations, on the basis of which a single record of public administration bodies, the type of their competences and authorisations would be kept, as well as a clearly defined vertical line of accountability. The planned activities should contribute to the improvement of managerial accountability in public administration.

Result indicator	BV	TV
Percentage of state administration bodies ²⁶⁸ in which officers are authorised to conduct administrative proceedings and make decisions in administrative matters	(2020): 23%	(2021): 25% (2022): 25% (2023): 25% (2024): 35% (2025): 45% (2027): - (2030): -
Percentage of state administration bodies and independent bodies ²⁶⁹ that had training on principles of managerial accountability	(2020): 0%	(2021): 0% (2022): 0% (2023): 0% (2024): 0% (2025): 5% (2027): - (2030): -

²⁶⁸ State administration bodies are ministries, bodies within ministries and special

²⁶⁹ Independent state bodies are: Ombudsman, Commissioner for Information of importance and personal data, Commissioner for equality, Anti-corruption Agency and State Audit Institution

Measure 6.2 – Improving the vertical and horizontal system of control and monitoring of work in public administration (Established mechanism for performance management of public administration bodies): Management according to performance or results assumes that each public administration body takes care of the implementation of measures and activities from planning documents for which it is responsible and by means of which it achieves the established objectives, i.e. contributes to the achievement of the planned social changes in synergy with other public administration bodies. The key to successful performance management is measuring and evaluating the results, outcomes and effects of implementing policy documents throughout the process. The measure is aimed at establishing a quality system of supervision both at the central and at the level of individual public administration bodies.

Result indicator	BV	TV
Percentage of priority objectives from the APIGP related to the state administration body, which were taken into account when preparing medium-term plans ²⁷⁰ of state administration bodies	(2020): 0%	(2021): 25% (2022): 30% (2023): 35% (2024): 40% (2025): 45% (2027): - (2030): -
Percentage of state administration bodies and LSGU bodies with managers having attended training in the application of a single methodology for performance management	(2020): 0%	(2021): 0% (2022): 0% (2023): 0% (2024): 3% (2025): 5% (2027): - (2030): -

Measure 6.3 – Strengthening integrity and ethical standards in public administration: This measure is aimed at establishing ethical infrastructure in public administration bodies in accordance with international standards and examples from comparative practice and includes numerous reform activities, and the backbone in their implementation and development of organisational culture based on ethics and integrity are ethics and integrity officers who perform tasks important for the prevention of corruption in all public administration bodies. In the next five years, activities aimed at testing the appointment of ethics and integrity officers in a selected number of public administration bodies are planned, as well as the preparation and implementation of training programmes for these officers; analysis of the content of the Code of Conduct for Civil Servants and procedures for data collection and reporting, as well as the improvement of the legal framework in accordance with the findings and recommendations from previous activities.

²⁷⁰ Obligation for preparing mid-term plans applies to: Organisations for obligatory social insurance, other users of budgetary resources, which the Government upon the request of the PPS and the Ministry of finance obliges to prepare mid-term plans in line with the LPS; other users of public finances supervised by the Government; budget users of the Autonomous province, determined by the respective body of the Autonomous province; LSGU; budget users of LSGU, determined by the respective LSGU body; other users of public finances supervised by respective bodies of the Autonomous province or LSGU.

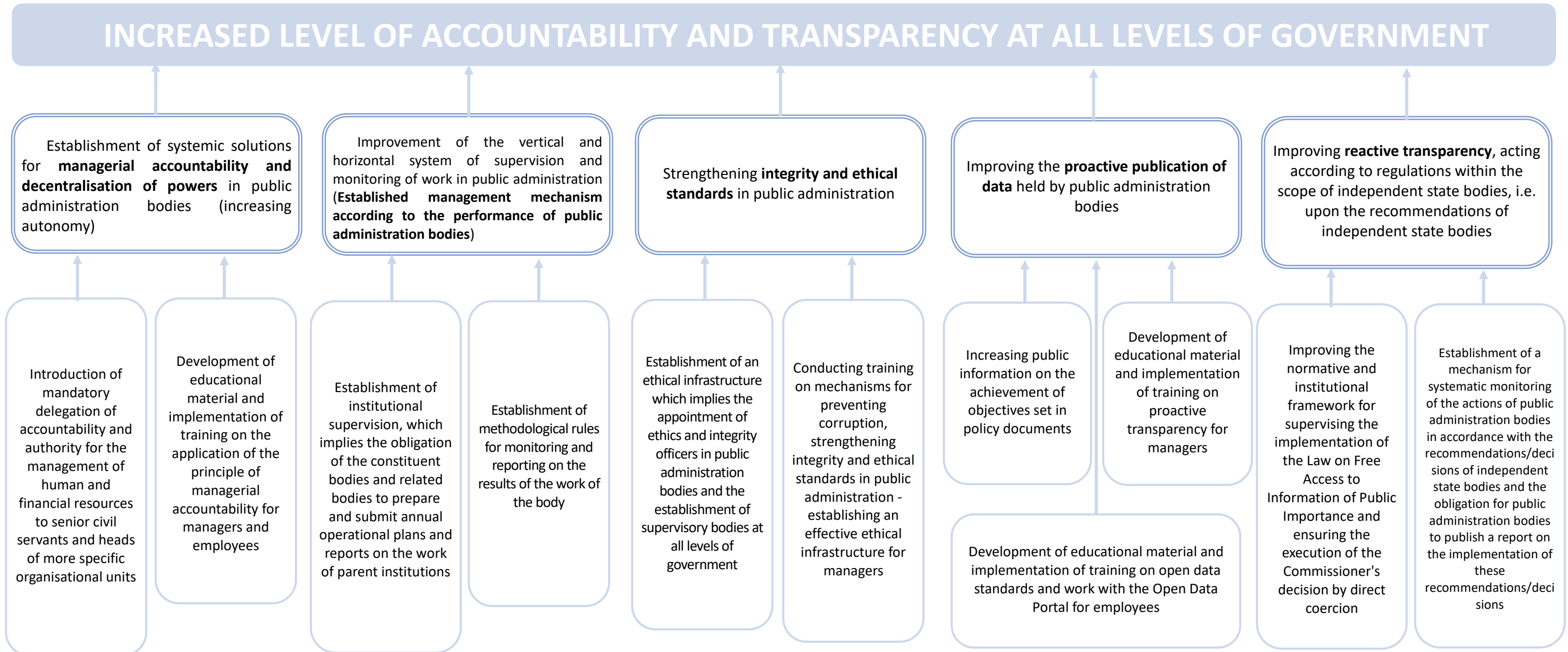
Result indicator	BV	TV
Percentage of state government bodies and independent state bodies that organise and conduct ethics and integrity training for their managers and employees	(2020): 0%	(2021): 25% (2022): 25% (2023): 25% (2024): 50% (2025): 50% (2027): - (2030): -

Measure 6.4 – Improving proactive disclosure of data held by public administration bodies: Proactive disclosure of data held by public administration bodies is an area in which the normative framework has been established and significant steps have been taken, so this measure is aimed at strengthening managers' awareness of the positive effects on the operation of public administration bodies of increased transparency and openness of data, training of employees to work with open data and improvement of the Open Data Portal. The implementation of this measure creates conditions for more efficient application of the normative framework and further improvement of practice in this area.

Result indicator	BV	TV
Number of public administration bodies and other holders of public authorisations that share/publish open data on the Open Data Portal	(2020): 45	(2021): 60 (2022): 100 (2023): 120 (2024): 140 (2025): 160 (2027): - (2030): -
Percentage of state government and LSG bodies the employees of which attended training programmes on open data standards and work with the Open Data Portal	(2020): 0%	(2021): 5% (2022): 10% (2023): 15% (2024): 20% (2025): 25% (2027): - (2030): -

Measure 6.5 – Improving reactive transparency, acting according to regulations within the scope of independent state bodies, i.e. upon the recommendations of independent state bodies: This measure is aimed at certain changes in the normative framework to ensure the exercise of the right to access information of public importance, as well as acting as well as to strengthen the capacity of the Commissioner for Information of Public Importance and Personal Data Protection, i.e. the body in charge of performing inspection supervision over the implementation of the Law on Free Access to Information of Public Importance.

Result indicator	BV	TV
Percentage of execution of proposed, i.e. ordered measures in inspection supervision over the application of regulations on free access to information of public importance	(2020): 75%	(2021): 80% (2022): 83% (2023): 85% (2024): 88% (2025): 90% (2027): - (2030): -
Percentage of enforcement of acts of the Commissioner for Information of Public Importance and Personal Data Protection and the Ombudsman (Protector of Citizens)		
Commissioner for Information of Public Importance and Personal Data Protection	(2020): 65%	(2021): 65% (2022): 68% (2023): 72% (2024): 76% (2025): 80% (2027): - (2030): -
Protector of Citizens	(2020): 81.43%	(2021): 82% (2022): 85% (2023): 87% (2024): 89% (2025): 91.2% (2027): - (2030): -



Graph 30. Objective tree – Accountability and transparency in public administration

5. Public financial management

Situation analysis

Legal and strategic framework

The PAR Strategy and the Public Financial Reform Programme (hereinafter: PFMRP) for the period from 2016 to 2020²⁷¹ are two key public policy documents that establish a strategic framework for public financial management reform (hereinafter: PFM) together with other relevant documents. The reform in the field of PFM envisaged by this strategy is in line with the SIGMA principles, while the PFMRP is primarily based on the analytical framework of the World Bank PEFA²⁷² and covers the wider field of PFM in the context of the Law on Budget System.

The PAR Strategy from 2014 and the PFMRP, which was adopted in 2015, were not synchronised because they were not prepared at the same time. The PAR Strategy from 2014 covered only a few segments of the PFM reform processes, while the PFMRP based on the PEFA included a complete budget cycle divided into six pillars (the revised 2019 PFMRP was narrowed down to five pillars).

Budget planning, public procurement management and financial control are areas of the PFM that were covered by the PAR Strategy from 2014, and significantly more detailed in the PFMRP 2016-2020, which in addition to these areas includes a sustainable fiscal and budgetary framework, budget execution, financial reporting and external supervision over public funds. This strategy and the new PFMRP were prepared alongside, in accordance with the Law on Planning System. In order not to duplicate and overlap activities and reporting, this strategy establishes the strategic framework of the PFM, while a detailed analysis in the field of PFM and an appropriate action plan will be prepared within the new PFMRP. In order to ensure full integration within the planning system, the public policy document related to internal financial control in the public sector will be a specific objective of the new PFMRP, as agreed with relevant stakeholders (EC - Directorate General for Neighbourhood and Enlargement - DG NEAR, Directorate-General for Budget - DG BUDGET, SIGMA and EUD). The area of managerial accountability, which was an integral part of the Strategy for the Development of Internal Financial Control in the Public Sector in the Republic of Serbia for the period 2017-2020 (*The Official Gazette of the Republic of Serbia*, No. 51/17), is foreseen in the thematic area of this strategy, which refers to transparency and accountability in order to ensure commitment and greater implementation performance.

Although they do not exist as a separate negotiating chapter, the areas of PFM are significantly contained in seven negotiating chapters mostly managed by the Ministry of Finance, namely Chapter 5 – Public Procurement, Chapter 16 – Taxation, Chapter 17 – Economic and Monetary Policy, Chapter 22 – Regional policy and coordination of structural instruments, Chapter 29 – Customs Union, Chapter 32 – Financial Supervision, Chapter 33 – Financial and Budgetary Provisions. The criteria and recommendations of these chapters also provide important strategic guidelines for the public administration reform process. The stability of the PFM is one of the basic preconditions for using the Sectoral Budget Support IPA instrument, together with budget transparency and macroeconomic stability.

²⁷¹ Available at: <https://www.mfin.gov.rs/dokumenti/program-reforme-upravljanja-javnim-finansijama-pfm/>.

²⁷² Available at: <https://www.pefa.org/>.

Results and challenges

Improvement of PFM and public procurement management has been identified as a specific objective 3 within the PAR Strategy from 2014, and elaborated in action plans for the period 2015–2017 and the period 2018–2020. In 2019, the Revised PFMRP 2019–2020 and the action plan for its implementation were adopted. Based on the performance analysis of the Revised PFMRP based on indicators, ending with July 2020, 44% of all planned activities were fully implemented, 40% were partially implemented, and 16% were not implemented. Also, five negotiating chapters related to PFM have been opened.²⁷³ The lack of administrative capacity due to the limited employment of new staff, as well as the staff turnover, have been identified as a huge challenge and this challenge will be given special attention in the new PFMRP.

The preparation of the PFMRP 2016–2020 began at the same time as the fiscal consolidation aimed at achieving stable economic growth with a gradual reduction of public debt. During the years of fiscal consolidation, the Republic of Serbia managed to achieve real GDP growth of 3.3% in 2016, 2% in 2017, 4.3% in 2018 and 4.2% in 2019, while it is estimated to -1% in 2020 due to the Covid-19. The positive trend which started in 2015 continued until the beginning of 2020, when it was interrupted by the Covid-19 pandemic.

Also, owing to stable public finances and the macroeconomic environment, the level of public debt is on a stable downward trajectory, from 71.2% in 2015 to 52.9% at the end of 2019, and 57.7% at the end of 2020. Good results and efforts, which were also noticed by foreign credit agencies, were reflected in better creditworthiness, which was assessed with *BB+* in the credit rating published on 13 December 2019 by the Credit Rating Agency *Standard and Poor's*. The unemployment rate has decreased by more than 50% in the last seven years (8.7% in the third quarter of 2020 compared to 25% in 2013), employing a large number of women and young people, which has improved the labour market and permanently reduced the number of unemployed.

Improving the credibility of macroeconomic projections, which was the focus of one of the measures of the PFMRP Action Plan 2015-2017, significantly contributed to the improvement of fiscal performance, which was noticed and confirmed in the reports of the EC²⁷⁴ and the IMF²⁷⁵. The stability of public finances has been maintained through more realistic planning and projections of revenues and expenditures.²⁷⁶ The basis for improving the medium-term budgetary framework was the introduction of programme budgeting in 2015. Ending with 2018, 87% of budget users have harmonised their planned budgets with the guidelines for drafting the programme budget.

The implementation of budget procedures has improved. Gender-responsive budgeting objectives have been achieved.²⁷⁷ The draft budget for 2020 was submitted within the set deadline, so there was more time for parliamentary debate than the previous year. After four years, the final reports on the execution of the annual budget for the period 2014-2018 were submitted to the National Assembly.²⁷⁸ The draft Law on Budget was submitted and adopted within the deadlines provided by the Law on the Budget System, whereby the time for the discussion on the budget for 2020 and 2021 was extended. The draft laws on final budget

²⁷³ The following negotiating chapters have been opened: Public Procurement (5), Economic and Monetary Policy (17), Customs Union (29), Financial Supervision (32) and Financial and Budgetary Issues (33). The benchmark for the Regional Policy and Coordination of Structural Funds chapter (22) has been met and is expected to open in 2020, while the benchmark for the opening of the Taxation Chapter (16) has not yet been met.

²⁷⁴ EC Serbia Progress Report 2019, p. 45.

²⁷⁵ IMF Report No. 19/238.

²⁷⁶ EC Serbia Progress Report 2020, p. 15.

²⁷⁷ External Evaluation Report of the PAR Strategy 2019, p. 40.

²⁷⁸ EC Serbia Progress Report 2020, p. 92.

accounts (17 in total) for the period 2002-2018 were sent to the parliamentary procedure, and adopted in December 2019.

The adoption of the Decree on Capital Project Management (*The Official Gazette of the Republic of Serbia*, No. 51/19) and accompanying regulations established a legislative framework for establishing a single system of prioritisation with full integration of planning and evaluation of capital projects in the budget planning process. This Decree is based on the Proposal of the World Bank's Public Investment Management Methodology and takes into account the best world practice.²⁷⁹

In addition to stabilising public finances, budget transparency is one of the key elements of good governance. Budget data are visible in public policy documents related to public administration reform and public finance reform. Budget transparency was contributed to by better harmonisation of programme structures of budget users with the Instruction for drafting the programme budget (from 61% in 2016 to 87% in 2019) and publishing the Citizens' Budget on an annual basis which provides the public with all relevant information on the budget cycle as well as the LPS, which enables better coordination of policy planning and budgeting.

The capacities of the IT system of the Ministry of Finance have also been significantly improved. The Budget Information System for Budgeting has been developed. The Budget Execution Information System (ISIB) has been improved, which includes 529 indirect budget users. The system for electronic completion and collection of annual reports on the state of financial management and control performed by users of public funds has been developed and tested. In addition to the usual paper reporting, in 2020 the Electronic Reporting System will be tested for the first time, which is planned to be introduced as of 2021, and when the submission of reports in electronic form will become mandatory. The Public Debt Management System has been improved, *AuditDoc* software for auditing and document handling has been introduced, and UIS, managed by the PPS, has been established. In the coming period, the improvement of these systems and their interoperability in the process of strengthening the capacity for planning and budgeting of public expenditures is envisaged.

When it comes to budget execution, PFM reform activities have focused on modernising the operation of the Tax Administration, the Customs Administration and the public procurement system, which are also the subject of separate negotiation chapters. The reform of the Tax Administration, based on the Tax Administration Transformation Programme 2015–2020, is especially important along with the Action Plan for the implementation of the Transformation Programme 2018–2023²⁸⁰. Taxation is the only negotiating chapter in the field of PFM that has not been opened. The modernisation of the Customs Administration is progressing well, which is reflected in the high level of compliance with EU regulations and good preparation for EU accession to the customs union.²⁸¹ The Customs Administration continued to strengthen administrative and operational capacities, as well as to implement activities relevant for the establishment of the EU system for traditional management of *ERIAN* own funds,²⁸² risk analysis system, modernisation of the customs laboratory and improvement of anti-corruption measures.

The legal and institutional framework for public procurement is in principle in line with the EU *acquis*. The Law on Public Procurement (*The Official Gazette of the Republic of Serbia*, No. 91/19) was adopted, which encourages the participation of small and medium enterprises in public procurement procedures, as well as more efficient protection of rights in those

²⁷⁹ PAR Special Group for Monitoring the Implementation of the SAA, minutes from the sixth meeting.

²⁸⁰ Available at: <http://www.sind-pu.rs/dokument/Akcioni%20plan%20Programa%20transformacije%202018-2023.pdf>

²⁸¹ EC Serbia Progress Report 2019, p. 89.

²⁸² Available at: <https://www.erian.cz/en/>.

procedures. Public Procurement Development Programme for the period 2019-2023 defined as a overall objective the further development of a modern and efficient public procurement system, which is planned to be achieved by increasing the efficiency and economy of public procurement procedures, strengthening competition in the public procurement market, reducing the risk of irregularities in the public procurement system and promoting and encouraging environmental and social aspect in public procurement and innovation. The institutional structure for a functioning public procurement system has been strengthened. The Public Procurement Portal, established in July 2020, represents a significant step in the process of digitising public procurement procedures. The portal is fully operational, harmonised with the new Law on Public Procurement and aimed at fulfilling the objectives of the Public Procurement Development Programme. Progress has been made in the number of certified public procurement officers, and the percentage of irregularities in public procurement procedures has declined.²⁸³

The implementation of the accounting reform is in the initial phase, since the *IPSAS*²⁸⁴ accrual accounting standards are expected to be adopted by 2034. Reforms in this area will be gradually planned and implemented in the medium/long term to provide sufficient time for the preparation of detailed plans for their implementation, the development of accounting policy documents and the implementation and testing of the new system. In order to improve the baseline, it is necessary to first strengthen the cash accounting system in accordance with *IPSAS* standards.²⁸⁵

In the process of EU negotiations, Negotiating Chapter 32 - Financial Supervision was opened and four criteria for its closure were set, three of which are directly related to PFM reform, namely: internal financial control in the public sector, external audit and protection of EU financial interests. The European Commission's Progress Report for 2020 states that progress in Chapter 32 is good.²⁸⁶ After its expiration, the Strategy for the development of internal financial control in the public sector in the Republic of Serbia for the period 2017-2020 will be integrated into the new PFMRP, while the managerial accountability will be covered by this strategy within the framework of Objective 4. The legislative framework of internal control and internal audit are in line with international standards.²⁸⁷ The Handbook for Financial Management and Control has been supplemented with 14 methodological guidelines contained in the documents published on the website of the Ministry of Finance.²⁸⁸ Checks on the quality of financial management and control (hereinafter: FMC) and internal audit performed by the CHU were prepared. Internal revision quality assessment is also performed by CHU with plans to improve this function by introducing the „peer review”. Key public sector institutions have largely aligned their FMC systems with international *COSO* principles²⁸⁹ and *INTOSAI* standards²⁹⁰ and regularly report to the CHU on the level of compliance of their FMC systems. A system of national certification has been developed that enables the acquisition of the title of certified internal auditor in the public sector in accordance with the international standards of professional practice of internal audit *ISPPIA*,²⁹¹ which was acquired by 478 internal auditors. A total of 485 internal auditors have been hired in the public sector, of which 167 are being trained to obtain certificates. Until now, CHU has trained more than 2500 civil servants and managers on different topics of PIFC.

²⁸³ Self-Assessment Report for the Sector Reform Agreement for the PAR Sector 2018, p. 88.

²⁸⁴ Available at: <https://www.ipsasb.org/>.

²⁸⁵ Revised PFMRP for the period, p. 47.

²⁸⁶ EC Progress Report on Serbia 2020, p. 118.

²⁸⁷ EC Serbia Progress Report 2018, p. 94.

²⁸⁸ Available at: <https://www.mfin.gov.rs/UserFiles/File/CJH/2019/FUK%20prirucnik%20Compressed.pdf>.

²⁸⁹ Available at: <https://www.coso.org/Pages/default.aspx>.

²⁹⁰ Available at: <https://www.intosai.org/>.

²⁹¹ Available at: <https://global.theiia.org/standards-guidance/mandatory-guidance/Pages/Standards.aspx>.

Some 95% of EC recommendations for 2019 has been carried out and the progress in the last EC Report for 2020 is assessed as good. Some 82% of activities from the PIFC Strategy 2017-2019 were fully implemented and the remaining 18% only partially. Recommendations from the Consolidated Annual Report on the PIFC status for 2018 are to 60% implemented, the remaining being continuously implemented.

Amendments to the Law on Budget System established the difference between the work of the budget inspection and internal audit.²⁹² In December 2018, the Sector for Control of Public Funds formed two more specific organisational units, the Division for Budget Inspection and the Department for Suppression of Irregularities and Fraud in the Handling of EU Funds (AFKOS).²⁹³

On 5 September 2019, the Minister of Finance issued a Directive on the work and manner of action of the Department for the Suppression of Irregularities and Fraud in the Handling of European Union Funds regarding reported and otherwise recorded irregularities and suspicions of fraud in the handling of European Union funds in Republic of Serbia. This strengthened that Department and took over the administrative checks of reported irregularities in the handling of European Union funds. A risk analysis of all bodies involved in the management of EU funds was conducted to identify areas where there is a risk of irregularities and fraud, and a Methodological Guideline for managing the risks of irregularities and fraud in the handling of EU funds, including accompanying annexes, was adopted.

In November 2019, the Rulebook on the Manner and Procedure of the Budget Inspection in Supervising the Implementation of the Law on Deadlines for Settlement of Monetary Obligations in Commercial Transactions was adopted (*The Official Gazette of the Republic of Serbia*, No. 78/19). This Rulebook prescribes the manner and procedure of supervising the implementation of that law when transactions are performed between the public sector and economic entities in which public sector entities are debtors and when transactions are performed between public sector entities, as well as the manner and procedure of taking over data on outstanding liabilities of public companies from the information system of the Treasury Administration. In December 2019, the Methodology of the budget inspection was adopted in order to enable proper and uniform acting and operation of the budget inspection of the Ministry of Finance, the Service for Budget Inspection of the Autonomous Province and the Service for Budget Inspection of Local Self-Government Units. Preparation of the strategic plan of the budget inspection and the accompanying action plan for the period 2020-2022 is in progress.

The State Audit Institution continued to increase the impact of its audit work and to monitor the implementation of its audit recommendations.

Since the beginning of the implementation of the PFM RP, significant progress has been made in many areas. The implementation of the PFM RP and fiscal consolidation measures have contributed to the stabilisation of public finances, which has created the conditions for achieving results in the last few years. In 2019, the improvement of the programme budgeting and medium-term planning process continued; improved planning and monitoring of capital projects; the process of transformation of the Tax Administration has been accelerated; public debt management continued to improve; further progress has been made in the area of public procurement; the area of financial management and control and internal audit has been strengthened; further progress has been made in the area of combating irregularities and fraud in the handling of EU funds and recoveries; the work of the budget inspection has been strengthened; the parliamentary supervision of public finances and the work of the State Audit Institution have been further strengthened.

²⁹² External Evaluation Report of the PAR Strategy 2019, p. 52.

²⁹³ Revised PFM RP 2016–2020 for the period 2019–2020, p. 33

There were hold-ups and delays in the implementation of certain activities of the PFMRP, for various reasons, mainly of a technical nature,²⁹⁴ for example, due to too long cross-sectoral consultations, the adoption of regulations was postponed.

The lack of administrative capacity due to limited opportunities for new employment, as well as the departure of professional staff, have been identified as a huge challenge in the previous period and will be given special attention in the new PFMRP.²⁹⁵

With the adoption of the new PFMRP, the reform processes will be continued with regular reporting, which will enable the timely identification of key reform priorities, the biggest challenges and strategic responses.

The Law on Budget System will be amended during the harmonisation with EU regulations so as to enable the preservation of fiscal stability and establish more credible binding fiscal rules, which would be the backbone of fiscal policy.²⁹⁶ The weakness of the fiscal rules was also noted by the weak rating (two out of five) of the index of the strength of fiscal rules in the SIGMA report.²⁹⁷ Within the negotiating position for Chapter 17 - Monetary and Economic Policy²⁹⁸, Serbia has committed itself to revising the fiscal rules in the Law on Budget System by the end of 2021. It is also planned to increase the number of budget users every year in accordance with the established gender-sensitive objectives and indicators.²⁹⁹

Prior to the adoption of the LPS, there was no adequate legal framework that would systematically regulate the harmonisation of the planning system and budget planning, so public policy documents were not linked to the annual budget and fiscal strategy.³⁰⁰ Even after the introduction of the programme budget, the links between the budget and strategic priorities and plans remained weak,³⁰¹ with no emphasis on planned results.³⁰² The adoption of the Decree on the Methodology for Drafting Medium-Term Plans made it possible to directly establish the link between the budget and planning process, with the medium-term plan as a link that was missing in practice.³⁰³ The accompanying regulations of the Decree on Capital Project Management were adopted at the end of 2019, and the full implementation of the new legal framework on a unified public investment management system will be a great challenge from the point of view of developing adequate human, institutional and technical capacities.

The transformation of the Tax Administration in the next phase requires the analysis of the legal framework and removal of restrictions in order to enable effective work in accordance with best world practices, to create technical preconditions for further consolidation of business network and modernisation of business processes of the Tax Administration, as well as to modernise the information system and re-establish business processes.³⁰⁴ The purpose of the Tax Administration Transformation Programme is to achieve the key objective of the Tax Administration reform: a modern and efficient Tax Administration in 2025, which provides stability and predictability of public finances, the services of which are visible, present and accessible to taxpayers at all times, representing the interests and needs of business entities to

²⁹⁴ Special group for public administration reform to monitor the implementation of the SAA, minutes from the sixth meeting.

²⁹⁵ PFMRP Implementation Report 2016–2020 for the period from January to December 2019.

²⁹⁶ EC Serbia Progress Report 2020, p. 54.

²⁹⁷ SIGMA Report for Serbia 2017, p. 142.

²⁹⁸ Available at: http://www.mei.gov.rs/upload/documents/pristupni_pregovori/pregovaracke_pozicije/pozicija_pg_17.pdf.

²⁹⁹ Special group for public administration reform to monitor the implementation of the SAA, minutes from the sixth meeting.

³⁰⁰ SIGMA report for Serbia 2017, p. 32.

³⁰¹ EC Serbia Progress Report 2018, p. 10.

³⁰² SIGMA report for Serbia 2017, p. 127.

³⁰³ SIGMA report for Serbia 2017, p. 127.

³⁰⁴ Proposal for structural reforms of the ERP 2020–2022.

the Ministry of Finance and the Government. The tax administration lacks administrative capacity, despite the fact that in 2018 new employees were hired.³⁰⁵

The Customs Administration plans to continue with the commenced activities on the automation of business processes, i.e. to introduce an automatic export and import system and a customs decision management system, which are preconditions for EU accession, as well as to continue work on local connection of all necessary IT systems in order to be interoperable with EU IT systems. These IT systems should be established as before - with the support of *IPA* funds and project management of international organisations and donors.

In addition to technical improvements, the Customs Administration should continuously strengthen capacities and modernise business processes, which arises not only from the obligations of Chapter 29 - Customs Union but also from Chapters 33, 23, 24 and 28, as well as Chapters 1, 7, 16, 18, 27 and 30.

In February 2020, two important strategic documents were adopted: Business plan for improving the organisation and operation of the customs service of the MF 2020-2024 and the Work Plan for the development and use of electronic systems of the customs service of the MF 2020-2024. Both documents have been prepared in accordance with the EC recommendations from the annual progress report, and the digitisation and development of ITC are their most important segments.

In the management of the public procurement system, a major challenge is the improvement of e-procurement and a comprehensive monitoring system based on the analysis of collected data.³⁰⁶ The administrative capacities of the Public Procurement Office have been improved after the adoption of the Rulebook on Job Classification, and the National Commission for the Protection of Rights in Public Procurement Procedures does not yet have sufficient resources and the required number of permanent employees. The emphasis is still on procedural aspects rather than performance.³⁰⁷

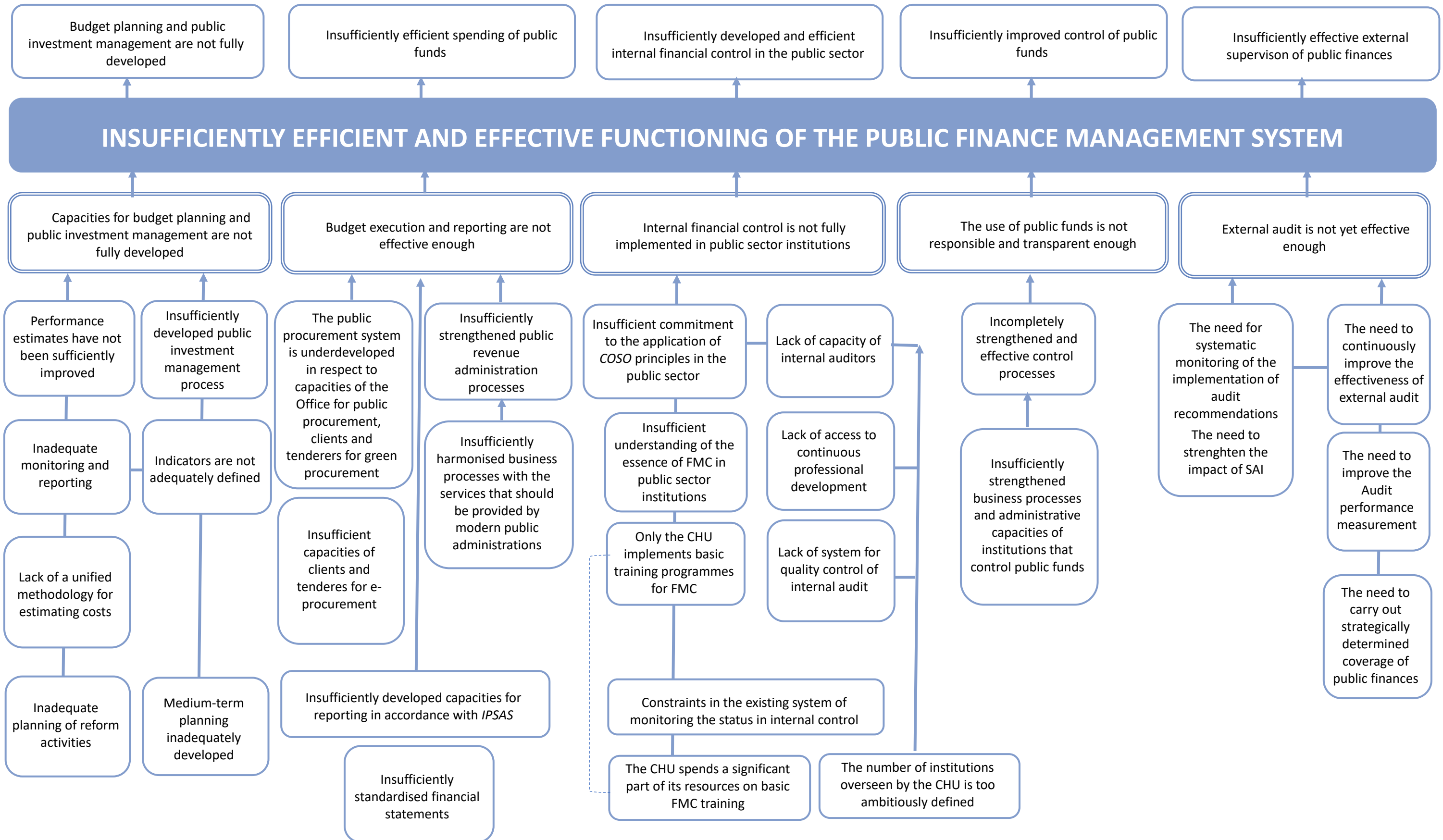
Despite the fact that FMC is constantly and steadily advancing, it is necessary to transfer the basic training programme from CHU to NAPA as soon as possible in order to enable CHU to focus on monitoring the FMC and further development of methodological material. Quality control of FMC and internal audit has become a mandatory activity of the CHU. Further improvements in the quality of internal audit are needed - further improvements in the individual capacity of internal auditors along with external quality control by the method of peer reviews. It is necessary to establish an automatic function of monitoring recommendations related to internal audit weaknesses. Continuous awareness raising on FMC is necessary regardless of whether the training programmes are organised by the CHU or NAPA, so it is necessary for the CHU to design the content and direct new NAPA training programmes to ensure their compliance with international standards and principles in the field of FMC.

³⁰⁵ EC Serbia Progress Report 2019, p. 75.

³⁰⁶ SIGMA Report for Serbia 2017, p. 172; External Evaluation Report of the PAR Strategy, 2019, p. 53.

³⁰⁷ External Evaluation Report of the PAR Strategy 2019, p. 53.

Problem tree – Public financial management



Graph 31. Problem tree – Public financial management

Specific objective

The objective of the PFMRP (2021-2025) in the forthcoming period should contribute to the achievement of a better balanced and sustainable budget, with a sustainable level of public debt by strengthening of financial management and control, the audit process and linking budgetary planning with Government's priority objectives and public policies.

The PFMRP monitors the budget cycle as a whole, with the aim of contributing to budget execution being linked in the best possible way to the various policies of the Government, thereby contributing to increasing the transparency of these processes. In short, the PFMRP is an expression of the Government's commitment to implement a comprehensive set of interrelated and timed public financial management reforms in the broadest sense, all aimed at increasing accountability, ensuring sound financial management and good governance, by improving the efficiency and effectiveness of public resource management in the Republic of Serbia, in order to pave the way for a smooth transition to the public administrative framework of the EU.

Specific objective 7: Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies.

Outcome indicator	BV	TV
Real growth of gross domestic product (GDP)	(2020): -1%	(2021): 6.0% (2022): 4.0% (2023): 4.0% (2024): - (2025): - (2027): - (2030): -
General government debt in GDP	(2020): 59%	(2021): 58.7% (2022): 57.9% (2023): 56% (2024): - (2025): - (2027): - (2030): -

Public financial management is essential for the European integration process due to its connection with a large number of negotiation chapters, most of which were opened during the negotiation process as are Chapter – Public procurement, Chapter 17 – Economic and monetary policy, Chapter 22 – Regional policy and coordination of structural instruments, Chapter 29 – Customs, Chapter 32 – Financial control, Chapter 33 – Financial and budgetary propositions. From the point of view of monitoring and implementing the Stabilisation and Association Agreement, the discussion on public financial management reform with the European Commission is led by a special group for public administration reform.

Specific objective 7 has been made to be the Overall objective of the PFMRP 2021–2025, and it has been broken down into 6 specific objectives of the PFMRO 2021–2025:

Specific objective 1: Improved capacities for budget planning and management of public investments and fiscal risk monitoring,

Specific objective 2: Efficient collection and management of budgetary funds,

Specific objective 3: Improvement of budgetary discipline, and a more transparent use of public funds,

Specific objective 4: Improvement of the application of the internal financial control system in the public sector,

Specific objective 5: Improved accounting in the public sector with the application of International Public Sector Accounting Standards (IPSAS),

Specific objective 6: Strengthening of external supervision of public finances.

The introduction of programme budgeting, in 2015, is a long-term process that is improving from year to year. The PFMRP 2021–2025 envisages further improvement of the budget programming process, with special emphasis on the programme structure and reporting on the performance of budget programmes based on results. Additional efforts will be focused on improving medium-term planning and full implementation of the Capital Project Management Decree.

In the period 2016–2020, significant progress was made in improving the budget execution and the reporting process. The Tax Administration continued to implement the Tax Administration Transformation Programme 2021–2025, which was adopted in May 2021, and the activities contained in the Action Plan 2018–2023. The redesigning of the business processes, market research, and the drafting of the specifications for a complete commercial off-the-shelf product (COTS) are in the implementation phase, while the improvement of the institutional development of the HR function in the Tax Administration as well as the procurement and the implementation of the final commercial off-the-shelf product (COTS) are being planned. The Customs Administration will continue to modernise and strengthen its capacities in order to be harmonised with EU regulations and standards. In the area of public debt management, significant results were achieved before the escalation of the COVID-19 pandemic, and the continuation of reforms is planned for the period 2021–2025. Further steps will be directed towards the continuation of the development of a methodology for public debt sustainability analysis and draft regulations for the introduction of a system of primary dealers in the securities market, in constant cooperation with the IMF to maximise the effects on securities market development while reducing risk. The most important reform steps include the improvement of the public procurement portal. Further reforms of the Treasury Administration include the certification of public sector accountants and the improvement of the application of *IPSAS* standards for cash accounting.

In accordance with the consultations with the European Commission, the entire system of internal financial control is integrated into one particular pillar of PFMRP as a specific objective and managerial accountability is covered by specific objective 6. within the PAR Strategy. It is important to note that PIFC is interlinked with many areas of PFMRP, and will be as such marked in the document.

It is envisaged that the Department for the Suppression of Irregularities and Fraud in the Handling of European Union Funds will create a new public policy document in the field of

combating irregularities and fraud related to the protection of EU funds. Efforts to strengthen the capacity of the budget inspection and expand its scope will continue.

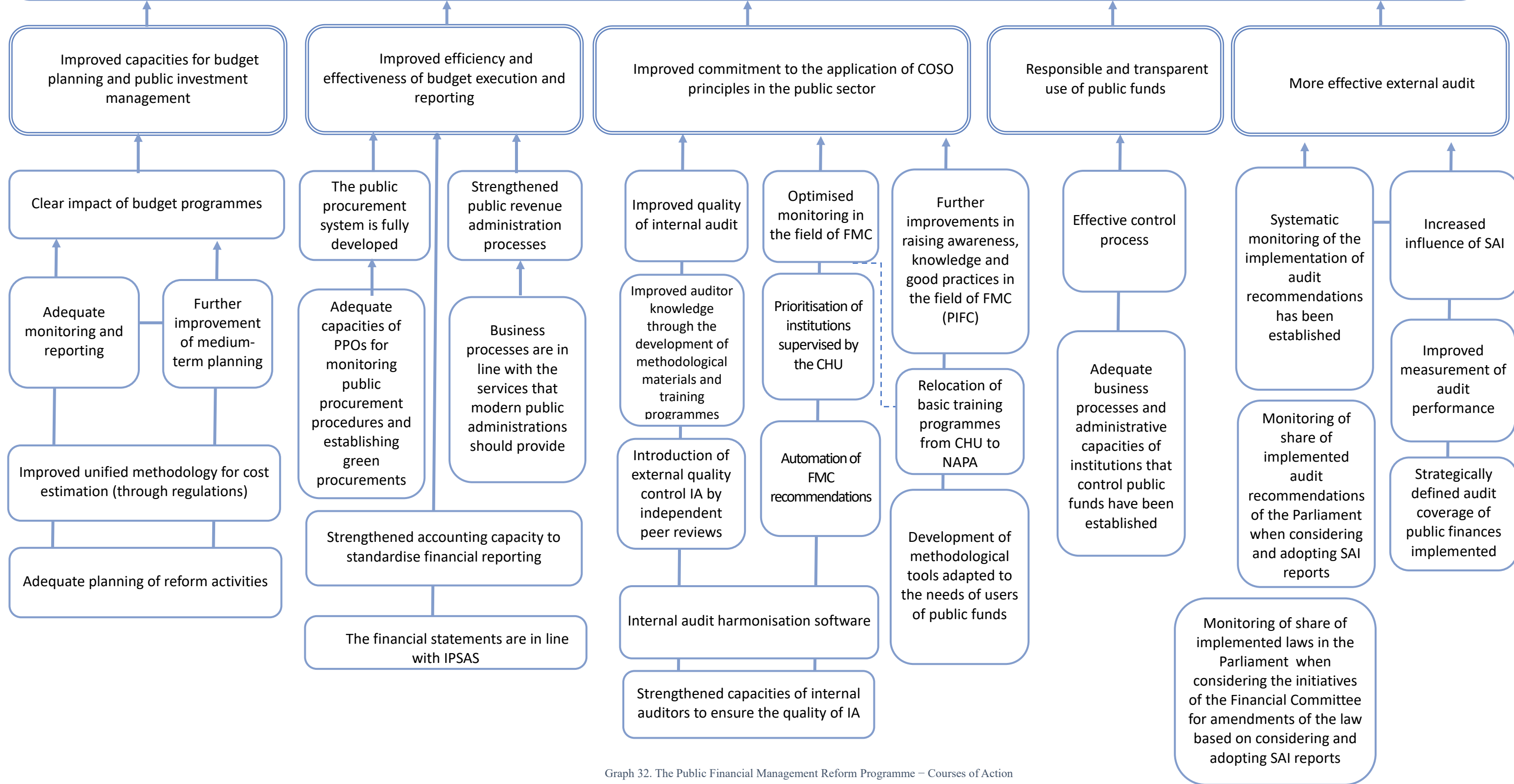
The SAI will continue to implement its strategic plan for the period 2019–2023 and conduct an audit of the use of public funds in accordance with the work programme. Within its mandate, the SAI will attend the sessions of the Subcommittees and Committees of the National Assembly at which it will present audit reports, and at which the activities of the audit entities undertaken in accordance with the findings, conclusions and recommendations contained in the report will be discussed. The SAI will carry out the same activity at the sessions held outside the seat of the National Assembly in the units of local self-government, which are attended by representatives of the SAI, local self-government and audit subjects, if such practice is continued.

To monitor the achievement of Specific objective 7 of the PAR Strategy, the following indicators for the specific objectives of the **Public Financial Management Reform Programme** are determined.

Programme’s specific objectives	Indicator	Target Values	
		BV	TV
the P, management of public investments and fiscal risk monitoring	Public service delivery performance data	C ⁺ (2020)	(2021): (2022): (2023): (2024): (2025): B
Efficient collection and management of budget funds	Actual revenues and expenditures of the general government budget at annual level are within the range of 5% of those projected in the fiscal strategy	Within 5% range (2019)	(2021): within 5% range
			(2022): within 5% range
			(2023): within 5% range
			(2024): within 5% range
			(2025): within 5% range
	Annual cost of public debt servicing (interest payment – net amount) as % of the GDP	1.9% (2020)	(2021): 1.9% (2022): 1.9% (2023): (2024): (2025): 1.7%
	Average duration of an open procedure	52 (days) (2020)	(2021): 50 (2022): 48 (2023): 46 (2024): 45 (2025): 44

Improved budgetary discipline and more transparent use of public funds	Average number of illegalities and irregularities per control in relation to the total number of controls	2 (2020)	(2021): 2 (2022): 2 (2023): 2 (2024): 1 (2025): 1
	% of accepted and implemented recommendations which an audit body issues to subjects of indirect EU funds management	0 (2020)	(2021): 50% (2022): 55% (2023): 60% (2024): 65% (2025): 70%
Improved PIFC	PIFC-related progress identified in the EC progress report on the Republic of Serbia for a specific year	Moderate preparedness with good progress in 2019	(2021): Moderate preparedness (2022): Moderate preparedness (2023): Moderate preparedness (2024): Moderate preparedness (2025): Good level of preparedness
Improved accounting in the public sector with the application of International Public Sector Accounting Standards (IPSAS)	Financial report prepared and presented to the Ministry of Finance of the Republic of Serbia in accordance with Cash Basis IPSAS	0 (2020)	(2021): 0 (2022): 0 (2023): 0 (2024): 1 (2025): 1
Stronger external oversight of public finances	Number of reviewed audit reports	194 (2020)	(2021): 205 (2022): 215 (2023): 225 (2024): 235 (2025): 245

ACHIEVING A SUSTAINABLE BUDGET WITH A STABLE PUBLIC DEBT TO GDP RATIO THROUGH BETTER FINANCIAL MANAGEMENT AND CONTROL, THE AUDIT PROCESS AND LINKING BUDGET PLANNING TO GOVERNMENT POLICIES AND PRIORITIES



Graph 32. The Public Financial Management Reform Programme – Courses of Action

6. Local self-government system

Situation analysis

Legal and strategic framework

The general framework consists of the Constitution of the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, No. 98/2006) (hereinafter: the Constitution), the Law on Local Self-Government (*The Official Gazette of the Republic of Serbia*, Nos. 129/2007, 83/2014 – state law, 101/2016 – state law, and 47/2018), current PAR Strategy, and European Charter of Local Self-Government (*The Official Gazette of the Republic of Serbia*, Nos. 9/2014, 42/2014 – *corrigendum*, and 54/2018) and certain number of other laws and public policy documents.³⁰⁸

Article 179 of the Constitution stipulates the following: "Autonomous provinces, in accordance with the Constitution and the Statute of the autonomous province, and local self-government units, in accordance with the Constitution and the law, independently prescribe the organisation and competence of their bodies and public services." while the European Charter of Local Self-Government in Article 3(1) stipulates that: "Local self-government implies the right and ability of local authorities to, within legal limits, regulate affairs and manage an essential part of public affairs under their accountability and in the interest of the local population."

The current PAR Strategy does not recognise decentralisation and development of local self-government as one of the specific objectives, but deals with this topic during the elaboration of measures and activities for the implementation of all five specific objectives. Measure 1.2 Improving the operation of public administration in the field of decentralisation and de-concentration is exclusively dedicated to local self-government.

The MPALSG, in cooperation with the Standing Conference of Towns and Municipalities (hereinafter: SCTM), is preparing a public policy document for the reform of the local self-government system in the Republic of Serbia, in accordance with the Conclusion of the Public Administration Reform Council³⁰⁹ by means of which the baseline for the preparation of programmes for the reform of the local self-government system in the Republic of Serbia have been adopted (hereinafter: Baseline). This document elaborates the specific objective of the PAR Strategy and should set objectives and measures that will ensure further decentralisation, more functional distribution of tasks and competences and more intensive development of the status and organisation of local self-government in the public authority system.

The third revised and amended National Programme for the Adoption of the *Acquis* for the period 2018–2021³¹⁰ within the reporting on the Political Criteria, Democracy and the Rule of Law, Subchapter 1.1.4 State administration provides an overview of the situation and priorities

³⁰⁸ Other relevant laws include the Law on Territorial Organisation, the Law on Determining the Competences of the Autonomous Province of Vojvodina, the Law on the Capital and the Law on Local Self-Government. In addition to these regulations, valid planning documents often emphasise the importance of the Law on Public Property and the Law on Utility Services, given that they further define the competences of local self-government, which enable substantial decentralisation. Other relevant public policy documents include: Regulatory Reform and Public Policy Management Strategy, Public Financial Management Programme, Local Government Professional Development Strategy, Public Procurement Strategy and e-Paper Programme. In addition, the first two Action Plans for the implementation of the Open Government Partnership initiative in the Republic of Serbia were implemented, but were limited by insufficient capacity of local self-government units.

³⁰⁹ Conclusion of the Public Administration Reform Council, number: 06-00-5736 / 2019 of 13 June 2019, available at: <http://mduls.gov.rs/wp-content/uploads/zapisnik-7-sednica-Saveta-za-RJU.pdf>.

³¹⁰ Available at: http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_2018_2021.pdf.

in the field of local self-government, namely: legislative framework, institutional framework, administrative capacity and non-legislative measures.

Also, certain obligations of local self-government are foreseen in the segment on Cultural rights and protection of minorities and Regional cooperation, Justice and fundamental rights - freedoms of gathering, measures against racism and xenophobia, Justice, freedom and security - migration, then by individual chapters in the part concerning veterinary policy, social policy and employment, environment, education, youth and sports, culture, consumer protection.

Amendments to the Law on Local Self-Government have provided a more comprehensive legal framework for the establishment and development of inter-municipal cooperation. Also, a number of sectoral laws regulating certain areas, especially those of more recent date, provided more or less concretised normative solutions for models of cooperation between local self-government units, adapted to the relevant areas regulated by these laws.³¹¹ In addition, amendments to the Law on Local Self-Government and LPS strengthen public participation in law drafting and policy making, from public hearings on draft laws and policy documents to public participation throughout the drafting and implementation process and provide a framework for improving managerial accountability in performing tasks based on the achievement of results and goals.

Law on Public Property (*The Official Gazette of the Republic of Serbia*, Nos. 72/11, 88/13, 105/14, 104/16 – state law, 108/16, 113/17 and 95/18) stipulates the establishment of public property rights of a local self-government over property, which enabled the expansion of local competences and financial autonomy. Additionally, the adoption of a new Law on Referendum and People's Initiative is expected in order to improve the mechanisms for citizens' voting.

The adoption of the Decree on a One-Stop Shop establishes a new national system for one-stop shops in local self-government units, which should bring administrative services closer to citizens and businesses.

Through the Law on Employees in the Autonomous Provinces and LSGUs, a new civil service system has been established for the AP and LSGUs in the course of regulating the employment status of civil servants, new competences and reform of the salary system. It doubled the coverage of the civil service system in the Republic of Serbia, so that now two laws refer to the salaries of employees in the public sector: the Law on the System of Salaries of Employees in the Public Sector and the Law on Salaries of Civil Servants and State Employees in the AP and LSGUs. This meets the basic preconditions for professionalisation, depoliticisation, career development, promotion and professional development of employees.

Amendments to the Law on Local Self-Government in Article 13 introduce a legal basis for monitoring the EU integration process and establishing relevant administrative capacities.³¹²

The *acquis* has a major impact on the local and regional authorities of the Member States. The degree of influence of European legislation on the competence of the local and regional level of the member states ranges from 50% to 80%, depending on which competences of the local and regional self-government are determined in the given national system.³¹³ The Lisbon

³¹¹ Sectoral laws include, among others, the Law on Public Enterprises, the Law on Utility Services, the Law on Waste Management and the Law on Water.

³¹² Article 13(6) reads: "The unit of local self-government, within its competences through its bodies, monitors the process of European integration of the Republic of Serbia and develops the necessary administrative capacities, in accordance with the law and established policy of the Republic of Serbia."

³¹³ See Karayigit, M. (2016), *The EU and Local Governments*, *Strategic Public Management Journal*, 2 (4), pp. 6–9. The brochure of the Committee of the Regions states that this is 70% of all EU regulations. B. Committee of the Regions, *A new treaty : a new role for regions and local authorities*, <https://cor.europa.eu/en/our-work/Documents/Our-work/lisbon-treaty.pdf> (30 January 2020).

Treaty³¹⁴ mentions the principle of regional and local self-government for the first time.³¹⁵ The Treaty gives a greater role to local and regional authorities as consultative bodies in the legislative procedure. Namely, it ensures that the preparation of each European regulation begins with a consideration of the effects at the local and regional level. Also, the Treaty recognises the role of local authorities in organising and providing public services. The Decision of the Council of the European Union and the EC (2013/489/EU, Euratom)³¹⁶ stipulates the establishment of a Joint Consultative Committee composed of representatives of the Committee of the Regions of the EU and local and regional authorities in the Republic of Serbia. The task of this Committee is to assist the Council in promoting dialogue and cooperation between local and regional authorities in the EU and the Republic of Serbia and is a place for preparing regional and local authorities in the Republic of Serbia to participate in the Committee of the Regions upon the accession to the EU. In order to have an insight into the scope and type of obligations that the EU integration process brings to local self-government, the SCTM recognised 21 negotiating chapters influencing the local self-government and prepared 15 analyses of the impact of EU regulations on local government competences and capacities³¹⁷ in the period from 2013 to 2019 (public procurement, state aid, competition policy, transport policy, energy, rural development, institutions, social policy and employment, health and consumer protection, justice and fundamental rights, institutions, etc.).

Results and challenges

Numerous results determined by the PAR Strategy from 2014 related to the local level have been achieved. Baseline principles have been developed, which represent the foundation of the new programme of local self-government system reform. Amendments to the Law on Local Self-Government and the Law on State Administration have established a legal framework for the development of inter-municipal cooperation in performing original and entrusted tasks of local self-government units.

One of the systemic challenges for the reform of the local self-government system is asymmetric decentralisation. **The monotypic (uniform) system of local self-government results in a disproportion between the size of the local self-government unit and the tasks assigned to it.** It is necessary to clearly delineate the competences and types of work of different levels of government in the management of public affairs, with more effective application of subsidiarity and availability to citizens, except when efficiency and economy do not require that they be carried out at a higher level of government. This includes comprehensive capacity building that can support their effective implementation. The system of original and delegated competences is incomplete, where a number of original competences are incomplete or limited by formal legal solutions, while the scope of delegated tasks differs in its scope between different administrative areas.

The manner in which new tasks are assigned to local self-government is also a systemic challenge. There is a certain disproportion in the number of positions per employee as a result of the inability to prescribe all jobs in small local government units, job descriptions for one job include tasks covered of several jobs, supporting positions have an unnecessarily large share in jobs performed by employees in all analysed LSGUs and there are non-prescribed special conditions for certain jobs.³¹⁸

³¹⁴ Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:306:FULL:EN:PDF>

³¹⁵ Article 4(2) of the EU Treaty.

³¹⁶ Decision of the Council of the European Union and the European Commission (2013/489 / EU, Euratom) adopting the draft Decision No. 1 of the EU-Serbia Stabilisation and Association Council, Art. 15

³¹⁷ Available at: <http://www.skgo.org/biblioteka/publikacije-analize-i-prog-dokumenta/pristupanje-EU?thematic=29>

³¹⁸ Dejan Vučetić, PhD, MPALSG Preparatory material for the Local Government Reform Programme, area: Good Governance.

Pursuant to the Law on Local Self-Government, the MPALSG prepared and published a Unified List of Jobs at the local level,³¹⁹ for which a special methodology was developed that enables the list and definition of individual jobs in 41 areas and sub-areas in which LSGUs have competences, amounting to a total of 1,134 jobs. However, delegation of tasks to LSGUs was not accompanied by the provision of the necessary financial, human and other resources,³²⁰ nor were appropriate policies and regulations adopted with appropriate consultations. Sectoral laws do not always determine unambiguously whether certain tasks are within the original or entrusted scope of local authorities.

The lack of a clear and consistent typology of organisational forms, i.e. entities entrusted with the exercise of administrative public authority by regulations, makes it difficult to decide when choosing the types of organisational forms of public administration in order to choose the most effective, efficient and economical form in a particular case. Also, there are dilemmas and differences in acting between local self-government units regarding the supervisory mechanism to which established organisations are subject, and it is often the case that supervision itself is absent due to the unclear status of established organisations.³²¹

In the area of **policy planning and coordination**, the full implementation of the LPS and UIS is a major challenge for local self-government. The MPALSG, in cooperation with the PPS, has launched a new analytics service for local self-government, which should provide unified and comparable socio-economic data on local self-government units from several important databases, not previously available to policy makers, businesses and citizens.³²² Integrating national strategic directions into local development plans, other public policy documents at the local level and finally into medium-term plans and budgets will require local government to **enhance its capacity**. Most LSGUs have adopted umbrella strategies, as well as a number of sectoral strategies and action plans, but their implementation is unsatisfactory. Only 13% of analysed LSGUs have a body that takes care of the implementation of development plans, as well as capacities for monitoring and reporting on implementation, and only 6% of analysed LSGUs act in accordance with their own guidelines for audit, monitoring, impact assessment and reporting on development strategy implementation, as the umbrella planning document of the local self-government unit. The adoption of the LPS established the obligation for each LSGU to adopt a development plan, as an umbrella planning document (as of 2021 for a period of at least 7 years), with the application of a broad transparent and participatory process. In the period of preparation of the new PAR Strategy, LSGUs are just starting to work on these documents, while less than 5% of LSGUs have already adopted the development plan (end of 2019/beginning of 2020). The planning rate of capital projects is low, which further undermines the importance of planning documents (20%).³²³

The key result in the **area of PFM** refers to the implementation of the 2015 LBS, which prescribed that the transition from the line budget to the programme budget is mandatory. In accordance with that, local self-government units prepared their budgets in the previous 6 budget cycles, i.e. they introduced programme classification, but the quality of their programme budgets and compliance with the prescribed methodology required significant support, especially in the first years of implementation. At the annual level, 12 regional training sessions for all LSGUs were conducted in each of the budget cycles, and direct technical support was provided on a competition basis. For LSGUs which applied the minimum requirements of the

³¹⁹ <http://mduls.gov.rs/obavestjenja/jedinstveni-popis-poslova-na-loklanom-nivou-vlasti/>.

³²⁰ Dejan Vučetić, PhD, MPALSG Preparatory material for the Local Government Reform Programme, area: Status and organisation of bodies and institutions in the local self-government system.

³²¹ Milan Marković, MSc, MPALSG Preparatory material for the Local Government Reform Programme, area: Status and organisation of bodies and institutions in the local self-government system.

³²² External Evaluation Report of the PAR Strategy, p. 47.

³²³ Dejan Vučetić, PhD, MPALSG Preparatory material for the Local Government Reform Programme, area: Good Governance.

programme budget methodology for the preparation of the budget in 2015 in the first cycle, the percentage increased year by year from 45.56% (46.5% in 2016; 61.53% in 2017; 67.65 % in 2018; 78% in 2019) to 81% for drafting the budget for 2020. The LBS also envisages the obligatory preparation and publication of reports on the execution of the programme budget in the local self-government units in the Official Gazette within the explanation of the Decision on the final account and half of the local self-government units publish these reports on the website. Amendments to the Law on Local Self-Government stipulate the obligation of local self-government units to conduct a public hearing procedure for the preparation of a decision on the budget, in the segment pertaining to investments. Topics related to public hearings, budget transparency and the implementation of gender responsive budgeting as closely related to aspects of programme budgeting, have been an integral part of LSG capacity building in previous years. The model for drafting a civic guide through the budget (separately for cities and for municipalities) was developed by the SCTM and the Ministry of Finance and it has been made available to all LSGUs so that an increasing number of them publish these guides as well (compared to 2018, the number of such LSGUs increased almost quadrupled but still amounts to less than half of the local self-government in Serbia). In order to more successfully implement the Law on Public Property,³²⁴ regional training sessions for public property management at the local level have been developed and are being implemented. Direct EU financial assistance in this area has been implemented since the end of 2018 with 48 LSGUs within the *EXCHANGE 5* Programme, and since mid-2019, technical support packages for asset management (with 20 LSGUs) are also being implemented.

The lack of stability and predictability in terms of local self-government units financing is a major challenge. Changes in the legal framework for the local self-government financing system, which have caused a vertical imbalance between local budget revenues and expenditures, make long-term planning and capital investment planning difficult. Although local authorities in Serbia have a significant share of source revenues on average and are largely free to determine the purpose of their own revenues, according to the share of capital expenditures, i.e. expenditures for local investments, local self-government in Serbia is at the bottom of the region. According to SCTM estimates, the share of total revenues and incomes of local self-government in GDP in 2015 was 5.75%, which is at the level of 2005 (5.8%).³²⁵ Given the significantly increased competences of local self-government, the stagnant growth of the share of total local self-government units revenues in GDP is an obstacle to stable financing.

The Unified Information System for Local Tax Administration simplifies tax payments for about 135,000 companies and 258,000 entrepreneurs.³²⁶ This system is just one link in the implementation of a comprehensive management system in electronic form that should contribute to faster and better cadastre reform.³²⁷

The existing system of supervision over the work of local self-government and the system of regulated relations in terms of cooperation and preventive action by the central level of government **is not sufficiently developed**. Supervision of local original activities is set in accordance with the European Charter of Local Self-Government as supervision over the legality of the work of local self-government.³²⁸ On the other hand, supervision over the

³²⁴ The implementation of the Law on Public Property turned out to be very problematic. According to SCTM estimates, as many as 85% of local self-government units do not have reliable and complete data on the scope and structure of property, nor an appropriate legal basis for establishing property rights over facilities and land. The general conclusion is that about 70% of LSGUs are still at the beginning of this process.

³²⁵ For local government revenues, see more in the Bulletin of Public Finances 12/2019 No. 184, and for data on GDP at <https://data.stat.gov.rs/?caller=090201&languageCode=sr-Cyrl>

³²⁶ *SIGMA* Report 2019, p. 34.

³²⁷ Written appendix, sixth meeting of the PAR Special Group: *Written contribution, 6th PAR Special Group Meeting on public administration reform*, p. 56, October 2019.

³²⁸ With a few exceptions - when giving names to streets or borrowing (when the consent of line ministries is required)

implementation of entrusted tasks is not constant or sufficiently developed, and inspection supervision rarely has a preventive and advisory character. External financial control is constantly being developed through the State Audit Institution, and LSGUs also use an increased number of certified auditors.

In the area of **service delivery**, efforts are focused on the implementation of the Law on Administrative Procedure and the simplification and digitisation of administrative procedures. The first steps in simplifying administrative procedures have been taken by mapping needs and developing models of all local administrative procedures related to citizens and the economy.³²⁹ Simplification, i.e. optimisation and digitisation of administrative procedures and reduction of the regulatory financial burden have not only improved public administration services and the business environment, but have also produced additional savings. In the same manner, public administration reform has had a significant impact on public procurement, inspections, and construction permits.³³⁰ The increase in construction activities due to simpler and faster issuance of permits has led to higher revenues in local self-government units. During the first six months of 2017, local authorities collected almost five billion dinars in contributions for construction land, an increase of 19% compared to the same period in 2014, before the reforms.³³¹

Problems in the efficiency of administrative proceedings are obvious, as are differences between local governments in terms of the duration or content of administrative proceedings.³³² The process of local government transformation implies the continuation of intensive development of e-government and digitisation of public services,³³³ because these are key tools for significantly greater efficiency of public administration and for the "localisation" of public services. The reasons for inefficient administrative action lie in low, or **uneven organisational and administrative capacities, as well as the lack of adequate human, technical and financial resources of local self-government units**. Cities generally have adequate administrative capacity, while this is not the case in a large number of local self-government units. Additional obstacles in the past were the restriction of employment (in the period from 2014 to 2017 there was a decline of 12.68%),³³⁴ long-lasting neglect of staff in local self-government, lack of merit system in employment and promotion, low wages, insufficient level of professionalisation of administration and the high influence of local political relations and changes in its work.³³⁵

Key local government competencies, such as utilities and the pursuit of the public interest, are burdened by inherited problems, including outdated infrastructure and equipment, lack of financial resources for investment, unresolved property status of public utilities, inefficient management, inadequate utility price parities, and political influence. to the work of public utility companies. In addition, a key problem with local institutions was observed in the system of organising and managing the work of institutions, such as the dual responsibility of local institutions, lack of administrative capacity for supervision, lack, or inadequate quality of infrastructure and equipment.

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³²⁹ The Register of Administrative Procedures (deadline for completion in 2021) maps about 2,500 administrative procedures for economic entities and citizens, including the adoption of 188 standardised administrative procedures for local self-government in nine areas.

³³⁰ External Evaluation Report of the PAR Strategy, 2019, p. 92.

³³¹ External Evaluation Report of the PAR Strategy, 2019, p. 97.

³³² Baseline, p. 6.

³³³ Baseline, p. 10.

³³⁴ Report on External Evaluation of the PAR Strategy, 2019.

³³⁵ Baseline, p. 6 .

lack of financial resources for investment, unresolved property status of public utilities, inefficient management, inadequate utility price parities, and political influence to the work of public utility companies.³³⁶ In addition, a key problem with local institutions was observed in the system of organising and managing the work of institutions, such as the dual accountability of local institutions, lack of administrative capacity for supervision, lack, or inadequate quality of infrastructure and equipment.

The HRM function is the backbone of the new civil service system. Among the results, the establishment of the Council for Professional Development of Local Servants, the process of accreditation of training providers should be mentioned. Some cities and municipalities initiated local processes of professional training of officers, and the National Academy of Public Administration has been established. In order to build capacity at the local level, the SCTM has established a human resources management network with 272 coordinators, consisting of 133 employees from local self-government units and 139 employees in state administration bodies.³³⁷

No local self-government unit has a fully established system of keeping records of employees, in the manner that the modern concept of HRM implies. LSGUs do not have a comprehensive information system that would enable the establishment of efficient electronic records of employee data and an integrated approach to human resource data management.³³⁸ It is common practice for one to two people to deal with personnel records and labour and legal issues of employees, while other key human resource management functions are neglected, or are performed part-time (transparent filling of vacancies, professional training, evaluation of employees).³³⁹ The SCTM has developed an online tool for self-assessment of the situation in the field of human resource management in local self-government (index for human resource management in local self-government). The results of the first round of filling in the index at the end of 2016 showed that in the first year of implementation of the Law, only a small number of local self-government units in some way institutionalised human resource management. At the end of 2017, only about half of them was formally eligible, by adding a list of jobs pertaining to human resource management to some of the already existing job descriptions, without prior job analysis. In 2020, the SCTM, in cooperation with the Council of Europe, conducted an assessment of the situation and capacity for human resource management in 50 local self-government units participating in the project: Human Resources Management - second phase. According to the preliminary results of the research, the current average value of the state of capacity of local self-government units or index is 54%, which shows that it is necessary to continue and intensify reforms in the field of HRM, especially professional development of local officers.³⁴⁰

There are still many challenges for local self-government regarding the application of the **principles of good governance, accountability and transparency** in the work of local self-government. The current electoral system does not favour the election of councillors and holders of offices who would be more directly responsible to the citizens for discharging their offices. Although over 100 local self-government units have adopted local anti-corruption plans, a significant number have not yet started adequate implementation. Therefore, the SCTM, in cooperation with MPALSG, LSGUs, independent state bodies, non-governmental

³³⁶ Baseline, p. 7.

³³⁷ External Evaluation Report of the PAR Strategy, 2019, p. 97.

³³⁸ Mirjana Stanković MPALSG Preparatory material for the Local Government System Reform Programme, area: Human Resource Management.

³³⁹ Mirjana Stanković MPALSG Preparatory material for the Local Government System Reform Programme, area: Human Resource Management.

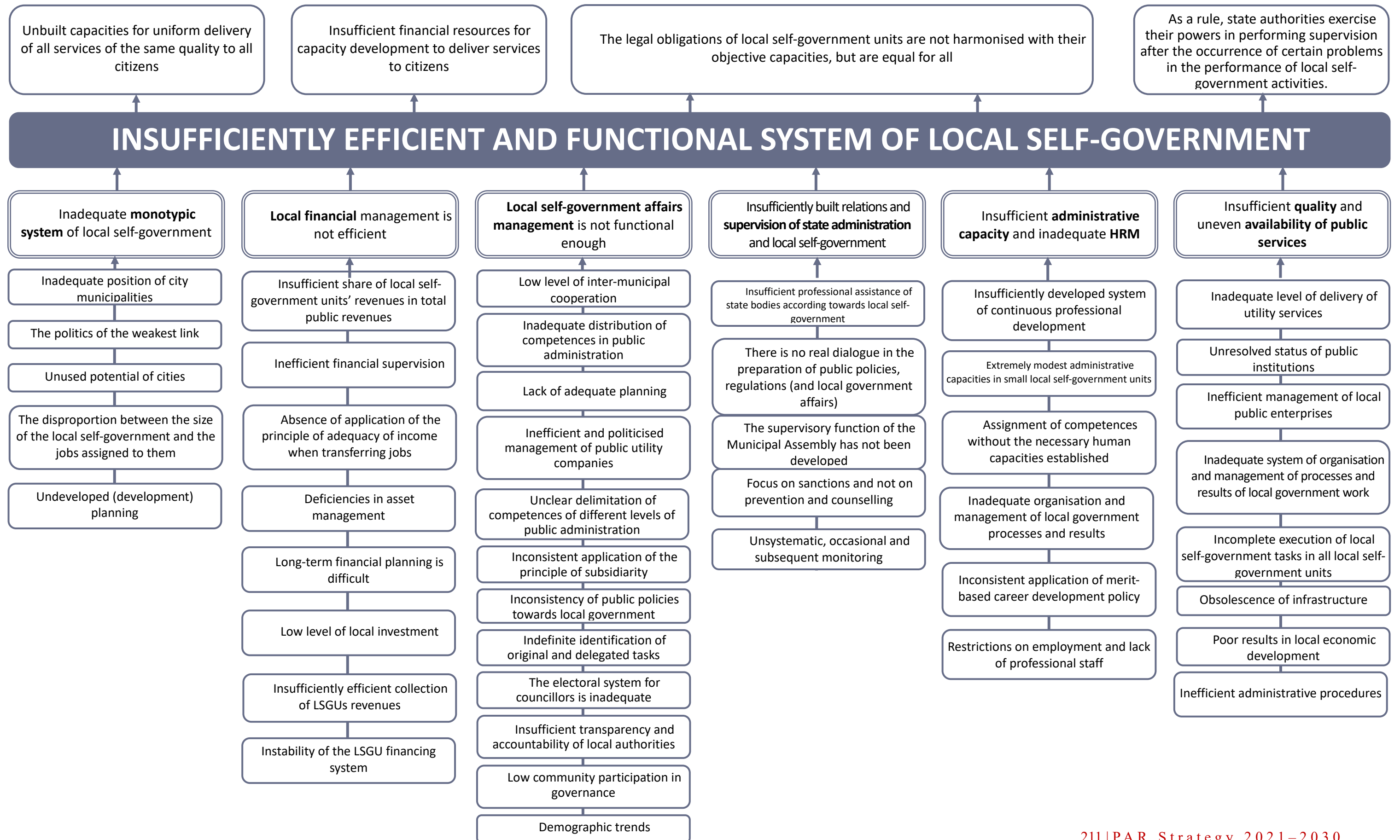
³⁴⁰ It is planned that the research will cover another 20 cities, municipalities and city municipalities, so in accordance with that, it is possible to change the above findings on a total sample of 70 local governments.

sector and international organisations, has developed the **Index of Good Governance** at the local level and it should serve as a barometer of accountability, transparency, participation, economy and efficiency, equality and anti-corruption.³⁴¹ It contains objective and measurable indicators for perceiving the real situation in the implementation of public policies and legal rights and duties. This instrument will provide a basis for systemic, institutional support for examples of good practice among local self-government units in Serbia. The SCTM analysed data obtained from 60 pilot LSGUs that participated in giving answers in 2018 and it was shown that the overall scores on a scale from 1 to 100% ranged from 18% (lowest ranked) to 63.6%. The average score is 39.1%. In the area of good governance, the lowest score was in the area of anti-corruption (below 25%).³⁴² In the area of the principles of predictability, economy and efficiency, the average score was 42%. However, when it comes to predictability, the worst results are in the domain of the existence and application of mechanisms for harmonisation of administrative practice (only 10%).³⁴³

³⁴¹ The Index of Good Governance for LSG currently does not include measuring the quality of public services.

³⁴² As many as 36% of cities and 33% of municipalities did not have an adopted Integrity Plan, although it is a legal obligation, Dejan Vučetić, PhD, MPALSG Preparatory material for the Local Government Reform Programme, area: Good Governance.

³⁴³ Dejan Vučetić, PhD, MPALSG Preparatory material for the Local Government Reform Programme, area: Good Governance.



Graph 33. Problem tree – Local self-government system

Specific objective

The action will be steered towards redefining the position and importance of local self-government with the application of subsidiarity in the management of public affairs, full participation of citizens and the local community in decision-making at the local level, further development of local self-government capacity and better organisation in compliance with the needs of the local community, stable and sustainable system of local self-government financing that provides predictability and adequacy of revenues, long-term planning and encouragement of local development, efficient work of local government and local public services with quality and accessible services to citizens and businesses, development of inter-municipal cooperation and relations of different levels of public government affairs and development of the Republic of Serbia.

Specific objective 8: Established system of local self-government that enables effective and sustainable exercise of citizens' rights to local self-government

The objective is to build a modern, professional and efficient local self-government that is capable of providing quality public services to citizens and businesses, applying the principles of good governance in its work and improving the quality of life of citizens and contributing to the balanced development of the Republic of Serbia.

Outcome indicator	BV	TV
Compliance of the local self-government system with the key principles of the European Charter of Local Self-Government	(2020): 3	(2021): 3 (2022): 3 (2023): 3 (2024): 4 (2025): 4 (2027): 5 (2030): 5
Share of LSG expenditures and consolidated public expenditures in the Republic of Serbia	(2019): 14.75%	(2021): 15% (2022): 15.5% (2023): 16.3% (2024): 17% (2025): 18.00% (2026): 18.5% (2027): 19.0% (2028): 20% (2029): 21% (2030): 22%
The capacity of LSGUs to implement the principles of good governance	(2018): 39%	(2021): 43% (2022): - (2023): 50% (2024): - (2025): 55% (2026):

		(2027): 60% (2028): (2029): 65% (2030): 70%
Availability and quality of implementation of priority public services by LSG	(2022): Index developed	(2021): - (2022): Index developed (2023): to be determined in 2023 (2024): - (2025): - (2027): - (2030):

In order to achieve the specific objective 8. of the PAR Strategy, 4 specific objectives of the Local Government System Reform Programme have been defined:

1. **Enhanced status and accountability of local self-government** – This course of action should result in strengthening of the local self-government as a special level of public authority and administration, in relation to the central level of government through increased participation in formulating public policies and regulations related to local self-government, as well as through further harmonisation of the legal system of the Republic of Serbia with the European Charter of Local Self-Government and full implementation of its provisions in the system of local self-government in Serbia. An important segment of this course of action is the further development of the application of the principles of good governance in all areas that are part of local self-government, which requires in-depth support and supervision by the central or provincial level, given their competences which include formulation of public policies, norming of the system of local self-government and supervision over the execution of delegated and original competences of local self-government. It is also necessary that local authorities themselves strengthen their capacities in order to be able to continue as thoroughly as possible with the implementation of their competences, especially the application of the principles of good governance in the practice of local self-government.
2. **Enhanced financing system that enables adequate and predictable financing of local self-government** – The system of financing of local self-government units should be stable and predictable and enable long-term planning of local public finances and financing of key local public positions. The course of action should lead to the growth of total revenues and capital expenditures of local self-government, increase of financial decentralisation and independence of local self-government, through increase of local revenues, degree of share of local self-government expenditures in public expenditures and decrease of participation of transferred funds by higher levels of authority in total public LSGU expenditures. This implies greater financial discipline and internal and external control of budget and financial management at the level of local self-government units, as well as an appropriate level of cooperation with higher levels of government for more adequate planning and monitoring of local public finance systems.

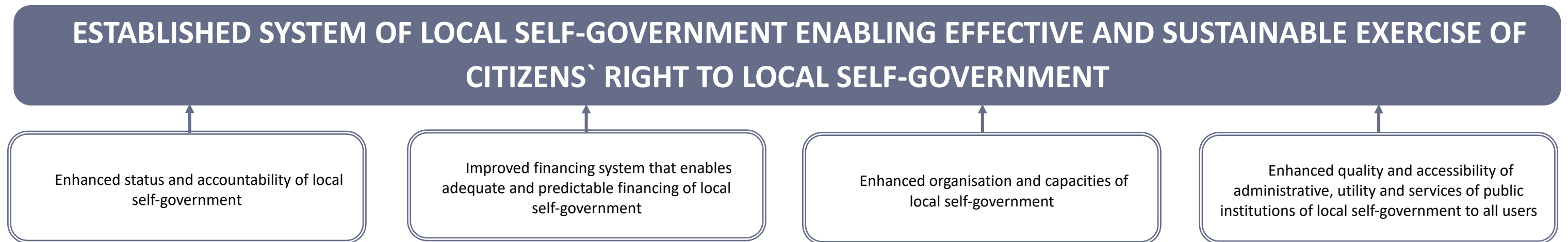
3. **Enhanced organisation and capacities of local self-government** – This course of action is aimed at establishing a clear and consistent typology of organisational forms (bodies, institutions, companies and organisations) established by local self-government units and changing the manner of managing local affairs. This implies redefining the model of performing local self-government tasks (eliminating overlapping competences, rounding off the competences of local self-government units in certain areas, defining criteria for assessing the capacity of local self-government bodies to implement competences and for their further delegation by introducing two-speed task delegation or using more steps, by introducing optional competences or by strengthening the status of cities, etc.). This implies more intensive development of inter-municipal cooperation in the implementation of local self-government. Further development of capacities is aimed at strengthening human resources in local self-government and modern technical and other support, so that the scope of work of local self-government units is harmonised with their financial, human and other necessary resources. This includes strengthening of the capacity of local authorities to plan the development of the local community, defining local public policies and linking all these activities with the organisational, human and financial capacities (budget) of local self-government.
4. **Enhanced quality and accessibility of administrative, utility and services of public institutions of local self-government to all users** – This course of action is aimed at end users and should result in greater availability and quality of local self-government services to citizens and businesses which should lead to greater satisfaction with services received by local authorities, organisations, institutions and companies. It is especially important to continue further reforms of administrative services, through simplification of administrative procedures and intensive development of e-government and digital services of local self-government. The orientation is towards more intensive development of particularly important competences of local self-government, such as local economic development and support to the local economy, because the possibilities of local self-government to develop its public services depend on its strengthening and economic potentials of the local community. This course of action includes planning and initiating systemic reforms in the field of services of public institutions that are part of the responsibility of local self-government, as well as in the field of functioning of utility work activities and public companies that are in charge of them. It is envisaged to continue the process of strengthening public-private partnership as a model for providing efficient and accessible public services of local self-government.

To monitor the achievement of Specific objective 8 of the PAR Strategy, the following indicators for the specific objectives of the **Local Self-Government System Reform Programme** are determined.

Programme's specific objectives	Indicator	BV	TV
Improving the position and accountability of local self-government	Level of ratification of the European Charter of Local Self-Government	3 (2020)	(2021): 3 (2022): 4 (2023): 4 (2024): 4 (2025): 5 (2027): (2030):

	Average index value good governance in selected areas: 1) accountability; 2) transparency, openness and participation	43% (2018)	(2021): 45% (2022): (2023): 58% (2024): (2025): 60%
	Share of adopted statutes compared to the total number of adopted statutes which largely concern LSGs, in the preparation of which LSGUs were involved	3 (2020)	(2021): 3 (2022): (2023): 4 (2024): (2025): 5
Improving the local self-government financing system	Share of LSG tax revenues in total tax revenues in the Republic of Serbia	10.12% (2020)	(2021): 10.40% (2022): 10.70% (2023): 11.20% (2024): 11.70% (2025): 12.30%
	Share of capital expenditures in total expenditures of local self-government	15.54%	(2021): 16% (2022): 16.30% (2023): 16.70% (2024): 17.20% (2025): 17.50%
	Share of LSGUs which have adopted medium-term plans	0% (2020)	(2021): 0% (2022): 15% (2023): 40% (2024): 50% (2025): 70%
Improving the organisation and capacity of local self-government	LSGU capacity for HRM in local administration	51% (2020)	(2021): 56% (2022): (2023): 62% (2024): (2025): 68%
	Share of LSGUs which have established inter-municipal cooperation in the total number of LSGUs	27% (2020)	(2021): 31% (2022): 36% (2023): 40% (2024): 42% (2025): 43%
Improving quality and accessibility of services delivered by local administration, utility	Index to measure availability and quality of services delivered by LSGUs developed	- (2020)	(2021): (2022): Index developed

companies and public institutions			(2023): First measurement
	Index to measure user satisfaction with services delivered by local self-government developed	- (2020)	(2021): Index developed (2022): Index developed (2023): First measurement



Graph 34. Policy courses of action – Local self-government system

Appendix 3: Communication framework

Situation analysis: results and challenges

Public administration reform is a long-term process which affects the daily lives of citizens. However, it is not seldom that citizens are unaware of this process, and even if they have information about it, they do not perceive the PAR as something that directly affects the quality of their lives. This is partially due to the insufficient visibility of the public administration reform, the missing communication strategy, and the lack of recognition of the reform results and effects on citizens.³⁴⁴ This stems from the fact that the 2014 PAR Strategy does not recognise public perception of the public administration as a particular issue, including the necessity to continuously communicate the changes to and reform processes in public administration to the public. Apart from inadequately developed external communication, internal communication between public administration bodies is also inadequate. This is pointed out in the conclusion made in the introduction of the document: that insufficient communication [between institutions] is one of the key factors which has limited the effectiveness of the PAR Strategy implementation. This was also confirmed in the External Evaluation of the PAR Strategy, which states that the overall PAR results had a limited communication range and limited visibility, both internally and externally.³⁴⁵

Nonetheless, since 2018, the MPALSG – as the principal of the reform process – has been putting more emphasis on communicating the process and results of public administration reform to the public. As part of the EU Project *Public Administration Reform Visibility and Communication*³⁴⁶, a survey was conducted at the end of 2018 on public attitudes on public administration reform, which included 1049 citizens. The aim of the survey was to assess the public awareness, knowledge and attitudes towards public administration, civil servants, PAR, public financial management reforms, EU support, as well as the frequency of using different media. The findings indicate that television is the dominant source of information on public administration reform, followed by internet portals and websites, social media, print media, radio, printed promotional materials and word of mouth.³⁴⁷

The survey results are given in more detail below, but summarised in one sentence, the results of public administration reform had a limited communication range and limited visibility and reforms must be communicated relative to the needs and experiences of citizens. In November 2019, the Government of the Republic of Serbia launched a media campaign under the slogan

³⁴⁴ See details in the Introductory Part of this document, within the chapter *Key Results and Challenges in the Previous Period*.

³⁴⁵ External Evaluation of Serbian Public Administration Reform Strategy – Final Report, 21 April 2019, Support to Public Administration Reform under the PAR Sector Reform Contract EuropeAid/137928/DH/SER/RS, available at: <http://mduls.gov.rs/wp-content/uploads/190524-Final-Evaluation-Report-SR.pdf>.

³⁴⁶ The project is implemented within the PAR Sector Reform Contract with the EU.

³⁴⁷ Television was considered the most important source of information on the PAR (51%), followed by newspaper portals and websites (21%), social media (9%), print media (5%), radio (4%), and 2% cited posters, flyers and billboards. It is interesting that the youngest respondents claimed that they regularly read posters, flyers and billboards, unlike those of the older population who stated that they rarely use those information channels. Further findings indicate that respondents mostly watched / listened to PAR-related media content on television (74%), websites (12%), social media (7%), radio (3%), and billboards (2%) or school / university (1%).

Administration tailored to all of us. The campaign was created to raise awareness among Serbian citizens about the importance of public administration reform and its transformation into efficient, open and transparent service for citizens and businesses, and to inform citizens about their rights and encourage their greater participation in the decision-making process. The main communication channels within the campaign include TV campaigns, events, billboards, newspaper ads and texts.

The main approach in the media campaign is the translation of bureaucratic language into a language understood by citizens, with practical examples and achievements that indicate actual progress. By highlighting visible benefits, the process is demystified and public interest in public administration reform increases.

Some of the results of implementation of the campaign *Administration tailored to all of us* in the period from October 2019 to January 2020 include:

- Campaign visuals were created (logo and visual identity, billboards, posters, promotional materials, visuals for advertising on the Internet and social media).
- TV campaigns were broadcast a total of 5,399 times on television stations with a national frequency and cable networks;³⁴⁸
- Four different versions of billboards were placed in 5 cities (Belgrade, Novi Sad, Niš, Kragujevac and Čačak) at 35 locations;
- Branded public transport vehicles on streets in 5 cities;
- Campaign banners (5 different versions) on 20 internet portals, with a total of 20,340,035 views;
- Campaign on the MPALSG social media profiles — 94 sponsored posts were posted with a total of 6,927,910 views and 6,791,138 visitors saw the content. Additionally, 13,275 social media users interacted with the posted content, and the total length of video views was 218,682 minutes.

A public opinion poll conducted in December 2019 and January 2020 near the end of the campaign, shows a shift towards increased visibility, but a lack of full understanding of the process.³⁴⁹ To the open-ended question, asking respondents to name an outcome or a result of the public administration reform, as much as 80% did not have an answer. One reason is that in the previous period the PAR communication was primarily oriented towards individual activities and results, neglecting to communicate the PAR process and to link the process with the results.

In May of 2020, with the support from the EU Project *Support to Public Administration Reform Visibility and Communication under the PAR Sector Reform Contract* the MPALSG

³⁴⁸ Videos are available on YouTube and the website of the Ministry of Public Administration and Local Self-Government (<http://mduls.gov.rs/reforma-javne-uprave-u-srbiji/aktuelnosti/uz-podrsku-eu-pocela-kampanja-uprava-po-meri-svih-nas/?script=lat>).

³⁴⁹ One in four adult citizens of Serbia is familiar with the public administration reform (25%), almost half of them have heard of this initiative but cannot say exactly what it means (46%), and less than one third (29%) are not aware that Serbia is reforming its public administration. While a quarter of respondents (25%) are aware of the role of the Government in this process, less than one third (31%) are somewhat aware of this, and the role of the EU is clearly recognised by one in five respondents (20%). Just under one-third (29%) are somewhat aware of the EU's contribution to this effort, and more than half (51%) are unaware of the EU's role in the PAR. The report on the public opinion survey on the visibility of public administration reform and awareness raising campaigns in Serbia was conducted by CESID between 30 December 2019 and 13 January 2020.

initiated a promotion campaign *Public administration reform is...*, including a media campaign on over 30 national, regional and local media (TV, radio, daily papers, internet portals, news agencies), social media campaigns and posts (MPALSG social media profiles), dedicating a special section of the MPALSG internet page to the PAR for related news, production of promotion materials on PAR and other activities.

From May to October 2020, as part of the media campaign *Public Administration Reform is...*, media articles on public administration reform were drafted and published on a total of 13 national and 22 local and regional media outlets, that is: 22 articles on national, 10 articles on regional, 249 articles on local television stations, 3 radio articles, 14 articles on local and regional portals, 29 articles in print newspapers, 18 articles on online versions of daily newspapers, 9 texts on portals, as well as 15 agency texts. A special section dedicated to PAR was created on the MPALSG internet page with all the information concerning the reform available to visitors, along with a series of articles.³⁵⁰ The campaign-related content was also published on MPALSG social media profiles, and other promotional materials were created, such as posters and flyers.

The goal of this campaign is to present the concrete results of the PAR in a simple, interesting and understandable way to the public through the media, social media, the MPALSG internet page dedicated to PAR, and other activities. Another goal is to link the PAR process with concrete results that citizens and businesses are already using, without actually being aware that these are PAR products. In this way, the citizens are continuously and systematically explained the PAR and shown the benefits it brings.

The analysis of media reporting in 2020³⁵¹ indicates that the campaign resulted in a significantly higher presence of PAR topics in the media, as well as the quality of media reporting, especially those with which the MPALSG has established strategic cooperation. For example, in the second quarter of 2020, certain reform activities related to the improvement of public service delivery were widely represented in the media (65% of all PAR topics), including campaigns on new electronic services at the e-Government Portal, at One-Stop Shop Administrative Services, as well as at the Inspections Contact Centre for petitions and complaints by businesses and citizens. However, most topics were not brought into direct link with the PAR. In the third quarter of 2020, along with the evident increase in the number of campaigns, more of them were placed in the context of the reform in a way that unambiguously indicates that the results come from the PAR process, citing concrete benefits for citizens and businesses. Also in that quarter, certain PAR topics were dominant in the media reporting for the first time, such as the reform of inspection supervision, the employment process and professional training in public administration. Thanks to the implementation of the campaign so far, the media presence of focused PAR topics has increased 4.5 times compared to the period prior to May 2020.

In a broader context of the public administration reform, the Republic of Serbia has been actively participating in the international initiative Open Government Partnership (hereinafter:

³⁵⁰ Available at: <http://mduls.gov.rs/uprava-po-meri-svih-nas/>.

³⁵¹ See detailed findings: Monthly reports, Support to Public Administration Reform Visibility and Communication under the PAR Sector Reform Contract.

OGP)³⁵² since 2012, expressing its commitment to promoting key values and principles of open government through the preparation of two-year action plans for these initiatives. Through four adopted action plans improving citizen participation in decision-making, access to information held by administrative bodies, accountability of public authorities, fiscal transparency and the use of technologies and innovations in the work of administration, as key values are promoted and encouraged by the said initiative. Having in mind the above, participation in the OGP and related performed activities play an extremely important role in contributing to the overall process of the public administration reform in the Republic of Serbia. These are two complementary processes, based on common values and directed towards the same goals, mutually supporting and complementing one another.

However, the current practice and recommendations of the Independent Reporting Mechanism which monitors the implementation of this initiative in the Republic of Serbia, indicate the need to improve the way this topic is communicated, both within public administration and to the citizens, private sector and civil society organisations as particularly important target groups.³⁵³

Continuation of such activities in the period covered by this document would greatly contribute to better information of citizens about the PAR and better understanding of the process, as well as the significance and benefits it brings to citizens and businesses in Serbia.

However, despite the results achieved in the past, the findings of the mentioned studies point to certain challenges in practice. One of the findings of concern is that 28% of respondents did not hear or see the PAR functions anywhere, while 24% could not remember the exact topic. Regarding PAR awareness, 24% respondents in the basic research know what PAR is, 26% have never heard of the process, while 46% are aware of the PAR concept, but do not know what it means. Based on this, the conclusion is that despite numerous established communication channels and significant efforts made by stakeholders to present the PAR, the public remains insufficiently aware and informed about what the reforms actually mean and what benefits they bring to citizens.

The key reasons for poor communication of the reform to citizens are the lack of communication coordination activities for the promotion of PAR at the national level, as well as the lack of human resources, i.e. the capacity of the public administration bodies to deal with communication, inconsistency and different levels of knowledge of the public administration, communication channels, and communication skills in general. On the other hand, citizens are not interested or motivated to find information about the reform, which they otherwise perceive as a long, expensive and bureaucratic process carried out by insufficiently competent civil servants.

³⁵² Available at: <https://www.opengovpartnership.org/>.

³⁵³ One of the key recommendations in the Report of the Independent Reporting Mechanism (IRM) on the Action Plan for the implementation of the OGP initiative for the period 2016–2018 was to ‘develop a more focused communication approach and awareness-raising activities, in order to increase citizen participation in formulating commitments for the next action plan. In addition, the government should consider strengthening cooperation with CSOs at the central and local levels’. The report is available at: <http://mduls.gov.rs/wp-content/uploads/Konacni-izvstaj-IRM-o-implementaciji-AP-2016-2018-7-mart-2019SRP.pdf>. A recommendation in the IRM Report concerning the following Action Plan for the implementation of the OGP initiative for the period 2018–2020 is to update the ogp.rs website, as a central platform for monitoring the Republic's participation in the OGP, and to improve communication with key institutions. This report is available at: https://ogp.rs/wp-content/uploads/2019/10/Serbia_IRM_AP3_DesignReport_for-public-comment-SER.pdf.

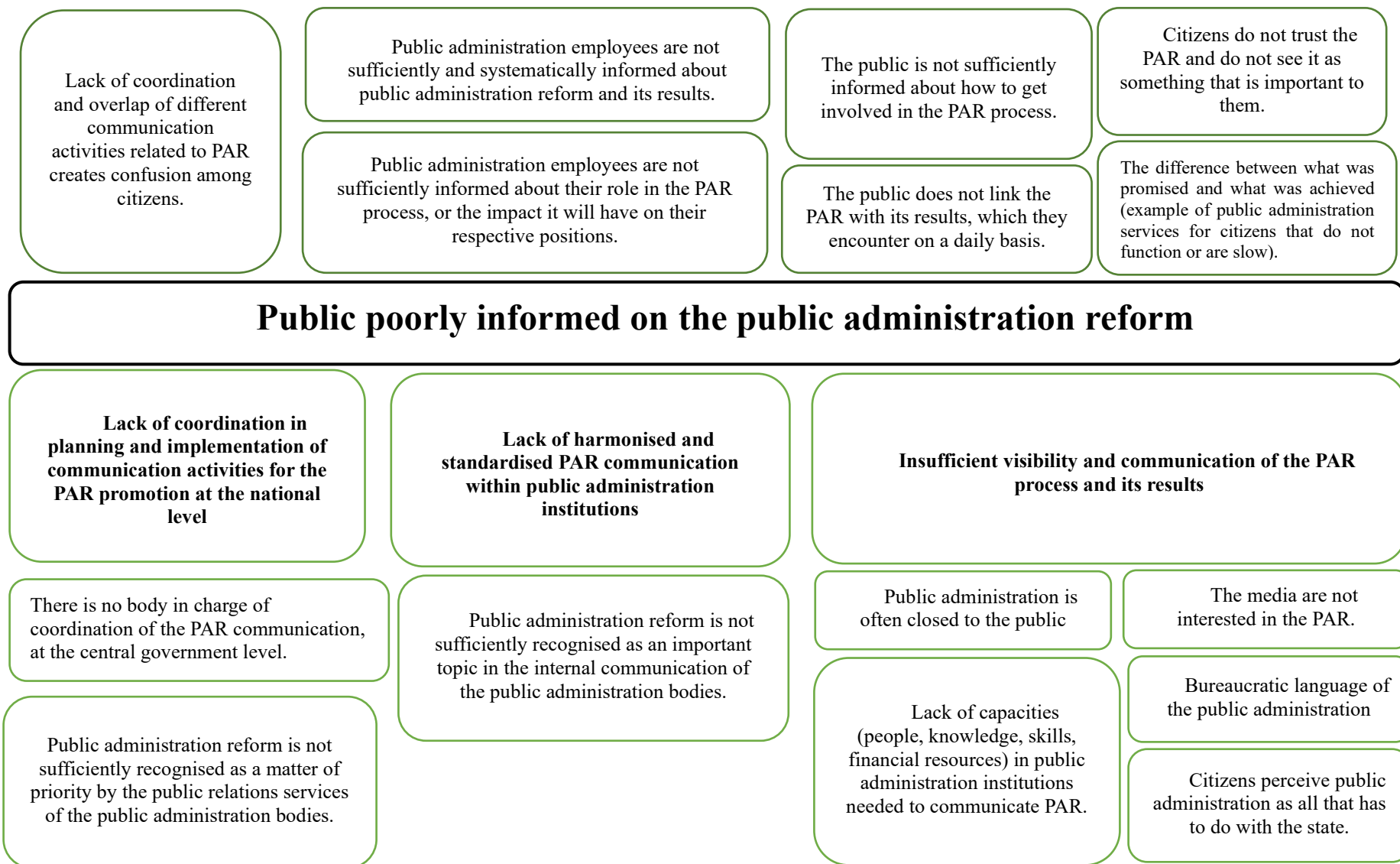
One of the challenges in simplifying the communication relates to online communication. The communication potential of online tools (websites and social media) is insufficiently utilised, due to the lack of a systematic approach which is reflected in inconsistency between websites, poor search engine optimisation (SEO) and photo optimisation, lack of website analytics tracking and website performance, lack original content, titles and visual representations. These are accompanied by inconsistent use of social media, which entails inconsistent posting and amount of information, incorrect and inconsistent use of hashtags, poor interaction with followers, etc. The key shortcoming in the print and electronic media is the style that is technical and informative, and as a rule neutral, but not interesting enough and without the clearly expressed benefits of the PAR for the citizens.³⁵⁴

These data indicate that further efforts are needed to promote the public administration reform by improving its visibility, especially since just over two-fifths of all respondents (44%) say they would like to know more on this topic. Still, the PAR communication visibility requires systematic approach and specific target groups must be pinpointed through adequate channels. For example, television and print media are key tools for citizens more oriented toward traditional media, while the Internet is the preferred channel for younger generations. Therefore, the messages created to communicate the PAR process and the results should also be tailored to these groups.

In the period ahead covered by this document, the communication of the PAR should be systematically approached, which would greatly contribute to better information of citizens about the PAR, better understanding of the process, the importance of its implementation, and benefits for citizens and businesses in Serbia.

³⁵⁴ See detailed findings: Situation Analysis Report, Support to Public Administration Reform Visibility and Communication under the PAR Sector Reform Contract.

Problem tree – PAR communication



Communicating PAR

The proposed communication approach is based on the following key elements:

- Better national-level coordination, planning, standardisation and organisation of communication activities for the promotion of the PAR;
- Improvement of internal communication within public administration bodies in order to better inform public servants about the PAR, increase their awareness of the importance of the PAR and the public administration's course towards providing fast, quality and professional services to citizens and businesses;
- Public administration capacity building for successful communication of the PAR processes and results;
- Capacity building to ensure better media coverage and understanding of the PAR;
- Promotion of positive examples that are the results of public administration reform and their clear relation with the reform process, so that citizens understand that improvements in the work of public administration are the results of planned activities;
- Preparation and implementation of communication activities to create understandable and interesting approach to raising public awareness of the importance of public administration reform, its transformation into efficient, open and transparent service to citizens and businesses, a system that provides citizens with information about their rights and encourage their greater participation in the decision-making process.

PAR communication approaches towards better-informed key actors and the public on the PAR process and results

Improved central-government system of coordination, planning and implementation of communication activities

Harmonised and standardised PAR communication within public administration bodies

Greater visibility and communication of the PAR process and the achieved results

Establish a national-level structure in charge of PAR communication.

Ensure coordinated communication of the PAR process and results by different PA bodies.

Increase the knowledge and level of information of civil servants on the PAR.

Build the capacities of PA bodies for harmonised internal communication of the PAR process and results.

Build the capacities of PA bodies (central and local level) for timely, accurate and efficient external communication of the PAR processes and results.

Communicate PAR to the public using a less bureaucratic language, presenting the results in a way that is understandable and meaningful to citizens.

Improve media awareness of the PAR and strengthen their capacity for timely and effective reporting on the PAR and its results.

Key messages

Communication on the PAR is in fact communication on a better organised and open state, better life of citizens and general development of society. Therefore, PAR communication should be focused on citizens' needs, their personal experience regarding public administration, and present all the achievements that contribute to a better quality of life for citizens and stimulating business environment. All key messages and statements must be clearly supported by data, facts, activities, the achieved results, and existing opportunities. The results, processes and the essence of benefits of the PAR results for a particular community must be clearly described, and the language in which they are communicated must be specific to a target group and free from administrative terms.

- Key message for PA INSTITUTIONS: *Public administration reform is a continuous and irreversible process by which we create a more efficient and responsible public administration that is more open and service-oriented to citizens and businesses of Serbia.*
- Key message for CITIZENS: *The essence of public administration reform are the needs of citizens and businesses, which are met by modernisation and professionalisation of public administration, with emphasis on quality and efficient services that meet their respective needs.*
- Key message for the BUSINESS SECTOR: *Reformed public administration saves time and money for companies, providing a predictable and fair business environment that enables further economic development.*
- Key message for CSOs: *CSOs are government partners in the process of improving citizens' trust in institutions and the policy-making process, and contribute to the strengthening of citizens' role in monitoring and controlling the work of public administration.*
- Key message concerning EU INTEGRATION: *Efficient and good public administration is a strategic priority of the Government. It is being developed in accordance with EU standards and represents the basis of all reforms in the process of Serbia's accession to the European Union, and the process of public administration reform in Serbia is strongly supported by the EU, both politically and financially.*

Key messages are a database that contains the basic elements and statements that need to be conveyed to target groups through various channels and means of communication. Representatives of the public administration that participate in the PAR communication base their narrative and claims on defined key messages, based on which further specific messages and slogans are created, adapted to the needs of certain campaigns, or to the promotion of certain PAR processes and / or the achieved results.

Further PAR communication planning, both by individual public administration bodies as well as when creating annual operational plans for PAR communication, should entail the communication only of those activities and results that are realistically possible to realise in the given time frame and in an adequate manner. This will avoid potential public disappointment in the public administration reform, and will create broader support and understanding of the entire PAR process.

In the event of problems in the implementation of activities on public administration reform, they must not be covered up, but rather discussed openly, making the entire process more transparent and open to the public and showing better readiness of the PA to address new

problems. This is the way to gain and further strengthen the citizens' trust in the public administration reform.

A. Target groups

External communication

Target group	Approach
Citizens	<p>The main goal is better understanding of the PAR, presenting clear benefits from the PAR, raising awareness of the role and support of the EU to the PAR in Serbia, with special emphasis on improved and standardised public services tailored to meet specific needs and expectations.</p> <p>The communication potential for addressing this group lies in promoting services that have already been digitised and adapted to their needs and life situations.</p> <p>Since the entire PAR process significantly increases the transparency of the PA, its communication is a solid basis for a gradual increase in the citizens' level of trust in the PA. In addition, promoting the transparency of the reformed public finance system leads to the strengthening of the tax culture, the suppression of shadow economy, and increased trust in the way taxpayers' money is spent.</p> <p>Since PA services are provided on a take-it-or-leave-it basis, as PA has no competition, the specific communication goal is to promote and generate feedback from citizens, to show that their opinion will have a tangible impact on the continuous adjustment of the PA services to citizens, as well as on the entire PAR process.</p>
Businesses	<p>Business owners and employees should be promptly and accurately informed about all the news in the PA related to the business sector (services and regulations), and promote a participatory approach in decision and policy making within this target group. Communication to this group should be adjusted to promote the benefits of the PAR measures for businesses.</p> <p>Raising taxpayers' awareness of the results of modernisation and public financial management reform, and finding ways for their active involvement in drafting regulations that directly affect their work. This is especially important in the field of public procurement, bringing a more transparent, less corrupt system, oriented towards increasing public spending on domestic companies.</p> <p>Communication should place special focus on business associations - for example, involving them in specific programs aimed at companies, and in providing detailed information on improved services and plans for their further improvement.</p> <p>This group sees EU accession as a major step forward in creating a more transparent and favourable business environment, where EU standards will facilitate trade in a more stable, fair and predictable trade environment.</p>
Media	<p>This group is the main channel towards better understanding of the meaning and content of the PAR and a bridge that links the experiences of citizens and companies with the reform processes. Creating positive citizens' attitude towards EU reforms and support, and strengthening trust in PA, largely depends on how PAR is reported in the media. The media should be treated as partners, not just as communication channels. The media influence public opinion and raise awareness about the modernisation of public administration. Placing new information about "attractive" and improved services for citizens,</p>

and consistent reporting on the fact that PAR is a demanding, long and useful process for all target groups.

The media, and especially journalists, must be well informed, while constantly building and maintaining their relationship with the PAR. Active cooperation with journalists should improve their understanding of the role of public administration, the process of the public administration reform and the challenges posed by reforms. A database of journalists who continuously deal with this sector should be maintained.

Civil society organisations and professional community

The main communication goals include providing proper understanding of the objectives of the public administration reform and support in informing this group about the importance of their active participation in the PAR process. This group’s participation in the creation, implementation and advocacy of reforms, primarily in the public policy making, is of great interest to the whole society.

Supporting communication and increasing the visibility of results and initiatives of the PAR is essential for active participation of civil society organisations in the PAR process, especially in the implementation of a transparent and open PA.

CSOs have a high participatory potential in certain situations and a critical attitude towards the government. That is why communication should focus on creating strategic partnerships between CSOs and PA, promoting the possibility of active participation of CSOs in public policy processes (creation, implementation, monitoring) and transparency of PA. The specific objective of the communication will be to strengthen the visibility of their joint initiatives and projects, especially in the field of citizen participation and open data initiatives.

Internal communication

Public administration employees are the target group which learns about public administration reform through both internal and external communication channels. The focus of communication towards this very broad target group, in terms of external communication channels, should be on increasing the level of knowledge and awareness of public administration employees of the reform process, the efforts made towards reform and results of the PAR, including citizens’ needs and expectations from public administration.

As the main driver of change, this target group must be made aware of its role. Public administration in Serbia is going through a process of transformation, modernisation, and focusing on the needs of citizens and businesses. The success of this endeavour requires changing awareness of public administration employees, a process in which their most important allies will be quality education and prompt, quality information about public administration reform and its results, as well as knowing what is expected of them in that reform.

Concerning the PAR internal communication, several groups are distinguished depending on their role in the reform process.

<i>Target group</i>	Approach
<i>Management of public administration bodies</i>	This group is very important for the success of the PAR communication. They are responsible for the efficiency of public administration, the PAR process in general and specifically in their respective institutions. They are also interested in having a positive reaction from citizens. The public

	administration must, therefore, work on strengthening the capacity of institutions' managers and heads of various sectors within these institutions to understand PAR, support and lead all PAR-related processes and present the results to the public and all other civil servants.
<i>PR staff</i>	Responsible for the visibility of activities of public administration bodies (PAB) / LSGU and for reporting the work results of the PAB/LSGU. They also play an important role in communicating PAB/LSGU services that are products of the PAR, as well as important internal reform processes. The focus of communication towards this group should be on improving their knowledge on PAR and strengthening their capacities for better communication of the PAR process and results within the institution they represent, as well as towards the external public. It is also necessary to constantly work on their knowledge and use of different communication channels and tools.
<i>HR staff</i>	Together with PA managers, employees in the human resource management services are the main driver of changes in the human resource management system. The goal of working with this group should imply strengthening internal communication and coordination within institutions by means of improving their understanding on the PAR and all the achievements of the PAR in relation to human resources management, and application of new communication tools in PA.
<i>Public administration employees</i>	This group includes all persons employed in PA (including all the above three target groups). Firstly, they are all bearers of the PAR process, so all changes in the PA should start with them. Communication should be focused on increasing their knowledge of the PAR and awareness that by participating in the PAR they are creating a better and more efficient system for the citizens of Serbia. Secondly, the PAR concerns the employees themselves, and one communication goal is to get them interested in the PAR on a daily basis.

Analysis of effects and measures

Analysis of the impact of options

In order to determine the extent of suitability of options for raising awareness of key actors and the public about the process and results of the public administration reform, an impact test of options was conducted. The test showed that the envisaged options for achieving the goal have a moderately relevant impact on the criteria, given that 4 of the maximum 14 were achieved.

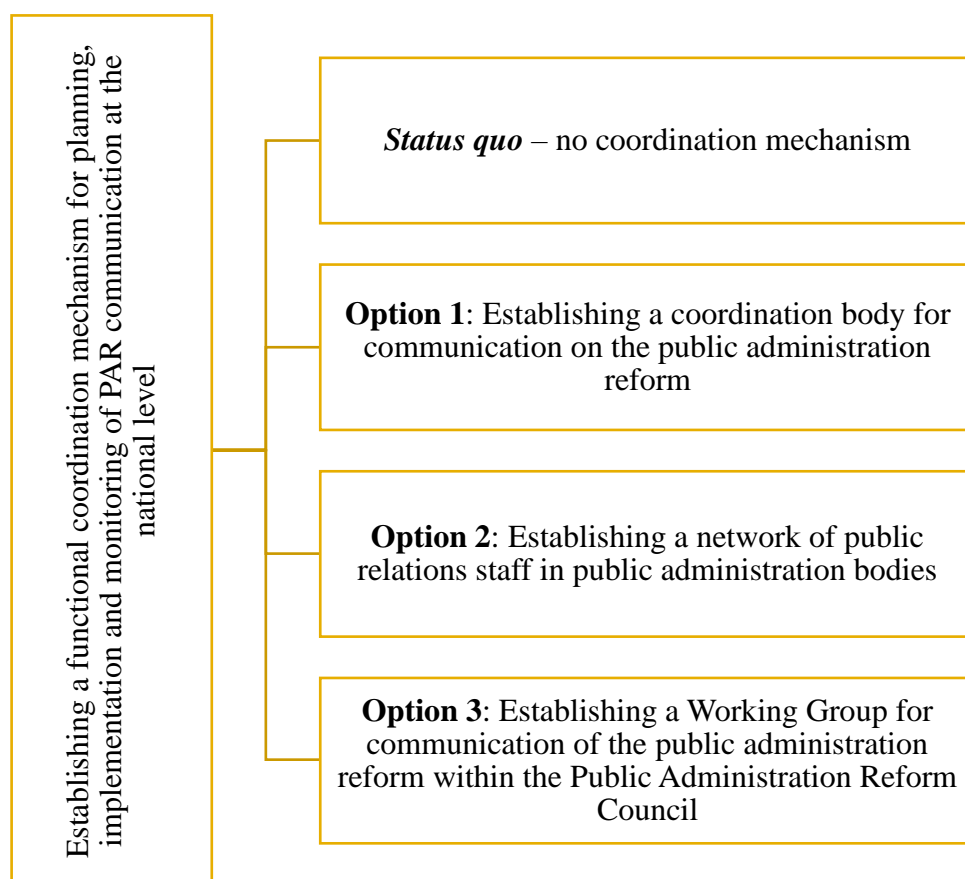
Impact test

Communication goal: Better informed key actors and public on the public administration reform process and results	Points³⁵⁵
Quantitative criteria	
Change in revenues and expenditures, as well as income and expenses of state administration bodies / RS Budget, on an annual level above 10% of the budget compared to the previous fiscal year	0

³⁵⁵ Legend: 0 – not relevant, 1 – moderately applicable, 2 – fully meets the criterion.

Impact on over 200,000 citizens	1
Impact on over 5% of entrepreneurs or legal subjects, or over 20% of such persons in a specific activity	1
Qualitative criteria	
Impact on market and competition	0
Introduction of significant reforms, and systemic changes	0
Horizontal criteria	
Significant for achieving equal treatment and equal opportunities for all, non-discrimination and gender equality	1
Novelties relative to the current public administration reform processes	
A novelty in the public administration reform	1
TOTAL:	4/14

There are two options where whether and how they should be implemented is undisputed, but there is one option, related to the establishment of a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level, where different approaches are possible, and for which several solutions have been considered.



***Status quo*: no coordination mechanism**

Without a coordination mechanism for planning, implementation and monitoring of PAR communication at the national level in place, the Government of the Republic of Serbia, MPALSG and other actors will continue to pursue an *ad-hoc* approach to communication of the reform processes and results to the professional and general public. The lack of a central coordination mechanism to improve and standardise communication also implies continued insufficient mutual communication of horizontal reform processes between bodies, which is recognised as one of the key factors that limited the effectiveness of the implementation of PAR Strategy in 2015–2019 (see the above sub-heading *Situation analysis: Results and Challenges* under this Appendix 8 — *Communication framework*). Insufficiently developed internal communication mechanisms have a negative impact on external communication, which is characterised by uneven, inconsistent and unclear messages to the public. The advantage of this solution lies in the fact that it does not require additional efforts for employees in relevant bodies, no changes in work practice, and therefore no additional costs. On the other hand, in favour of abandoning this practice speaks the fact that, in addition to citizens not being adequately informed or aware of the importance of the public administration reform, the reform will remain insufficiently recognised among public administration employees.

Solution 1: Establishing a coordination body for communication on the public administration reform

Establishing a special coordination body for communication on the public administration reform within the Government of the Republic of Serbia (hereinafter: Coordination Body), which would meet on regular quarterly basis and adopt annual communication plans, the communication of the reform processes and results would reach a record level. A decision on establishment of the Coordination Body for communication of the public administration reform, adopted by the Government in accordance with the Regulation on principles for internal organisation and systematisation of work positions in ministries, special organisations and Government services, would ensure full coordination of all tasks related to the public administration reform, within the scope of several state administration bodies. In addition to the Government Office of Media Relations, which informs the public about the work of the Government, ministries, special organisations and Government services, there would be a special body more focused on coordinating communication of the public administration reform. Members of the Coordination Body would be public relations representatives of ministries and special organisations. Regarding internal communication, having representatives of all relevant authorities in this body would be the most efficient way to ensure mutual and timely sharing of information between the bodies about the processes that are relevant to them. As for external communication, the body established by the Government, which is the highest executive body, would be most effective in ensuring uniform provision of information to the professional and general public. Another advantage of this solution is that state administration employees are familiar with the Government's well developed practice of forming coordination bodies in order to direct certain tasks within the scope of several ministries and special organisations. However, the main drawback of this solution is the over-formalisation of the communication process, which in some cases could potentially prevent a rapid response that is often necessary in the field of communication, especially crisis communication. There is also a fear that some bodies would only be formally involved in the Coordination Body. As for the costs of this solution, funds for holding Coordination Body sessions would be required, as well as salary allocations for a person engaged in providing administrative support to the Coordination Body. It is estimated that the funds for holding the sessions would not represent an additional budgetary expenditure, and the salary expenses for one person, hired in the capacity of a junior advisor, would come to around a net sum of 500,000 dinars annually. Concerning the deadline within which this solution would be applicable, formal appointment of the body by the Government

would be necessary, possible appointment of an expert group within the body, holding a constitutive session, and adoption of rules of procedure of the Coordination Body.

Solution 2: Establishing a network of public relations staff in public administration bodies

Establishing a network of public relations staff in public administration bodies would help create an informal group of people who are “the harbingers” of change, who share a sense of community and belonging to the reform process. The main advantage of this solution over others is that it rests on a voluntary basis, instead of strictly formal structures with appointed members. This network can also meet on a quarterly basis, and more often if necessary, but the key difference from the formal structures is that mutual communication channels are more diverse, and instead of formal correspondence, minutes of meetings and official online correspondence, this network it can rely on modern communication channels. Another advantage of this solution is that the network can include other external individuals if necessary, who can contribute depending on the topic and the process they wish to communicate. When it comes to financial costs, this solution does not require additional financial resources, and realisation is possible in the short term. However, the main drawback of this solution is that currently there is no person in the MPALSG to carry out with these tasks, so additional funds would be necessary. Another disadvantage is that successful motivation and involvement of colleagues from other bodies would depend on the priorities of those bodies and personal abilities of those individuals.

Solution 3: Establishing a Working Group for communication of the public administration reform within the Public Administration Reform Council

The Public Administration Reform Council, or other coordination body for the implementation of the PAR Strategy 2021–2030, may establish a working group to deal specifically with the issue of communication of the public administration reform. Establishing a working group as an *ad-hoc* working body that would meet as needed and which would be responsible for the adoption of the communication plan, as well as its monitoring, would ensure that all relevant bodies involved in the PAR process are adequately and timely informed. This would lead to a consistent and coordinated communication of the reform process and its results by all bodies. The main advantage of this solution is that in a way it represents a combination of the previous two solutions. On the one hand, there is a certain degree of formality to it, because it is established in accordance with the acts of the RS Government, but at the same time offers certain flexibility found in solution 2. However, this solution would require hiring at least one person to provide professional and technical support to the working group. Hiring one employee in the capacity of a junior advisor would bring the costs of this solution to the annual net salary cost in the neighbourhood of 500,000 dinars. As far as the time frame, establishing a working group would be possible in a short time after the adoption of the Strategy, i.e. after establishing a central coordination body for the implementation of the PAR Strategy.

Table of solutions

Criteria Mark (1–3) Direct effect (ponder 2) Indirect effect (ponder 1)	Status quo	Solution 1	Solution 2	Solution 3
Is the solution producing a positive effect on the improvement of the internal communication between bodies?	1x1=1	3x2=6	3x2=6	3x2=6

Is the solution producing a positive effect on the improvement of communication of the PAR process and results to the public?	1x1=1	3x2=6	3x2=6	3x2=6
Is the solution increasing transparency and accessibility of public administration and citizen trust in public administration?	1x1=1	2x2=4	2x2=4	2x2=4
Is the solution in line with the EU requirements?	1x1=1	1x1=1	1x1=1	1x1=1
Can the solution be applied without high implementation costs?	3x2=6	2x2=4	3x2=6	2x2=4
Can the solution be applied in a short period of time?	3x2=6	2x2=4	3x2=6	2x2=4
Total by solutions	17	25	29	25

Looking at the points by selected criteria, the optimal solution is no. 2 — Establishing a network of public relations staff in public administration bodies.

With the view to increase the level of awareness of key actors and the public about the process and results of the public administration reform, the PAR Operational plan envisages three measures, based on the conducted analysis. These are:

- Measure 3: Establishing a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level;
- Measure 4: Harmonisation, standardisation and continuous PAR communication in public administration;
- Measure 5: Increasing visibility and communication of the PAR process and results.

Measure 3: Establishing a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level

Result indicator	BV	TV
Annual operational plan for PAR communication by the Coordination Body in place	0	(2021): 1 (2022): 1 (2023): 1 (2024): 1 (2025): 1 (2027): 1 (2030): 1
Level of fulfilment of annual operational plans for PAR communication	0	(2021): 80% (2022): 80% (2023): 80% (2024): 80% (2025): 80% (2027): 80% (2030): 80%

This measure aims to improve coordination of communication activities run by various actors participating in the public administration reform. The measure entails the establishment

of a coordination mechanism which, subject to organisational capacities of the public administration, can take one of the following forms:

- Coordination body for communication of the public administration reform;
- Network of heads of public relations units in public administration bodies;
- Working Group for PAR communication within the Public Administration Reform Council (or other body within the PAR Strategy 2021–2030 coordination and management system).

Members of this mechanism in any of the mentioned forms of organisation are public relations officers (preferably heads of public relations departments or media relations departments, protocol and the like in institutions where such positions exist, or officials in charge of public relations in institutions where they do not exist) from institutions that have representatives in the Public Administration Reform Council with the addition of heads of public relations units of the National Academy of Public Administration, Office for Information Technologies and eGovernment, and representatives of local self-government units (representative of the network of city and municipal PR managers within the Standing Conference of Towns and Municipalities). This mechanism is managed by a representative of the Ministry of Public Administration and Local Self-Government. They meet quarterly, or more often if necessary. Its role is to coordinate the preparation and implementation of the PAR annual communication plans in accordance with the Action Plan for the Implementation of the Public Administration Reform Strategy, to standardise the approach to PAR communication so that all participants communicate the reform process and its results in the same coordinated manner, to implement annual operational plans in order to improve current and planned activities, to organise annual public opinion polls on public awareness of the process and results of the PAR, and to prepare annual report on the implementation of operational plans for communication of the PAR processes and results.

The coordinator of this body should be involved in the work of coordination structures for the implementation of public administration reform.

The PAR Communication Annual Operational Plan is an extremely important planning document which ensures better coordination of the PAR communication and cooperation between various PA institutions. It contains a plan of activities for both external and internal PAR communication for that year. It is prepared every year by the PAR Coordination Mechanism based on the activities envisaged by the PAR Action Plan 2021–2030 for the year in question, taking into account the results of the annual public opinion poll, which can be helpful in determining priorities and ways of communication. Given that the plan is to monitor the implementation on quarterly basis during the year, the PAR communication coordination mechanism will be able to correct, add or remove some of the planned activities and to communicate current activities. This gives the necessary flexibility to the PAR communication in situations when PAR is implemented under changed circumstances.

Measure 4: Harmonisation, standardisation and continuous PAR communication in public administration

Results indicator	BV	TV
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Proportion of SABs and LSGUs that publish PAR-related information in a standardised manner on the e-Notice Board	25%	(2021): 50% (2022): 75% (2023): 100% (2024): 10% (2025): 100% (2027): 100% (2030): 100%
Total number of trained public relations and human resources management staff in SABs and LSGUs	0	(2021): 200 (2022): 400 (2023): 450 (2024): 500 (2025): 550 (2027): 600 (2030): 650

This measure is focused on improving internal communication between and within public administration bodies, and its aim is to raise awareness of public administration employees about the process and results of the public administration reform. This enables the PAR process to bring changes in awareness of employees in terms of the role of public administration and to shift towards efficient and quality service for citizens and businesses. It includes the following main groups of activities:

- Professional training of employees in public relations departments and human resources management departments to effectively perform activities under internal and inter-ministerial communication of the public administration reform processes and results, through training on the importance, manner, channels and tools of the internal and inter-ministerial communication.
- Expanding the use of the e-Notice Board application for internal communication developed by the Ministry of Public Administration and Local Self-Government to all public administration institutions in Serbia, including technical upgrades (technical capacity to accommodate more users), which ensures that official and standardised channel of internal and inter-ministerial communication is available to all employees in the public administration, and allowing adequate communication of the process and results of the public administration reform.
- Use of other tools and channels for internal communication in accordance with the needs and capabilities of SABs and LSGUs.
- Annual survey on awareness of public administration employees about the processes and results of the public administration reform through online polls (on the e-Notice Board and by e-mail) and focus groups, which will provide quantitative and qualitative overview of the situation for the respective year and allow further activities of internal and inter-ministerial communication of the PAR.

Professional training in the field of internal communication entails joint education of employees in the departments of public relations and human resources management, because they are the main bearers of activities in this area and their mutual cooperation is key to the success of these activities. The planned set of training courses will aim to introduce the importance of internal and inter-ministerial communication for a more efficient and quality

implementation of the PAR and the transformation of public administration into a professional and efficient service that provides quality services to citizens and businesses. The training will also allow the participants to become familiar with the most important internal communication channels and tools. They will also be introduced to the PAR communication standards, which will be defined in the document PAR Communication Standards. This will standardise the internal communication and allow transmission of adequate messages that are important for communicating the PAR process and results. Employees will be continuously informed through various tools and communication channels, and this will also contribute to changing their awareness about the reformed role of PA and employees in it.

In the previous period the MPALSG has developed the internet application e-Notice Board which provides numerous possibilities for providing information to the public administration employees on various topics of importance for PA quickly and efficiently, and conforms to the clearly expressed intention by the Government of the Republic of Serbia to strive for further digitalisation of public administration. It is a great solution because it is an easily accessible source of information (used via computer or mobile device, as well as any other Internet portal for which the employee receives a username and password from the authorised administrator of their respective institution). It allows the posting of information that all users can see, but it also the possibility of posting information that can only be seen by employees of the target institution for which that information is intended. The information is posted by authorised and trained administrators at SAB and LSGU. In the previous period, this internal communication tool was in a trial phase with a small number of users. With certain technical improvements this tool can be converted into an efficient and fast means of internal communication within the entire PA. Promotion of this internal communication tool, and training for administrators are planned with the aim to expand the institution user base and make this tool available to as many employees in SAB and LSGU as possible. One of the possibilities is to set up all PCs in PA to automatically open the e-Notice Board application when using the Internet (e-Notice Board set as homepage on the Internet browsers). This is just one of the options. The best approach would certainly be to set the e-Notice Board as a place where PA employees can find all the information they need to do their job. This practically means regular updating and posting of news, instructions, guidelines, new regulations and other contents that are important to the employees in the PA.

Depending on the needs and capabilities, PA and/or its individual segments can use different channels and tools for internal communication. As part of the PAR communication standardisation, rules and guidelines will be introduced for messages to be used in various situations, channels and internal communication tools. This further confirms the importance of good cooperation between officials in the public relations and human resources management departments. There will be defined information packages that all new employees will receive on their first day of work in PA, or messages informing about the start of training courses or some other situations and events relevant for employees. Depending on the needs and possibilities, special tools for PAR communication will be created in a form of short news that will be sent via e-mails, interesting video clips discussing the changes brought on by the PAR, posters that promote the most important PAR principles, and other activities determined by the PAR communication annual operational plans.

At the end of each year, a quantitative and qualitative survey will be conducted on the awareness of public administration employees about the processes and results of public administration reform through online polls (on the e-Notice Board portal and by e-mail), as well as through focus groups. This will provide necessary data that will be used for the planning of

activities in the internal and inter-ministerial communication. It will also greatly contribute to a better adjustment of internal communication and selection of appropriate channels and tools for PAR communication.

Measure 5: Increasing visibility and communication of the PAR process and results

Result indicator	BV	TV
Number of affirmative and neutral posts (feature stories) about the public administration reform in media	To be determined in January 2021, once all the 2020 posts have been counted	(2021): +10% (2022): +10% (2023): +10% (2024): +10% (2025): +10% (2027): +10% (2030): +10%
Presence of PAR topics on institutions’ websites and social media pages / profiles	To be determined in January 2021, once all the texts published on websites in 2020 have been counted	(2021): +10% (2022): +10% (2023): +10% (2024): +10% (2025): +10% (2027): +10% (2030): +10%
Proportion of citizens who are informed about the PAR results	25%	(2021): 28% (2022): 32% (2023): 35% (2024): 37% (2025): 40% (2027): 50% (2030): 60%

This measure has three main groups of activities:

- Capacity building of public administration (heads of institutions and employees in public relations services) and the media for successful communication of the process and results of the public administration reform;
- Creation of PAR Communication Standards and Guidelines for creating and managing SAB and LSGU profiles on social media;
- Preparation and implementation of various communication activities to promote the process and results of the public administration reform.

The first group of activities includes the mapping of PA capacities (organisation of public relations activities, communication channels, technical capacities, level of training, etc.) for communication of the public administration reform and other various forms of training intended

for different actors in the communication process of the public administration reform. The analysis of PA communication capacities would be followed by workshops on the importance of communicating public administration reform for the management of institutions and employees in charge of public relations in these institutions, training for employees in public relations sector (basic level) to improve their knowledge and skills needed for adequate communication of the public administration reform, and special training and individual coaching sessions for heads of state administration bodies to improve their communication skills needed to communicate PAR. Through these training courses and other forms of education, public administration representatives involved in communicating the public administration reform will learn to properly formulate messages that will be interesting enough for the media and understandable enough for the widest audience, as well as to use different communication channels and tools to make their messages reach the target groups they are addressing. Media training and briefings are also planned, aimed at bringing them closer to the most important aspects of the public administration reform and thus increase their interest in this topic. This activity is also important for establishing better cooperation between public administration bodies and the media.

In addition to the PAR communication annual operational plans, another very important document that will be adopted by the coordination mechanism is the PAR Communication Standard, containing the most important guidelines and rules for proper and standardised communication of the PAR process and results. It will include rules for the use of visual identity (logo, colours and fonts, type of photos, appearance of graphics, appearance of presentations...), key messages and slogans, guidelines for communication style and language, guidelines for communication on the Internet (websites and social media), guidelines for internal communication... This document will be distributed to all SABs and LSGUs in order to ensure harmonised PAR communication.

Another document will be created within this group of activities - Guidelines for creating and maintaining SAB and LSGU profiles on social media. This document should define a standardised use of social media, a very important and still underutilised PA communication channel. This document must be updated regularly (once a year), because social media are rapidly evolving and changing, with new ones constantly appearing.

The third group of activities includes various communication activities aimed at promoting the process and results of the public administration reform. Overall communication activities will be more precisely defined by the annual operational plans created and adopted by the public administration reform coordination mechanism. Promotional activities must be carried out in accordance with the PAR Communication Standard and the rules it prescribes concerning the use of visual solutions, messages and slogans and other promotion products, in order to ensure coherent information by the state administration bodies and local self-government units about the public administration reform. It is very important to regularly and continuously communicate the public administration reform process and results, using adequate communication channels and tools.

The public administration reform is a comprehensive and complex process that should be communicated through concrete examples that show clear benefits of its results for citizens. During the implementation of the Strategy concrete positive examples will be identified and placed in the context of the public administration reform process, enabling citizens to understand that the positive developments are the result of planned activities within the reform process.

Promoting concrete examples ensures stronger presence of the public administration reform topics in the media, because through these concrete real-life examples, the media are sensitised on these issues and are able to prepare stories that will be able to attract their readers / viewers / listeners. Higher readership, viewership, audience and the number of visits to the website is crucial for commercial media, but there are numerous events occurring daily, and topics that are not interesting enough simply do not get noticed. Therefore, it is necessary to make the topics related to the public administration reform more interesting through careful selection of concrete examples and a more inventive approach to creating content offered to media.

Use communication activities to invite the public to cooperate and participate in the implementation of reforms, letting them know that voices of citizens, businesses and professional public are important for the implementation of reforms. This helps citizens to understand and accept the reform as their own and as something that is important to them. Also, greater participation of citizens and businesses in the creation and implementation of the public administration reform can only contribute to its quality and accelerate the implementation of the reform process.

Tailor the content and forms of communication to target audiences, using clear and plain language of an ‘ordinary person’. Therefore, the messages by which PAR is communicated will have to be simple and clear of administrative speech and phraseology. Public administration reform concerns the living persons and its communication must be aimed at the living persons.

Use all available media, channels and communication tools, because an integrated approach that enables information on public administration reform and its results to reach the broadest strata of society is important for the success of communication. Appropriate communication channels and tools will be selected depending on the target group and the topic to be communicated, creating an appropriate combination for optimal communication of that topic.

The results of the previously mentioned public opinion polls conducted at the end of 2018 and 2019 show that citizens most often use television and online media (online portals and social media) as sources of information about PAR, which is why special emphasis will be placed on the use of these media.

Given that the public administration reform is a topic of great importance for all citizens and the state as a whole, it will be necessary to organise closer cooperation and partnership with public media services (RTS and RTV) to ensure regular and quality information to citizens on the public administration reform and its results. This implies careful and efficient planning of the public administration reform topics and cooperation with public media services in the selection and creation of adequate media forms aimed at informing citizens. This may entail a regular weekly column dedicated to PAR within the central information programs of public services, special programs dedicated to PAR, cooperation in the launching of promotional campaigns or other media forms.

All public administration institutions have their own websites through which they communicate with the public by placing certain information. The PAR Communication Standard will also establish guidelines regarding the formatting of PAR-related information placed on websites of different institutions. As the ministry leading the public administration reform process, the MPALSG has several specialised subsites on its website, which place various information related to public administration reform.

The first of these subsites is the one entirely dedicated to the public administration reform³⁵⁶ and which is used as a central location for placing various information related to the public administration reform from all domains of this process. In addition to information related to the public administration reform and its relevance for Serbia's EU accession, this subsite also provides an overview of news from all areas of the public administration reform. This makes this subsite a credible source of information, both for the media and for citizens. This subsite was recently redesigned, and visual and technical characteristics were improved, which will facilitate better placement of information. The MPALSG will continue to regularly update this subsite in cooperation with other institutions, and use it as to publish information on PAR, and link them to its social media profiles.

The second subsite is dedicated to the monitoring of results of the public administration reform, providing graphic representation of the progress in individual areas of the public administration reform. In the forthcoming period, the MPALSG will cooperate with other institutions involved in the public administration reform with the aim to provide the information necessary for the regular subsite updating. This subsite will also be used as a source of information on the progress in the implementation of PAR, which will be linked to the social media profiles.

The third site is dedicated to the Open Government Partnership, and is an important place to promote the principles of open government. In the following period, the use of this sub-site will be intensified by means of redesign, regular updating, use in promotional activities, and linked to the MPALSG profiles on social media.

As part of its activities on the implementation of the Project e-Paper, the Public Policy Secretariat has created a special website as a tool to promote the simplification of administrative procedures and a place for stakeholders (primarily citizens and businesses) to submit initiatives for simplification of administrative procedures. In the following period, this site will also be used for promoting and publishing important information, which will be further communicated using other communication tools.

One of the key websites for the promotion of the public administration reform is certainly the website of the Office for Information Technologies and eGovernment³⁵⁷, especially their website dedicated to public administration electronic services (eGovernment).³⁵⁸ These two websites are extremely important for the introduction and promotion of electronic services, as one of the key areas of the public administration reform in Serbia. The eGovernment Portal will continue to be the subject of promotion and a source of information on new electronic services offered by public administration.

The website of the National Academy for Public Administration³⁵⁹ is primarily intended for public administration employees, but it also reflects the reform efforts by public administration in the field of professional development and training. This website is another important internet destination that will be used to communicate the processes and results of the public administration reform, and campaigns to promote various training will be advertised on social media and other communication tools.

³⁵⁶ This subsite was created in cooperation with the EU project Public Administration Reform Visibility and Communication under the PAR Sector Reform Contract. Current address of the subsite is <http://mduls.gov.rs/uprava-po-meri-svih-nas/>.

³⁵⁷ <https://www.ite.gov.rs/>.

³⁵⁸ <https://euprava.gov.rs/>.

³⁵⁹ <https://www.napa.gov.rs/>.

Special attention will be paid to the use of social media for placing information related to the public administration reform. Social media can quickly transmit information (but also misinformation) to a large number of people, and that is why it is necessary to have a planned and arranged approach for their use. The guidelines for creating and managing SAB and LSGU social media profiles will define the standards of communication via social media. Social media will be used to place information related to daily activities, but will also be part of a pool of promotional tools that will be used in the implementation of certain promotional campaigns and activities that will be more closely defined by the PAR communication annual operational plans and plans for individual promotional campaigns and activities. In the coming period, activities will be carried out related to the training of employees in public relations departments in charge of creating content and maintaining social media profiles of their institutions. This will enable them to create quality and timely communication on social media that attracts public interest. Competitions will also be organised for the best managed social media profiles of institutions aimed at encouraging regular and proper use of social media by SABs and LSGUs.

In order to strengthen PAR communication planning and coordination, there is a plan to have the PAR communication annual operational plan define each year at least four areas (topics) important for the public administration reform, which will be promoted through planned preparation and placement of texts and articles in a number of national and local media (TV, press, radio, internet), social media, the MPALSG subsite dedicated to the public administration reform, and websites of the institutions to which these topics relate. This means establishing a partnership with a number of national, regional and local media. This will provide stronger media presence of certain topics related to the public administration reform for which the media do not show enough interest. This will also give a certain flexibility in responding to the changing needs in communicating various PAR topics. This is very important in situations when a change in circumstances requires changes in the implementation of PAR or when it is necessary to put emphasis on certain PAR segments. An example of this would be the need to communicate and promote certain PA services during the Covid-19 pandemic in 2020.

In addition, a number of communication activities are planned aimed at supporting the implementation of specific activities envisaged by the Public Administration Reform Strategy 2021–2030 and its Action Plan, as well as other planning documents related to PAR.

Promotional campaigns and activities require preparation of various advertising content, brochures and publications, leasing media advertising space, paid campaigns on social media, organising public events and more. The concept of these activities, their scope and concrete implementation will be more closely defined by the PAR communication annual operational plans, as well as individual operational plans for each promotional campaign and activity. Most of these activities involve cooperation between several institutions, which is a special challenge, but also provides an opportunity to establish good cooperation between institutions, which can only contribute to better implementation of the public administration reform. Naturally, it is necessary to leave room for some flexibility and be prepared for changes that can be caused by various reasons.

There are also communication activities planned as part of the internal and inter-ministerial communication, aimed at promoting specific activities and results of the public administration reform among public administration employees. These activities include internal meetings, designing and printing of brochures and publications for public administration employees, creating and posting information on the e-Notice Board, sending information to employees via e-mail, as well as other channels of internal and inter-ministerial communication.

In addition to the mentioned activities on external and internal communication, regular maintenance and further technical improvement of the MPALSG subsites dedicated to PAR and monitoring of PAR progress are planned, including the e-Paper portal and internet presentations dedicated to OGP. These activities will be carried out with a view to align the communication channels with the latest standards in website creation (in the visual and technical sense), and to ensure their proper functioning, user friendliness and attractiveness. All this can help generate more traffic on these websites.

Appendix 4: The process of preparing the PAR Strategy and description of the consultation process

The preparation phase of the PAR Strategy in the Republic of Serbia for the period 2021–2030 and the accompanying Action Plan for the period 2021–2025 included primarily **external evaluation** of the current PAR Strategy results with recommendations for the future. The Evaluation Report recommendations were the basis for drafting the new PAR Strategy. Already at this stage, full participation and inclusion of all stakeholders was achieved: the PAR Strategy Evaluation Reference Group (**ERG**), beside representatives of state bodies, consisted of three civil society organisations, EU Delegation to the Republic of Serbia and donors: German Agency for International Cooperation (GIZ) and Swiss Agency for Development and Cooperation (SIDA).³⁶⁰ ERG discussed in its special meetings the evaluation methodology, key findings in the evaluation implementation stage and final findings and recommendations in the Draft Report. Furthermore, during the evaluation, participation was provided through 7 focus groups, 52 individual interviews, 10 questionnaires.³⁶¹

After publishing, the evaluation results were presented at four major gatherings with the aim of enabling discussion on recommendations and additional improvement of the process of drafting the new strategic document (at the meeting of the Inter-Ministerial Project Group³⁶² held on 4–5 June 2019,³⁶³ meeting of the PAR Council of 13 June 2019 and the first kick-off meeting³⁶⁴ for the preparation of the new PAR Strategy 2021–2030 of 23 October 2019). Even before that, on 22 September 2019, an ERG meeting was held in order to further increase capacities of the state bodies and present the lessons learnt when evaluation is in question; also, the Evaluation Team of the EU Complementary Support to PAR Project made the Lessons Learnt Document and distributed it to the key stakeholders.

The Inter-Ministerial Project Group, as the applicable PAR Strategy management administrative level, after considering evaluation recommendations, proposed to the PAR Council to approve drafting of the new PAR Strategy, which will, *inter alia*, also include the field of the provision of public services, improve the human resource management policy and enhance the structure and the PAR coordination and implementation monitoring process. The process was supported by the representatives of SIGMA and EU Complementary Support to PAR Project, in order to embed the lessons learnt in the improved coordination and monitoring

³⁶⁰ ERG members, beside MPALSG, EU Delegation to the Republic of Serbia and EU Complementary Support to PAR Project, are Ministry of Finance, Ministry of European Integration, National Public Policy Secretariat, National Academy of Public Administration, General Secretariat, Office for Information Technologies and E-Government, Human Resource Management Service, Office for Cooperation with Civil Society, Commissioner for the Protection of Equality, SIGMA, European Policy Centre, CRTA, Standing Conference of Towns and Municipalities (SCTM), Swiss Cooperation Office SCO (SDC and SECO) and GIZ Project (Good Governance, Public Administration Reform and EU Integration), Inception Report, External Evaluation of Serbian Public Administration Reform, 5 October 2018, p. 21.

³⁶¹ ERG met for considering the Draft Inception Report and confirming the Evaluation Methodology on 27 September 2018; discussing key findings in the evaluation implementation phase on 17 December 2018; considering draft final conclusions and recommendations on 13 February 2019 (on the role of ERG in more detail in the PAR Evaluation Report enclosed to this Strategy).

³⁶² IMPG includes representatives of 12 civil society organisations, including the Standing Conference of Towns and Municipalities (out of 12, certain NGOs also represent organisation networks, of which 4 have a seat outside Belgrade (Subotica, Niš, Leskovac, Prijepolje). The Decision on the Establishment of IMPG, available at:

<https://omt.its4test.com/upload/media/0/0/11023/Resenje%20mpg.pdf> or
<https://monitoring.mduls.gov.rs/upload/media/0/0/11023/Resenje%20mpg.pdf>

³⁶³ Communication on MPALSG's website, news posted on 9 February 2020, available at: <http://mduls.gov.rs/saopstenja/odrzan-treci-sastanak-medjuministarske-projektne-grupe/>; Decision on the Establishment of IMPG, available at:

<https://monitoring.mduls.gov.rs/upload/media/0/0/11023/Resenje%20mpg.pdf>.

³⁶⁴ The first meeting of the Special Working Group, available at: <http://mduls.gov.rs/saopstenja/ruzic-interes-gradjana-u-fokusu-nove-strategije-reforme-javne-uprave/>.

system of the new PAR Strategy for the period 2021–2030. Subsequently the PAR Council, as the political level of the PAR process management, supported with its Conclusion³⁶⁵ the evaluation findings and recommendations and officially initiated the drafting of the new PAR Strategy, stating concrete competences of the state administration bodies (MPALSG and PPS).

During the same period a **pre-consultation process** was carried out, both within MPALSG and other state administration bodies (the meetings related to: document hierarchy and structure of the future Strategy with the Ministry of Finance and PPS on 8 August 2019; further directions of the management accountability (SIGMA/OECD, MPALSG, General Secretariat, Ministry of Finance, PPS, EU Delegation to the Republic of Serbia, EU Complementary Support to PAR Project, Twinning projects within the Ministry of Finance) on 25 September 2019; previous opinion regarding the document hierarchy and the consultation³⁶⁶ process and the like).

The official **consultation process** was initiated and published to make it available to public in accordance with Article 32 of the Law on the Planning System on 12 August 2019.³⁶⁷ After obtaining the opinion of PPS, in accordance with Article 35 of the Law on the Planning System, regulating in detail the specificities of consultations carried out by a state administration body through establishing broad participation in the working group for the development of the public policy document, MPALSG published, together with the Office for Cooperation with Civil Society, a **public call for the participation of citizens' associations in developing the next ten year strategy**.³⁶⁸ On 20 September 2019, a list of **6 NGOs**³⁶⁹, three of which have a seat outside Belgrade,³⁷⁰ representing the civic sector in the Special Working Group. Furthermore, the Special Working Group consists of the representatives of the **Chamber of Commerce**, as a link with the business community, and **Standing Conference of Towns and Municipalities**, as a link with the local self-government. The Special Working Group remained at all times open for the participation of additional stakeholders (e.g. although **Transparency Serbia** did not participate in the public call, it expressed its interest, as well as **UNDP**, which participated later on in working sessions).³⁷¹ The initial calls for the participation in the Special Working Group were made to state administration bodies (**all ministries, special Government organisations and agencies, as well as all independent state bodies**: State Audit Institution, Commissioner for Information of Public Importance and Personal Data Protection, Commissioner for the Protection of Equality, Ombudsman, Anti-Corruption Agency). Of independent state bodies, the representatives of the Anti-Corruption Agency and the State Audit Institution appointed their representatives to the Special Working Group, while the representatives of the Commissioner for the Protection of Equality were invited to all meetings as observers, at the Commissioner's request for such manner of participation. The representatives of the Ombudsman and Commissioner for Information of Public Importance and Personal Data Protection, in accordance with their policies, do not participate in the work of the state administration bodies, but have expressed their willingness to cooperate through providing their written opinions on

³⁶⁵ Conclusion of the PAR Council adopting the External Evaluation Report, 23 No. 06-00-5736/2019 of 13 June 2019, available at: <https://monitoring.mduls.gov.rs/upload/media/0/0/11040/Zakljucak.pdf>

³⁶⁶ PPS' responses to MPALSG, PPS's letter reference no. 021-01-00020/2019-03 dated 23 August 2019; then PPS' position on the structure and the alignment of superior and lower public policy documents, reference no. 021-01-35/2020-03 dated 30 September 2020, and PPS' opinion on the structure of the document, reference no. 021-01-8/21-3 dated 12 March 2021.

³⁶⁷ Published on MPALSG and Office for Cooperation with Civil Society websites, available at: <http://mduls.gov.rs/obavestjenja/pocco-rad-na-strategija-reforme-javne-uprave-nakon-2021-godine-poziv-i-ocd-da-se-ukljuce/> and <https://bit.ly/31sheds>

³⁶⁸ *ibid*

³⁶⁹ *ibid*

³⁷⁰ Citizens' associations included in drafting the new PAR Strategy, in alphabetical order: Belgrade Open School, Belgrade; Centre for Policy Research, Prijepolje; Citizens' Association for Democracy and Civic Education "Civic Initiatives", Belgrade; European Policy Centre, Belgrade; Local Democracy Agency, Subotica; National Coalition for Decentralisation; Niš

³⁷¹ See more in the appendix to this Strategy, Minutes of Special Working Group meeting.

made drafts or special meetings for providing expert consultations. The same approach was adopted by SAI³⁷² in the final planning stage.

Pursuant to the Decision³⁷³, **121 representative** of state bodies, including independent state bodies, citizens' associations and the Serbian Chamber of Commerce participated in the Special Working Group. The entire time, representatives of the EU Delegation to the Republic of Serbia and SIGMA/OECD were copied in the official correspondence of the Special Working Group. E-mail exchanges, in particular, were completely inclusive and transparent and included, beside the members of the Special Working Group, the representatives of the EU Delegation to the Republic of Serbia. SIGMA/OECD provided its expert support in drafting the PAR Strategy, by sharing its comments on the preliminary draft and the last working draft.

In fact, there were **4 major meetings**³⁷⁴ of the Special Working Group before COVID-19 and physical distancing; **53 online official meetings of sub-groups**, and **numerous individual meetings of SABs and stakeholders**, in which, together with the citizens' associations and other stakeholders, situation analysis with the analysis of problems, objectives, indicators, activities, costs for 6 objectives of the new Strategy, were made and determined. Materials were commented, texts revised and different parts of the document aligned via electronic means of communication, continuously during their development (from October 2019 to December 2020). The PPS and the Commissioner for Information of Public Importance and Personal Data Protection submitted their opinions on the preliminary version and their comments were addressed in the final version. Donors were invited to the inception meeting in 2019 and the meeting in December 2020 after the PAR Strategy cost determination.

The process of preparing the Strategy was also used as a platform for the alignment of objectives and priority courses of action in the public policy lower-level documents when the document hierarchy is in question (three programmes in the field of regulatory reform and public policy management; reform of the local self-government system; and public financial management). All sub-groups jointly analysed the current situation, set general objectives and performance indicators, in order to continue working in parallel on programmes up to the level of more detailed activities.

³⁷² The State Audit Institution notified the Ministry of Public Administration and Local Self-Government — by way of a letter reference no. 119-1709/2019-08/2 dated 4 December 2020 — of the need for them to participate in an advisory capacity by submitting written comments and attend expert consultation meetings, in light of the potential revision of the purposefulness, and — by way of an earlier electronic request dated 29 May 2020 — of the correction to the Decision on the Establishment of the Special Working Group for the Drafting of the Public Administration Reform Strategy for the period after 2021.

³⁷³ <https://monitoring.mduls.gov.rs/upload/media/0/0/0/11143/Решење%20о%20образовању%20ППГ.pdf>

³⁷⁴ News section of MPALGS's website, see: <https://monitoring.mduls.gov.rs/strukturu/izrada-strategije-reforme-javne-uprave-i-akcionog-plana/225105/proces-izrade-nove-strategije-reforme-javne-uprave-u-rs-za-period-2021-2030.html>.

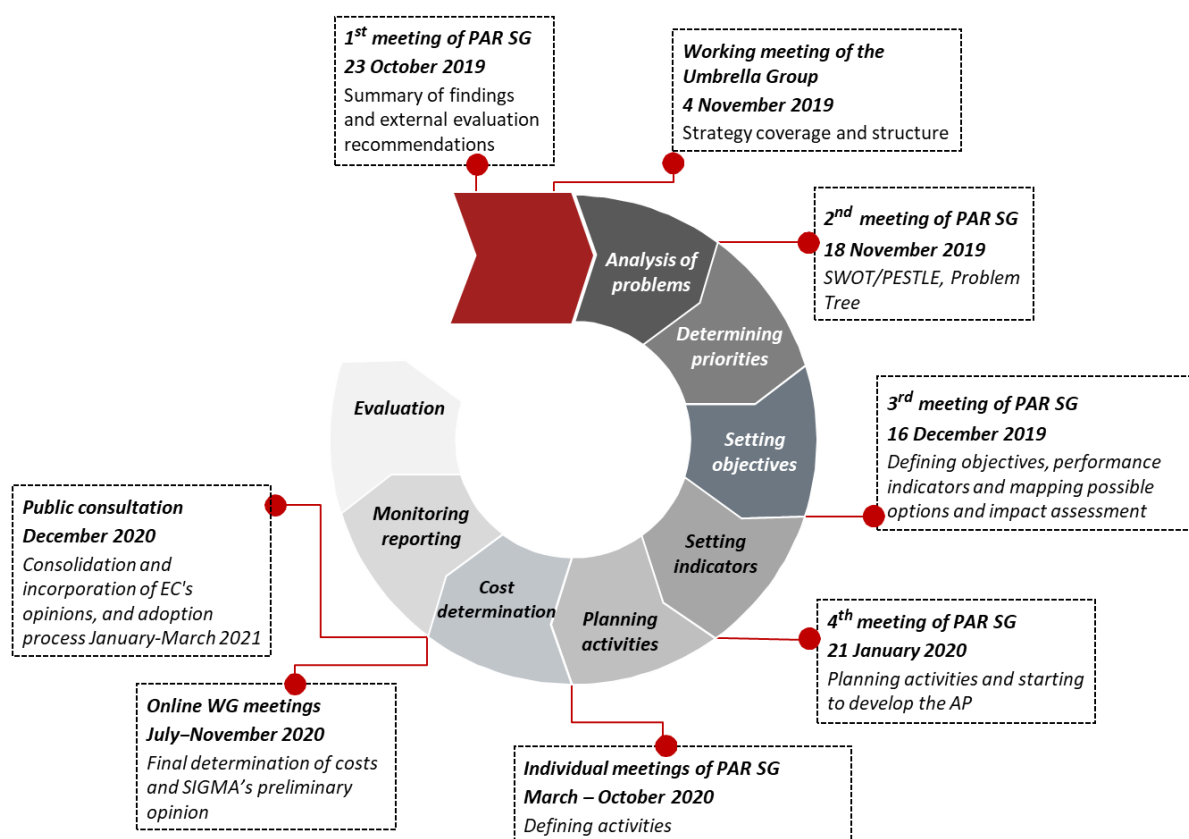


Figure 4. The process of drafting the PAR Strategy and the consultation process

Additionally, the process served to train all Special Working Group Members in the field of public policy planning, bearing in mind the new obligations introduced by the Law on the Planning System and the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents of the Republic of Serbia. Every working meeting (all-day workshop) is conceived as a step in the public policy development process (see the graph above), and every meeting of the Special Working Group started with methodological guidelines and tools for the corresponding stage in the public policy document development; the knowledge acquired by the sub-group members, with the help of the EU Complementary Support to PAR Project, was directly and practically applied in concrete work on the document. All methodological guidelines were forwarded to all Members of the Special Working Group. After each workshop, the Members were forwarded synthesis training material and offered the possibility of providing additional comments and suggestions. A methodological novelty was also applied in the cost calculation process by using new instruments developed by PPS.³⁷⁵

With the aim of harmonising the PAR Strategy and the European Principles for Public Administration, as well as facilitating the process monitoring progress in the PAR field at the national and EU Level, the Strategy structure and the work of the Special Working Group followed the thematic areas of the European Principles for Public Administration/OECD, with the additional thematic area concerning the reform of the local self-government system. In accordance with the Decision on the Establishment of the Special Working Group, an Umbrella Working Group was formed at the level of managers, senior civil servants and civil servants in order to ensure horizontal and vertical coordination of sub-group activities and making decisions on key issues. The tasks of the Umbrella Working Groups were to provide coordination of the activities of sub-groups; determine the PAR strategic framework; formulate

³⁷⁵ Available at: <https://rsjp.gov.rs/cir/dokumenti-kategorija-cir/prirucnici-cir/>.

the vision and general objective of the public administration; provide expert comments, suggestions and proposals during the drafting of the PARS Strategy 2021–2030. The task of the members of 6 sub-groups³⁷⁶, headed by coordinators, was a) to make a situation analysis with the analysis of problems, and b) to define specific objectives, performance indicators, policy courses of action and performance indicators for the thematic areas elaborated in special programmes,³⁷⁷ and measure options, the expected results, activities and implementation costs for three thematic areas³⁷⁸ dealt with in detail in the PAR Strategy Action Plan 2021–2025.

The Public hearing Report is available at: <http://mduls.gov.rs/javne-rasprave-i-konsultacije/pocetak-javne-rasprave-o-predlogu-strategije-reforme-javne-uprave-za-period-2021-2030-i-ap-za-period-2021-2025/>, e-Government Portal: <http://javnerasprave.euprava.gov.rs/javna-rasprava/239>.

Following the public hearing, the PAR Strategy Proposal and the Action Plan went through three rounds of review: written comments, consultations, and incorporation of the European Commission’s comments — in January, February, and March 2021, respectively. On 17 March 2021, a meeting was held for the purpose of consolidating and incorporating all of the comments into the two documents.

³⁷⁶ The thematic areas, bearing in mind the SIGMA Principles, include: policy planning and coordination; human resource management; service delivery; accountability and transparency; public financial management; and the sixth, operational sub-group committed to the strategic framework for the public administration reform, as a separate thematic area, through which the mentioned thematic areas and SIGMA Principles are operationalised.

³⁷⁷ Programme of Regulatory Reform and Public Policy Management, Programme of Public Financial Management; Programme of the Reform of Local Self-Government System.

³⁷⁸ Human resource management, service delivery as well as accountability and transparency.

Appendix 5: PAR Implementation Coordinating, Management and Reporting

PAR Coordination and Management

In order to have a more efficient management and coordination system, at the political as much as at the management and operational levels, the PAR Strategy establishes a three-level coordination structure with the expert and operational support coordinated by the **MPALSG**, and inter-ministerial management coordination run by the **IMPG**. The political level of coordination and decision-making on the most important issues pertaining to public administration reform implementation is represented by the **PAR Council**.

The first level of coordination and management

The first level of PAR coordination, at which expert and operational tasks of the reform process are primarily performed, is within the purview of the MPALSG. To successfully implement the set tasks and to ensure sustainability of the process, it is necessary to build the internal capacities of the MPALSG (as recorded and stated above). An internal organisational unit for the public administration reform management, within the MPALSG, performs tasks primarily pertaining to:

- coordination and participation in the preparation and monitoring of the implementation of public policy documents pertaining to the public administration reform;
- coordination and participation in the preparation and monitoring of the implementation of action plans for the implementation of the international initiative for the Open Government Partnership;
- technical (expert) tasks in support of the PAR Council and the IMPG;
- preparation of reports in the process of European integration pertaining to the implementation of public policy documents in the field of public administration reform and the Open Government Partnership.

With the establishment of such an organisational unit, the first step towards increasing the internal capacities of MPALSG was made. In the following period, the unit's capacities will have to be strengthened further, in terms of organisation and human resources.

The second level of coordination and management

The IMPG represents the management level of the public administration reform coordination and of monitoring of the reform implementation and reporting process. The IMPG is chaired by the Secretary of the Ministry in charge of public administration, and it includes coordinators of thematic areas of the PAR Strategy, i.e. persons responsible for each specific objective or measure of the PAR Strategy. Other members of the IMPG include relevant representatives of citizens' associations who are elected through a public call of the competent authority for cooperation with the civil society. The IMPG will operate as an umbrella group with sub-groups coordinating thematic areas for which action plans have been developed (HRM, Service Delivery, and Accountability and Transparency). As for the three programmes, coordinators will be appointed to serve as representatives of operative groups at that level.

The specific tasks of the IMPG are:

- participation in the development of public policy documents in the field of public administration reform with proposals for harmonisation of other planning documents with the PAR Strategy;
- consideration and inclusion of new activities and projects in the PAR Strategy, in cooperation with the ministry in charge of public administration affairs;
- review and adoption of reports on the implementation and evaluation of the results achieved by the PAR Strategy and the Action Plan for Implementation, based on analyses and proposals to be prepared by the organisational unit for public administration reform within the MPALSG;
- consideration of operational risks in the process of implementation of the PAR Strategy and decision-making on risk mitigation measures;
- proposing to the PAR Council decisions for discussion and adoption, especially those on which no consensus is reached within the activities of the IMPG;
- participation in the evaluation of the PAR Strategy implementation results in accordance with the evaluation methodology (each member within the scope of their respective institution).

For each measure in the PAR Strategy contact persons are assigned in the IMPG to report to coordinators of thematic areas on results and implemented activities including indicator values for each measure. At the request of the MPALSG, and based on the reporting needs, the coordinators of thematic areas would submit a report on the results and implemented activities for each individual thematic area to the organisational unit for coordination of public administration reform within the ministry in charge of public administration.

IMPG meetings will be held quarterly, at the proposal of the MPALSG. The MPALSG will prepare the Draft Rules of Procedure of the IMPG. The Rules of Procedure of the IMPG will define the possibility of holding electronic sessions of the Working Group, because the practice has shown that, due to the size of the Working Group, monthly meetings require spatial and organisational capacity. The Secretary of the IMPG shall be a civil servant of the organisational unit for the public administration reform management within the MPALSG.

The third level of coordination and management

By the Decision on the Establishment of the PAR Council³⁷⁹, the Government of the Republic of Serbia formed the PAR Council as the central strategic body of the Government for the public administration reform. The PAR Council represents the common political level of coordination of the process of the public administration reform and public finance reform for the new PAR Strategy. The tasks of the PAR Council are as follows:

- prepares proposals for the strategic development of the public administration and the public finance reform in the Republic of Serbia;
- initiates and proposes to the Government to take measures and activities related to the public administration reform and the public finance reform;
- reviews and adopts reports on achieved objectives in the field of public administration reform and public finance reform;
- promotes and monitors the implementation of the PAR Strategy and all other hierarchically lower-level public policy documents of the public administration reform, especially *vis-à-vis* the incorporation of PAR principles and objectives into other public policy documents;

³⁷⁹ Decision on the Establishment of the Public Administration Reform Council (*The Official Gazette of the Republic of Serbia*, Nos. 81/16, 78/17 and 66/18), available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/odluka/2016/81/1/reg>.

- prepares proposals for the harmonisation of hierarchically lower-level planning documents with hierarchically higher-level planning documents in the field of public administration and public finance reform, the harmonisation of planning documents in the mentioned areas with international obligations, as well as the harmonisation of regulations with adopted planning documents;
- reviews and gives a preliminary opinion to the Government on public policy documents, draft laws and other acts related to the organisation and the work of the Government, public administration bodies, and especially those proposing the establishment of new state authorities, organisations, services or Government bodies.

The PAR Council is chaired by the Minister of Public Administration and Local Self-Government, and the deputy is the Minister of Finance. In addition, a large number of line ministers and representatives of other state authorities are appointed members of the PAR Council, given that the PAR Strategy refers to the broader system of administration, not only the public administration. It is also necessary to expand the PAR Council membership to include a member of the Provincial Government (of the Autonomous Province of Vojvodina) and representatives of the SCTM, since the PAR Council represents the political level of coordination for all lower-level public policy documents (that is, the three programmes for the areas of local self-government system reform, regulatory reform, and public financial management). In addition to the Minister of Public Administration and Local Self-Government and the Minister of Finance, the members of the PAR Council are as follows:

- Minister of Economy;
- Minister of Construction, Transport and Infrastructure;
- Minister of Trade, Tourism and Telecommunications;
- Minister of Justice;
- Minister of Human and Minority Rights and Social Dialogue;
- Minister of the Interior;
- Minister of Foreign Affairs;
- Minister of European Integration;
- Minister of Education, Science and Technological Development;
- Minister of Health;
- Minister of Labour, Employment, Veteran and Social Affairs;
- Minister of Culture and Information;
- Minister of Youth and Sports;
- Director of the Republic Secretariat for Legislation of the Republic of Serbia;
- Director of the National Public Policy Secretariat of the Republic of Serbia;
- Secretary General of the Government;
- Director of the Office for Information Technologies and E-Government;
- Representative of the Provincial Government (the Autonomous Province of Vojvodina);
- Representatives of the Standing Conference of Towns and Municipalities.

The PAR Council appoints its Secretary from among the civil servants, upon the proposal of the Minister of Public Administration and Local Self-Government. The fact that 15 members of the Government are appointed as members of the PAR Council provides the PAR Council with credibility and legitimacy to manage the entire PAR process.

In accordance with Article 22 of the Rules of Procedure of the Government³⁸⁰, temporary (*ad-hoc*) working bodies, such as the PAR Council, are obliged to submit regular reports to the

³⁸⁰ Rules of Procedure of the Government of the Republic of Serbia (*The Official Gazette of the Republic of Serbia*, Nos. 61/06 – consolidated text, 69/08, 88/09, 33/10, 69/10, 20/11, 37/11, 30/13, 76/14, 8/19 – state law), available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/ministarstva%20poslovnik/2006/61/1/reg>.

Government every 90 days, i.e. quarterly. Through the reports submitted to the Government, the PAR Council can manage the identified risks and indicate that it is necessary to adopt certain measures in the Government in order to eliminate certain identified risks. The Rules of Procedure of the Government stipulates that the decision on the establishment of a temporary working body determines the tasks for which the body is established, the time period for which it is formed, the deadlines within which it submits its work reports and other work-related reports. A temporary working body sends proposals, opinions and expert explanations – acts which it may adopt – to the public administration body under whose purview fall most of the tasks for which the temporary working body was established, for that public administration body to use and submit as its own acts to the Government, should it deem it necessary.

In order to study certain particularly complex issues related to PAR, the PAR Council may engage professional and educational institutions and prominent experts as well as expert assistance provided to it through international projects. The nature of PAR Council operations is public and that they are run in accordance with the law which regulates free access to public information, i.e. the PAR Council is to inform the public about its work by issuing press releases. Once a year, the PAR Council may invite representatives of citizens' associations elected to the IMPG to participate in the PAR Council session, in order to obtain information on the perception of the public administration reform from the point of view of civil society organisations dealing with issues of importance for the public administration reform and public finances.

The PAR Council receives administrative and technical support from the General Secretariat of the Government Administrative, and professional support from the ministry in charge of public administration, i.e. the organisational unit for managing the PAR within that ministry.

Monitoring and Reporting

Monitoring the implementation of the PAR Strategy implies regular collection of data on the implementation of activities defined through action plans in relation to the planned dynamics and analysis of the achievement of objectives and measures, in order to assess progress or map risks that require adjustment and timely decisions to achieve target results. Monitoring of implementation and reporting on the PAR Strategy results is conducted in accordance with the Law on the Planning System³⁸¹ and bylaws which regulate the mandatory content of the report, information system in which data are entered (UIS), the way in which data collection is reported and coordinated. Reporting to the Government on the achieved objectives of the PAR Strategy will be performed through UIS, in cooperation with the competent state administration body for public policy planning.

Bearing in mind that PAR Strategy is an umbrella public policy document for the area of the public administration planning in the Republic of Serbia and covers six thematic areas – three of which have been elaborated through separate programmes, and the other three directly through the Action Plan for implementation of the PAR Strategy –, monitoring the implementation of the public administration reform is based not only on implementation of the PAR Strategy Action Plan, but also on implementation of all lower public policy documents (three programmes in the area of regulatory reform, local self-government system and public financial management).

³⁸¹ Articles 43 and 46 of the Law on the Planning System (*The Official Gazette of the Republic of Serbia*, No. 30/18).

Data collecting and reporting templates and tools

Article 19 of the LPS prescribes mandatory elements and content of action plans, which entails having defined overall and specific objectives, measures and activities, leading implementing institutions and implementing partners, deadlines of finalising the implementation of measures and activities together with sources of allocated funding; performance indicators at the level of policy measures; information about the regulations to be passed or amended so as to implement public policy measures. To that end, **a structure which enables result-based monitoring (RBM)** has been established. Application of this approach means that most of the elements of the PAR Strategy and action plans are defined at the results level (or *measure*, if one is to apply the LPS terminology), with certain measures indicators and resources needed for implementation.

Throughout the planning process, technical specifications of indicators or the so-called indicator **'passport(s)'** were being developed. They allow for all the essential information about the set indicators to be kept and visible in one place, including additional information about key operational aspects, such as which institution collects data for measuring the passport and how often it should do so, when that data will become available, what formula is applied to calculate indicator value, etc. To ensure regular information updates, indicator passports should be reviewed frequently (at least once a year) and updated with new information. Competent institutions will have to update the data, at the MPALSG's initiative. [Appendix 6 – Indicator 'passport'](#) contains a template with an instruction on how to present an indicator passport.

Content of reports on the results of implementation of public policy documents are defined in the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents.³⁸² Article 70(2) of the Regulation stipulates that *state administration bodies [are to] report to the Government on the implementation of public policy documents using the **Unified Information System***. The UIS design includes templates and forms for collecting data received from the PPS (the competent body), and once collected, data for individual measures/activity/indicator are uploaded into the UIS by the respective institution. The same UIS methodology was used to collect and process data for the two annual reports (2018 and 2019) on the implementation of the PAR Strategy Action Plan 2018–2020. Pursuant to Article 71 of the Regulation, a report generated from the UIS is then published on the websites of the public policy proponent within the defined reporting timeline, in accordance with the statute governing the planning system.

The UIS, being an internal data system accessible to state administration bodies, serves as the primary source of data that is available to the public through the **online monitoring tool for the field of public administration reform** (hereinafter: OMT, <https://monitoring.mduls.gov.rs/>), which was launched in April 2020. Further UIS development and expansion of the OMT scope to cover all hierarchically low(er)-level PPDs pertaining to PAR, present opportunities for improvement of the monitoring and reporting process and its transparency, as well as for support to the standardisation of the entire PAR planning process and the achievement of better results and greater accountability of institutions.

Data collecting and reporting – actors and calendar

In accordance with Article 43 of the Law on the Planning System, the proponent of a public policy document (MPALSG) reports to the Government through the state administration body

³⁸² Article 69 of the Regulation on the Methodology of Public Policy Management, Policy and Regulatory Impact Assessment, and Content of Individual Public Policy Documents (*The Official Gazette of the Republic of Serbia*, No. 8/19).

responsible for public policy coordination (PPS) on the results of a public policy implementation – in the case of a national strategy – after every third calendar year following the [strategy] adoption, and submits a final report no later than 6 months after the expiration of the strategy application/validity date; and in case of an implementation action and programme, data is to be collected and uploaded into the UIS after every calendar year. That same Article prescribes that the state administration body responsible for public policy coordination (PPS) is authorised to inform the Government if a public policy document is not being implemented or if public policy documents are not mutually aligned, and that any body identified in a public policy document as the entity responsible for implementing certain measures must submit results of those measures and corresponding activities implementation, at the request of the proponent of the public policy document or a state administration body in charge of public policy coordination. In accordance with Article 47(4) of the LPS, the UIS ensures timely reporting on the objectives achieved and monitoring of the performance indicators values met.

In other words, institutions responsible for implementing measures, activities and meeting the indicators, must appoint **a contact person (point) for entering data into the UIS** and submit the relevant [data] list to the body running the UIS (PPS). Additionally, **coordinators for each of the PAR Strategy thematic areas** will be appointed at the management level of PAR Strategy coordination, who will a) coordinate the collection of data pertaining to their thematic area at an annual basis as well as the uploading of that data into the UIS, and b) submit written (narrative) reports to the competent body (MPALSG) needed for the drafting of the [final or overall] written report (the mandatory 3-year report for PAR Strategy and programmes, or as needed). Based on the UIS data – the entries/uploading being coordinated by MPALSG in this case –, the PPS as the competent body will inform the Government about the results achieved on an annual basis or more frequently (if necessary).

The LPS also prescribes a reporting deadline (120 calendar days following the end of the preceding calendar year). To achieve alignment of hierarchically high- and low-level public policies and the corresponding reports, it is necessary for all data on the PAR-related action plans and programmes to be entered into the UIS by no later than 1 February of the calendar year. This will also allow for the overall report on PAR Strategy implementation to be drafted within the prescribed timeline of 120 days after the end of the preceding calendar year. The reporting calendar and data collection and reporting are shown in the graph below.

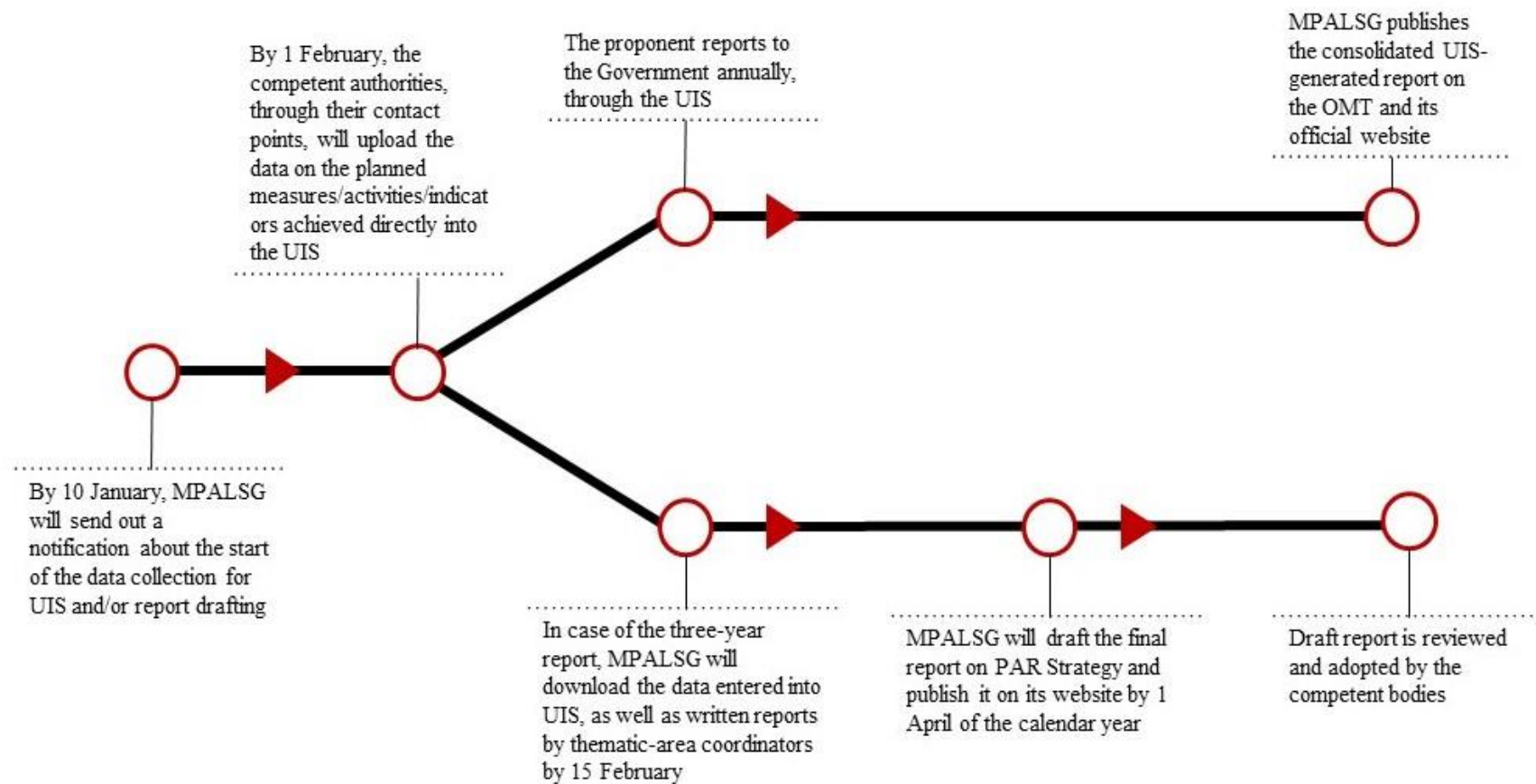
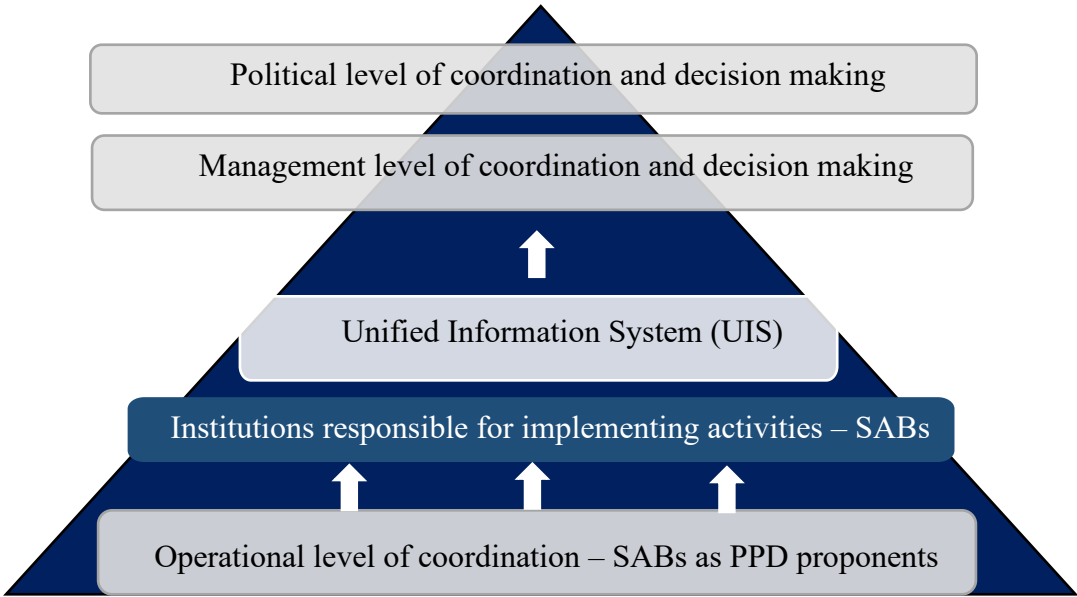


Figure 5. PAR Strategy implementation – the reporting process

Competent institutions which have been defined in the PAR Strategy Action Plan as ‘institutions responsible for the [activity] implementation’ will continuously monitor the status of activity implementation. If there is any deviation or departure from planned activities or a risk to or a negative impact on the PAR Strategy implementation, the institutions responsible for the implementation of the corresponding activities will inform the IMPG coordinators for the relevant PAR area or the MPALSG of this, so that appropriate risk-mitigating action can be taken.

The actors and the roles in the system of PAR Strategy implementation coordinating, monitoring and reporting are shown in the graph below.



Graph 35. System of PAR Strategy implementation coordinating, monitoring and reporting – Actors and Roles

Performance assessment

Bearing in mind that the PAR Strategy covers the period from 2021 to 2030, and in order to assess its impact, to review the direction and the focus of the reform, and to make potential corrections, two interim evaluations (2023 and 2027) and an *ex-post* impact assessment following the implementation of the PAR Strategy are envisaged. The impact assessment and, in particular, the first of the two interim evaluations, will help assess the need for a potential revision of the Action Plan 2021–2025, as well as draft the following Action Plan.

Evaluation (performance assessment) reports ought to be reviewed at the political level of PAR coordination, so that [appropriate] decisions on implementation of recommendations and a future course of action can be made.

Appendix 6: Risk analysis

The risk analysis includes only relevant activities or the course of action, the delay or non-implementation of which could have negative consequences on the overall impact of the reform. The identified risks and possible solutions are shown in the table below. The institutions responsible for implementing the identified activities will monitor the risk occurrences and inform in a timely manner on this issue; also, they will implement activities for the risk mitigation and avoidance. Beside certain specificities of the offered solutions for risk mitigation, numerous activities/courses of action share the same pre-conditions, as follows:

- political commitment (engagement of politically appointed officials),
- available financial and human resources for the implementation,
- efficient management and implementation coordination.

A more engaged political support could be obtained through increased visibility strategy and internal and external communication on the PAR implementation and outcomes as well as its impact on the state administration, citizens and businesses. Provision of adequate and timely financial resources is possible only if the activities and cost of the action plans of all public policy documents under the PAR Strategy are consistently transposed into the medium-term plans of the institutions responsible for the activities, in direct cooperation with the Ministry of Finance when timely planning of priority funding area is in question. The previous experiences in the PAR implementation point to the accountability overload, i.e. lack of and/or inadequately deployed capacities, both for the reform implementation and the implementation coordination. The solution for such form of risk is timely planning and capacity redistribution, while the coordination capacity can be ensured with systematic and continuous monitoring, detecting delays and early warning system.

Table 8. Risk analysis

Specific objective	Activities/courses of action (policy direction)	Assumptions	Risk	Solution/Risk mitigating measure
Public Policy Planning and Coordination				
Specific objective 1: Fact-based public policies are effective, prepared in a transparent, inclusive and coordinated manner and strengthened with further implementation of the regulatory reform	Regulatory reform with the purpose to improve the business environment and reduce unnecessary burden on the citizens, businesses and public administration.	Changes in the previous practice concerning the preparation of regulations and monitoring their implementation and impact by consistent implementation of the Law on the Planning System as well as systematic data collection and analytical data processing.	Lack of political leadership for the implementation of the comprehensive regulatory reform, which demands a significant change in the culture of public administration when preparing new regulations, and continuous evaluation and amendments to the existing ones can result in a delayed reform.	It is necessary to mobilise on time the political support of the Office of the Prime Minister of the Government of Serbia, Ministry of Finance, and acquaint them with the regulatory reform process and, particularly, the impact of a comprehensive regulatory reform on the societies which have implemented it over the last 35 years.
Specific objective 1.	Regulatory reform with the purpose to improve the business environment and reduce unnecessary burden for public administration, citizens and businesses.	Providing a sufficient number of civil servants and employees in LSGUs who understand the importance of the regulatory reform process and are trained to implement the regulatory reform.	Lack of expertise and lack of sufficient human resources in the state administration bodies as well as essential understanding of the regulatory reform process, needs and expectations of the final users by civil servants and officials can slow down the reform process. Request of SABs to optimise regulations in their competence all at once, can lead to resisting and overload of insufficient number of civil servants for the implementation of this reform.	It is necessary to carry out a timely internal campaign within public administration to with the aim of raising awareness on the importance of the regulatory reform for the improvement of the business environment and organise training within public administration and LSGU on the tools available for the improvement of the regulations quality. In order to mitigate the risks related to insufficient human resources, it is necessary to plan the engagement of external expert support in a timely manner and empowerment of current professional capacities in the very public administration.

Specific objective 1.	Strengthening capacities and providing instruments for public policy quality management.	Raising civil servants' interest in applying for mentor and coach training in the public policy management, with the aim of training a sufficient number of civil servants.	Current training capacities are limited and may be insufficient to train a critical number of civil servants for public policy management. ³⁸³	It is necessary to prepare a new training plan for mentors and coaches in public policy management, in order to increase their number, thus increasing the capacities of the NAPA to provide training in this field.
Specific objective 1.	Increasing public participation in the public policy formulation process and monitoring public policy impact.	Simple and clear legal framework for carrying out consultations. Providing a sufficient number of civil servants and employees in LSGUs who understand the importance of consultations and are motivated to be trained and apply acquired knowledge and skills.	Lack of expertise in public administration for carrying out consultations and more active public participation in the process, which is why there is a risk that the consultations are carried out only <i>pro forma</i> and not for identifying the needs and collecting proposals of the ones influenced by public policy. Furthermore, there is a risk that the current legal framework for consultations, frequently described as vague and overregulated, can make difficult more active stakeholders' inclusion in the process of preparing public policy documents and regulations.	Preparing civil servant training plans for encouraging and active participation of the stakeholders in the consultation process. Establishing quality control in the consultation process to encourage the state bodies to carry out consultations in a timely and proper manner. In order to improve the legal framework for consultations it is necessary to prepare amendments to the Law on the Planning System related to conducting consultations.

³⁸³ This conclusion stems from the *ex-post* impact assessment of the Regulatory Reform Strategy and the training needs analysis conducted in 2019 and 2020.

Specific objective 1.	Increasing public participation in the public policy formulation process, preparation of regulations and monitoring their impact.	Empowered competent bodies for monitoring the implementation of the Law on Lobbying and their timely response in case of its non-observance.	Lack of transparency as regards the influence of special groups on the preparation of public policies can endanger the credibility of the public policy management reform.	Frequent communication and public reporting on the implementation of the Law on Lobbying is necessary.
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Human Resource Management

Specific objective 2. An improved recruitment process in public administration	Drafting a personnel plan for state administration for 2024 in line with the innovative personnel planning methodology	Innovative personnel planning methodology Recruitment based on real needs enabled	A common practice of not adopting personnel plans in state administration bodies in the past due to the ban on employment, employment which is primarily dependable on available financial resources, and lack of knowledge of new methodology and new approach to personnel planning by employees in charge of developing personnel plans – all this may jeopardise real needs-based personnel planning.	It is crucial to strengthen capacity of the staff in charge of personnel planning, but also to ensure the coordination of budget and personnel planning i.e. correlation between the personnel plan and the financial plan. It is also necessary to improve the HRM information system, which would create conditions for analytical approach to personnel and its planning.
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Specific objective 2.	Designing and implementing training in applying the competency framework, intended for HR units employees and managers in bodies of autonomous provinces and units of local self-government.	Competency framework for employees in bodies of autonomous provinces and units of local self-government has been adopted. There are enough of trained trainers who can give/implement training.	A heavy workload for managers at the level of the autonomous province and local self-government and low priority given by them to attending training sessions can limit their understanding of the new competency system, and consequently its implementation.	It is necessary to inform managers about training periods in a timely manner and to offer more flexible methods of work and training. It is necessary to work on raising awareness about training, but also to impose an obligation on managers in autonomous province and LSGUs to attend training. Keeping an attendance record for managers will indicate whether the risk has
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				materialised and then LSGU top management can get involved.
Specific objective 2.	Amending the legal framework in parts pertaining to the appointment of senior civil servants, in accordance with the proposed measures for improvement	Consensus reached on the need to professionalise state administration by improving the senior civil servants' recruitment process, including the appointment of persons with acting status. Analysis of the legal framework which governs the procedure and the authorisation for appointing senior civil servants and acting officers-in-charge ('acting heads') has been conducted, and improvement measures have been proposed	Resistance to professionalisation and de-politicisation, including resistance to changes within the system, can make it difficult to amend the normative framework which would improve the process of appointment of persons with acting status by reducing the political influence on the civil service.	To create a 'coalition' composed of political leadership, senior civil servants, the High Civil Service Council, led by the MPALSG and the General Secretariat, aimed at recognising the importance of a systemic regulation of filling senior civil service positions, including the appointment of persons with acting status.
Specific objective 3. An efficient career management system applied in practice	Designing competency-based training for managers and HR units	Competency framework for employees in bodies of autonomous provinces and units of local self-government has been adopted. There are enough of trained trainers who can give/implement training.	A heavy workload for managers can have a negative impact on their attending training sessions that would strengthen their behavioural competencies which are necessary for adequate performance of managerial tasks in bodies.	It is necessary to inform managers about training periods in a timely manner and to offer more flexible methods of work and training. It is necessary to work on raising awareness about training, but also to impose an obligation on managers to attend training. Keeping an attendance record for managers will indicate whether the risk has materialised and then the PAR Council can

get involved and emphasise the importance of this and related activities.

Specific objective 3.	Implementing the reform of the public sector salary system	Consensus on the efficient implementation of salary system reform.	A continuous delay in the adoption of special laws can hinder the implementation of the systemic law (2016) which lays the foundation for the salary system across the entire public administration.	To develop and agree on a roadmap / timetable for drafting and adopting special laws (at all levels of government). The roadmap can be used to monitor progress at the highest political level.
Specific objective 3.	Incorporating the policy on the management of senior civil servants into the legal framework	Consensus on the need to professionalise and depoliticise the state administration.	Lack of interest in developing a strategic management document on managers and senior civil servants with a roadmap for the adoption of special laws can have a negative impact on professionalisation and de-politicisation of the administration.	A special consultative mechanism for top-level political dialogue on the management of managers and senior civil servants should be created.
Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied	Increasing state and LSGU bodies' capacities for successful management and implementation of the unified system of professional development in state and LSGU bodies	Adequate participation and cooperation of all competent institutions. Increased number of employees and increased development of their competencies through training.	Often, there is not enough awareness within state administration bodies and local self-government units about the importance of not only professional development, but also human resource management. As a rule, this is accompanied by insufficient staff who would adequately perform HR tasks in general, and professional development tasks in particular (which is only one of the HRM functions).	It is necessary to focus in particular on monitoring the implementation of this activity as it can, to a large extent, provide direction for the achievement of the entire objective. The importance of professional development should be further promoted; funds should be secured for new employees and their training in performing tasks related to professional development of employees.

Specific objective 4.	Establish a framework for promoting collaboration between organisations responsible for preparing professional development programmes and implementing professional training programmes in state and other bodies (a school network)	Interest in inter-institutional cooperation and coordination and recognition of the need for active involvement of all competent institutions.	Dependence on a large number of institutions (MPALSG, NAPA, Judicial Academy, Diplomatic Academy) and all other bodies which have developed special professional development programmes can delay the establishment of a network of schools or reduce their effectiveness.	To develop an implementation plan together with all relevant stakeholders and to establish a progress monitoring mechanism, aimed at addressing possible bottlenecks.
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Service Delivery

Specific objective 5: Improved service quality [Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience]	Designing a methodology for the development of new and the optimisation of existing services based on a systematic involvement of end users in all the phases of the development through the use of advanced and innovative tools	Civil servants and LSGU employees see the need for a new approach to delivering services and are willing to acquire the necessary skills and knowledge to be able to apply the new approach in their everyday work.	Lack of human capacity (lack of analytical capacity in the Serbian state administration and critical reliance on external expertise in policy formulation) may slow progress in the development of new public services. Resistance to change and a different way of working also poses a risk for the implementation of this activity, as it implies a significant change in the culture of public administration.	Through the continuation of the training, improvement of the analytical capacities of the state administration to analyse the existing services and business processes related to them, in order to respond to the needs and requirements of the end users. In the absence of specialised expertise within the institution, external expert support should be planned and engaged in a timely manner. It is necessary to conduct an internal campaign that will bring a new concept of service delivery closer to civil servants, in order to remove any barriers to changing the culture of development and service delivery within public administration.
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Specific objective 5.	Conducting an analysis of the availability and the structure of human capacity for service delivery in public administration and local self-government	Sufficient number of civil servants and employees of LSGUs have been trained and enabled to conduct analyses of businesses processes or external expert support has been provided/secured.	Not enough human resources to conduct an analysis of businesses processes for key public services may make it more difficult to conduct an assessment of needed resources and to plan for their improvement.	Prioritisation of special public services with an emphasis on the assessment of needed resources for their improvement.
Specific objective 5.	Conducting an analysis of the availability of technical-technological capacities for delivering public services	Sufficient number of civil servants and employees of LSGUs have been trained and enabled to conduct analyses of the availability and the structure of human capacity for service delivery or external expert support has been provided/secured.	The result of this activity is a precondition for appropriate investment planning in the construction of technical and technological capacities. The lack of human capacities in public administration for the analysis of the availability of technical and technological capacities can hamper the development and quality of analysis, and consequently enhancement and better quality of service delivery.	Improving the analytical capacities of the state administration through the continuation of the implementation of training programmes. Timely engagement of external expert support to compensate for the lack of expertise and experience in the field of service delivery based on the principle of customer orientation.
Specific objective 5.	Establishment of fellowship programmes for talented young IT professionals who will work together with civil servants to solve individual problems of service provision	Development of scholarship programmes and provision of support for the establishment of a long-term funding mechanism	Retaining young, trained IT staff can be risky, as salaries for IT professionals in the public sector are uncompetitive compared to the private sector.	Provide contractual obligations and arrangements that will enable return on investment through scholarships for young staff.

Specific objective 5.	Strengthening the Administrative Inspectorate's capacities to monitor the application of service delivery standards as part of the internal quality control process, and supporting the ministry responsible for the service delivery policy in the efficient management of service quality	Training programme for the application of business processes has been designed, and supporting software have been developed.	Insufficient administrative inspection capacity or delays in resource allocation may undermine efforts to improve service quality control.	Timely and coordinated planning and provision of financial resources for the implementation of training programmes, optimisation of business processes and procurement of equipment software.
Specific objective 5.	Setting-up one-stop shops on the territories of units of local self-government	LSGUs are completely engaged, equipped and able to take part in the drafting of the standards on how to set-up one-stop shops.	Standards may be inadequate for certain local governments, or too rigid to stimulate innovation and adapt to community needs, which may slow down their establishment.	Include a sufficient number and a wide range of LSGUs (size, region, economic development, etc.) in the development of standards for one-stop shops.

Accountability and Transparency

Specific objective 6. Increased level of accountability and transparency at all levels of the government	Drafting a comprehensive situation analysis and guidelines for defining systemic solutions in the legal and the institutional framework of the Republic of Serbia pertaining to managerial accountability in public administration bodies.	Recognising the importance of managerial accountability and the need to establish/facilitate delegation of accountability, clear lines of accountability between institutions, and to assess performance at the institutional level.	The purpose of the analysis and guidelines is not fully understood by users, which may result in recommendations and guidelines that do not address the right needs. The findings and recommendations of the analysis, as well as the proposed solutions, including the delegation of responsibilities, do not necessarily have to be accepted by those who should implement them.	It should be ensured that decision-makers and stakeholders are involved from the outset in setting up and conducting the analysis and formulating recommendations. This will ensure their ownership. After finalising the analysis and guidelines, it is necessary to present in detail the findings and next steps to all stakeholders.
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		Adequate participation of all competent public administration bodies in all phases of drafting of the Guidelines.		
Specific objective 6.	Running the module <i>Managerial accountability in Practice</i> as part of the training programme for managers. As part of the training programme for managers and employees, run the module about the concept of managerial accountability (i.e. supervision, monitoring, and internal and external reporting on the competent public administration bodies' performance).	Adequately defined training programmes. Managers recognise the importance of and are interested in applying the managerial accountability principle, i.e. performance management methodology.	The high workload of the heads of public administration bodies does not allow absence from work and attendance of training sessions, which can lead to lower attendance of training sessions. The content of training can carry the risk of insufficient applicability in practice, i.e. insufficiently clear manner in which newly acquired knowledge can be transferred to a specific work environment. In that case, managers may be demotivated to apply newly acquired knowledge in their work environment.	Timely planning and informing managers about training so that they can adjust their attendance with other obligations in time. Offer more flexible working methods so that training can be more easily aligned with other managers' responsibilities. Emphasising the importance of these training sessions and inviting managers to attend them. Regular monitoring of the presence of training managers and early warning in case of insufficient response. The content of the training programme and working methods enable managers to connect the presented content with their specific experiences, as well as to provide clear guidelines for the application of knowledge and skills in practice. To support the further application of newly acquired knowledge and skills in practice, it is necessary to use techniques such as mentoring, coaching, piloting, etc.
Specific objective 6.	Running a pilot project (focused on performance management improvement) in selected public administration bodies	Public administration bodies recognise the importance of and are interested in implementing the pilot project which aims to improve their managers'	Not enough funds available or time to implement this pilot project. Managers and employees in the bodies selected to take part in the pilot project are not showing enough interest in the topics	Incorporating the planned activities into medium-term plans and seeking alternative sources of funding to the state (RS) budget. Holding consultations, i.e. a meeting with the management level of coordination and, if necessary, the political level of coordination,

	in order to test and to find a suitable mechanism for the collection and the processing of relevant performance measurement and reporting data, i.e. in order to determine the needed capacity and the description of the corresponding job duties and responsibilities.	performance management skills and abilities.	covered by the pilot project or in participating in the project. Employees in the bodies participating in the pilot project may display a negative attitude towards collecting performance assessment data or a passive or active resistance to it.	in order to mobilise the resources necessary to implement this pilot project. Developing and communicating the criteria for the selection of pilot project participants. Sharing detailed information about the purpose of the pilot project, the process of project implementation and the next steps.
Specific objective 6.	Drafting a document, with recommendations for systematising and integrating various tasks pertaining to corruption prevention and integrity building in public administration bodies, and defined requirements and criteria for appointing Ethics and Integrity Officers as well as rules of their conduct.	Clear commitment and dedication to reducing corruption in public administration through institutionalised raising of integrity and ethical standards.	Not enough funds available or time to implement this activity.	Seeking alternative sources of funding to the regular state (RS) budget (e.g. donor projects, grants, support projects, etc.). Holding consultations, i.e. a meeting with the management level of coordination and, if necessary, the political level of coordination, in order to mobilise the resources necessary to implement the activities.
Specific objective 6.	Running a pilot project of appointing Ethics and Integrity Officers in a selected number of public administration bodies, which will	Managers in the selected public administration bodies recognise the importance of and are interested in implementing this pilot project and	Managers and employees in the selected public administration bodies are not interested in taking part in the implementation of this pilot project.	Holding consultations, i.e. a meeting with the management level of coordination and, if necessary, the political level of coordination, in order to mobilise the resources necessary to implement this pilot project.

	include the development and the implementation of a training programme specially designed for these Officers.	establishing a more efficient infrastructure.		Developing and communicating the criteria for the selection of pilot project participants. Sharing detailed information about the purpose of the pilot and the next steps.
Specific objective 6.	Drafting manuals/guidelines for managers in public administration bodies about the positive impact of increased transparency in the work of public administration bodies and of making e-Information Booklets about public administration bodies available (i.e. positive impact of raising public's awareness in this way)	There are other relevant, previously conducted studies and analyses of the positive impact of increasing transparency of the work of public administration bodies. Managers recognise the importance of and are interested in [achieving] positive impact of increased transparency in the work of public administration bodies.	Not enough funds available to implement this activity. Managers in public administration bodies not showing enough interest in having and/or using such manuals/guidelines.	Incorporating the planned activities into medium-term plans and seeking alternative sources of funding to the state (RS) budget. Mobilisation of donor technical and financial assistance or development of a special project proposal specifically for this purpose and identifying potential donors who may be interested in funding the project. After the finalisation of the handbook/guidelines, it is necessary to present the findings to the heads of public administration bodies. Eventually, a plan to improve the use of the handbook should be developed.
Specific objective 6.	Strengthening staff capacities, increasing the number of and educating the staff in charge of the inspectional supervision over the application of the Law on Free Access to Information of Public Importance	Adoption of the Amendments to the Law on Free Access to Information of Public Importance. Adoption and implementation of by-laws.	Not enough funds available to implement this activity. Insufficient number of job applicants with the right competencies [, i.e. of the right profile] can reduce the impact of education and training.	Holding consultations, i.e. a meeting with the management level of coordination and, if necessary, the political level of coordination, in order to mobilise the resources necessary to implement this activity. Using media (including social networks) to inform and to gain the interest of potential candidates who possess the right competencies to apply for job vacancy announcements.

Specific objective 6.	Improving technical and spatial capacities necessary to exercise the competence in inspectional supervision over the application of the Law on Free Access to Information of Public Importance	Adoption of the Amendments to the Law on Free Access to Information of Public Importance. Adoption and implementation of by-laws. Sufficient number of human resources.	IT solutions (software and hardware) which are not user-friendly or used sufficiently for/in the inspectional supervision will remain underused or rejected. The space needed to accommodate the increased number of inspectors may be unavailable for the requested time period, which may bring about reduced impact of their work.	Multiple involvement of future users of IT solutions in the design process before the final solution is found. Including this activity in the medium-term plan. Holding consultations, i.e. a meeting with the management level of coordination and, if necessary, the political level of coordination, in order to mobilise the resources necessary to implement this activity.
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Public financial management

Specific objective 7: Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies	Further improvement of the Programme budget, management of public investments and fiscal risk monitoring	Completion of the regulatory and methodological framework Long-term stability of the financial framework	Insufficient understanding and commitment of budget users to improve budget transparency	Consistent implementation of laws and bylaws regulating programme budgeting, medium-term planning and public investment management should be enabled Further development and strengthening of IT systems for budget development and management and public investment management. Promoting exchanges with the Parliamentary Budget Committee and synergies with projects that support parliamentary supervision. Development and support a network of budget officers. Monitoring the budget process and early warning of non-compliance with the budget calendar.
Specific objective 7:	Further improvement of the Programme budget, management of	Completion of the regulatory and	Lack of human capacity (insufficient number of employees and level of knowledge and	Mobilisation of resources for training of employees in the MFIN and at the level of local self-government.

	public investments and fiscal risk monitoring	methodological framework Sufficient number of trained trainers in the field of financial and medium-term planning Long-term stability of the financial framework	expertise, especially at the local level)	Strengthening the educational capacities of the National Academy of Public Administration in the field of transparent budget management
Specific objective 7:	Efficient collection and management of public funds	Consistent application of policy documents at a lower hierarchical level by institutions responsible for budget execution and reporting	Insufficient political commitment and cooperation of competent institutions in the fight against the grey economy and inconsistent application of legal sanctions against individuals and legal entities involved in activities related to the grey economy, which is a prerequisite for the administration of public revenues.	Full support in the implementation of the Programme for the fight against the grey economy (adopted in 2019) and raising awareness about it through regular reporting to the public on the implementation and achieved results. Review the established mechanism for programme implementation and ensure communication and rapid alert of managers and the political level of decision-making if the achievement of the goal is questionable.
Specific objective 7:	Efficient collection and management of public funds	Consistent implementation of plans for reorganisation and modernisation of institutions responsible for budget execution	Delays in the development and implementation of IT infrastructure for the modernisation of the Tax Administration, the Customs Administration, the Public Debt Administration and the Public Procurement Administration	Improve IT infrastructure planning (including public procurement planning) and consistently monitor the progress of IT project implementation, with a systematic exchange of lessons learned. Mobilising national and donor resources for IT infrastructure projects while ensuring that there is systematic communication and coordination between all initiatives.
Specific objective 7:	Improvement of accounting and introduction of accounting standards	Preparation of training programmes for the application of IPSAS standards and training of	Lack of human capacity to implement IPSAS standards may slow down the introduction of international accounting standards, which may have audit implications.	Creating a national programme for IPSAS certification of public sector accountants Mobilisation of national resources and donor technical and financial assistance to increase

		a sufficient number of trainers		budget allocations and to train staff on IPSAS standards.
Specific objective 7.	Improvement of the internal financial control system in public sector	Managers of users of public funds are committed to establishing internal financial control	Lack of human capacity (insufficient staff and level of knowledge and expertise) can limit the effectiveness of efforts to strengthen internal control.	Increased budget allocations for employee training and strengthening the educational capacity of the National Academy of Public Administration to conduct training for internal control. Mobilisation of national resources and donor technical and financial assistance to increase budget allocations for internal control capacity development.

Local self-government system

Specific objective 8: A system of local self-government that enables efficient and sustainable exercise of citizens' rights to local self-government	Enhanced status and accountability of local self-government - Compliance of the LSG system with the key principles of ECLSG (European Charter of Local Self-Government)	Commitment to the full implementation of the European Charter of Local Self-Government	Insufficient focus and prioritisation of activities to ensure the delegation of power to the local level and guarantee its autonomy and access to revenue can slow down the full harmonisation of the legal system, as well as the full implementation of accepted ECLSG provisions in practice.	Intensify the involvement of all stakeholders in order to approach full harmonisation of the legal system, and ensure full implementation of the accepted provisions of the ECLSG in practice.
Specific objective 8:	Enhanced status and accountability of local self-government - Involvement of local authorities in drafting national regulations governing their work	Active cooperation and participation of different levels of government in the legislative process	Insufficient involvement of local authorities in the development of relevant regulations can affect the quality of regulations, especially in terms of capacity to implement them.	Monitoring of legislative processes by local government representatives Promoting active cooperation between the MPALSG and local government representatives with the proposers of identified relevant regulations in the process of drafting them
Specific objective 8:	Improved financing system that enables adequate and predictable financing	Effective implementation of the Law on Public Property	Failure to reach a political consensus on predictable funding at the local level could result in a slowdown in progress in increasing	Development of proposals for the establishment of a platform for negotiation and consensus building on the financing system at the local level.

	of local self-government - share of LSG revenues in total public revenues in the RS	and the Law on Investments Willingness of different levels of government for constructive dialogue	local government revenue and investment.	Development of measures to encourage competitiveness in underdeveloped municipalities in accordance with the Law on Investments.
Specific objective 8:	Improved financing system that enables adequate and predictable financing of local self-government - share of LSG revenues in total public revenues in the RS	Full implementation of the Law on Planning System through a comprehensive training programme for development, medium-term and budget planning	Lack of knowledge and practice in the application of the relevant provisions of the Law on Planning System at the local level can have a negative impact on the establishment of a link between policy objectives and the budget.	Provide regular training, including e-learning programmes on the implementation of the Law on Planning System and accompanying bylaws and handbooks. Continue to further develop mentoring programmes for specific aspects of the implementation of the Law on the Planning System.
Specific objective 8:	Improved organisation and capacity of local self-government - Capacity of local self-government for HRM in local government	Special training programmes have been developed for managers and employees of local self-government units with the appropriate number of trainers	The lack of knowledge and skills of LSGU officers in charge of HRM for the preparation of job classification acts, as well as time constraints for the preparation of acts can jeopardise the full implementation of the competence framework at the local level.	Ongoing coordination of central and local levels of government regarding overcoming constraints. Learning (through training, knowledge exchange, mentoring, etc.) based on previous experience in introducing a competence framework into the civil service system should be provided and facilitated. Building on these experiences, HRM officers at the local level should be informed and trained in the implementation of the framework. Informing managers in a timely manner about the dates of training. Offer more flexible methods of work and learning. Motivate managers and indicate the obligation to attend training sessions.

Develop and adopt a roadmap for the development of appropriate special acts and use it to monitor their adoption.

Specific objective 8:	Improved organisation and capacity of local self-government – Capacity of local self-government for HRM in local government	A social substrate that provides a sufficient number of candidates with adequate competences	Negative demographic trends reduce the ability of affected LSGUs to attract associates with the necessary skill set, which may limit the professionalisation of the HRM function in LSGUs.	Investigate the possibilities (studying the comparative experiences of EU member states) for attracting HRM staff in local self-government through the improvement of infrastructure and non-monetary advantages of work in local self-government (benefits for childcare, sports and recreation, etc.)
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Appendix 7: List of legal acts

1. Amendments to the Law on civil servants
2. Amendments to the Regulation on the preparation of HR plans in state administration
3. Amendments to the Regulation on the internal and public recruitment competition in state administration
4. Amendments to the Law on employees in bodies of autonomous provinces and units of local self-government
5. Amendments to the Regulation on the criteria for the job classification and description in bodies of autonomous provinces and units of local self-government
6. Amendments to the Regulation on the internal and public recruitment competition in bodies of autonomous provinces and units of local self-government
7. Regulation on the work appraisal of civil servants based on competencies
8. Regulation on the competencies for the work employees in bodies of autonomous provinces and units of local self-government
9. Regulation on the competencies for the work employees in state administration bodies
10. Passing of the Regulation on the HRM Information System
11. Law on salaries of state administration employees and officials
12. Regulation on the Job Catalogue of officials in state administration bodies and bodies of autonomous provinces and units of local self-government
13. Regulation on the coefficients for the salary calculation of officials
14. Catalogue of job positions for employees in bodies of local self-government units
15. Law on professional exams
16. List of sub-laws for the implementation of Laws regulating professional exams and professional development in public administration
17. Regulation on One-Stop Shop Standards
18. Regulation on Service and Information Management Principles
19. Adoption of a legal framework prescribing the establishment of a comprehensive and updated electronic records of administrative procedures/a service in form of a public registry
20. Adoption of a legal framework for the establishment of an independent body or agency for external monitoring, control and management of service quality
21. Harmonisation of the legal framework for systemic solutions for managerial accountability in public administration bodies
22. Passing an act prescribing mandatory elements of annual operational work plans of constituent bodies, bodies associated with parent institutions or primary organisational units of bodies
23. Passing an act prescribing the obligation of institutions to analyse performance reports of constituent bodies, bodies associated with parent institutions or primary organisational units of bodies
24. Consolidation of the legal framework pertaining to financial management and control
25. Passing an act prescribing the obligation of all state administration bodies to submit consolidated performance reports
26. Amendments to the Law on Free Access to Information of Public Importance in order to increase accountability and transparency in the work of public administration bodies

27. Amendments to the Law on the Protector of Citizens in order to increase accountability and transparency in the work of public administration bodies

Appendix 8: Indicator ‘passport’

Instruction on how to present an indicator ‘passport’

Indicator title	<i>Insert full indicator title as it appears in the PAR Strategy and/or the PAR Strategy Action Plan</i>	
Corresponding overall objective, specific objective or measure	<i>Insert the PAR Strategy or PAR Strategy Action Plan 2021–2025 objective and measure to which the given performance indicator corresponds.</i>	
Indicator type and level	<p><i>Specify whether it is a:</i></p> <ul style="list-style-type: none"> • quantitative indicator or a • qualitative indicator. 	<p><i>Indicate the level to which the indicator refers, according to the intervention logic:</i></p> <ul style="list-style-type: none"> • performance (impact) indicator (at the level of the overall objective) • outcome indicator (at the level of specific objectives) • results indicator (at the level of public policy measures)
Unit of measurement and nature	<p><i>Insert the unit of measurement, e.g.:</i></p> <ul style="list-style-type: none"> • number/ scope/ extent or range/ value on a scale from–to, average (average time... $A1+A2+A3/n$) • % / share (percentage of $A/B \times 100$) • ratio (out of A to B, e.g. women compared to men....) • Index/ complex or composite/aggregate indicators (set of different indicators in the special methodology created to meet the requirements of the given organisation) 	<p><i>Indicate which is more desirable:</i></p> <ul style="list-style-type: none"> • Higher value of the indicator or • Lower value of the indicator.
Source of data/information for monitoring the performance indicator	<p><i>Insert the name/title of the data source (the specific document, data base, webpage...)</i></p> <p><i>Insert information about whether data for monitoring the indicator are being collected at the local/national or international level. It is important to distinguish between these indicators to be able to tell the extent to which data for monitoring the indicators can vary, considering that sometimes the way in which indicators are measured at an international level changes significantly or that indicator measurement lacks entirely.</i></p> <p><i>Insert the web link to the source data if the source has been published on the Internet.</i></p>	
Managing authority responsible for collecting data	<p><i>Insert the full name of the institution responsible for collecting data needed for the given indicator and for publishing/providing such data, including the full name of the contact person and their contact details (telephone number and e-mail address).</i></p> <p><i>This information will be used so that the relevant institutions are informed about their duties and responsibilities, and so that results of the institutions which are a part of the entire system of PAR Strategy and PAR Strategy Action Plan implementation monitoring, reporting and assessment, can be monitored.</i></p>	
Data collection frequency	<p><i>Insert information about how often and when (in which quarter of a calendar year) the relevant institutions collect data about the given indicator and when they publish such data.</i></p>	

	<i>This information is necessary to understand when data is available for the purpose of report drafting, and to adjust the reporting drafting dynamic to the dynamic of data becoming available.</i>										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p><i>Briefly explain how the given indicator is construed and measured (to what precisely does the indicator point, whether the indicator is relevant and reliable for the specific result, the indicator calculation formula, which sub-indicators make up the whole indicator when it is a complex one...). If the methodology used to calculate the indicator is available on the Internet, insert the link to the given methodology document. The formula/equation must be defined clearly so that anyone using it to measure the indicator performance can understand it easily.</i></p> <p style="text-align: center;">FORMULA/EQUATION</p> <p><i>Insert a short formula/equation for calculating the given indicator</i></p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	<i>Past trends</i>									<i>Baseline value</i>	
	2016			2017			2018			2019 or 2020	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Performance assessment	<i>Indicate the degree of deviation from the target value, which will still be considered a success/acceptable, so that the UIS for planning could automatically assess whether the value has been achieved and what the tolerance threshold is.</i>										

Performance indicators – PAR Strategy overall objective

Indicator 1

Indicator title	Government Effectiveness (World Bank) – percentile ranking (0–100)										
Corresponding overall objective, specific objective or measure	Overall objective 1: Further improvement of public administration operations and quality of formulation of public policies in line with the European Principles of Public Administration; Delivering high quality services to citizens and businesses; Professional public administration which will significantly contribute to economic stability and improvement of the standard of living.										
Indicator type and level	Qualitative indicator						Impact indicator				
Unit of measurement and nature	percentile ranking (0–100)						Higher value is desirable				
Source of data/information for monitoring the performance indicator	World Bank, https://info.worldbank.org/governance/wgi/Home/Documents Internationally comparable indicator										
Managing authority responsible for collecting data	Data is collected at the international level but downloaded/obtained by the relevant unit responsible for PAR implementation within the Ministry of Public Administration and Local Self-Government.										
Data collection frequency	Once a year, by the end of September. Every September, processed data for the previous year are published on the World Bank website: http://info.worldbank.org/governance/wgi/index.aspx#home										

Short description of the indicator and the calculation methodology applied (formula/equation)	<p>Worldwide Governance Indicators reports on six dimensions of governance: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption.</p> <p>Indicator <i>Government Effectiveness</i> captures perceptions of the quality of public services, the quality of the civil service and 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.</p> <p>Methodology</p> <p><i>Step 1: Assigning data from individual sources to the six aggregate indicators (for Government Effectiveness)</i></p> <p><i>Step 2: Preliminary rescaling of the individual source data to run from 0 to 1.</i></p> <p><i>Step 3: Using a special statistical tool (the Unobserved Components Model (UCM)) to construct a weighted average of the individual indicators for each source, in order to make rescaled data comparable across sources, and then to construct a weighted average of the data from each source for each country.</i></p> <p>https://info.worldbank.org/governance/wgi/Home/Documents#wgiAggMethodology</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2013			2016			2018			2019	
	51.18			56.25			56.73			53.37	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	54–55	55–57	58–59	59–60	60–63	60–63	60–63	60–63	60–63	60–63	
Performance assessment	Acceptable deviation from the target value of up to 2%.										

Indicator 2

Indicator title	Satisfaction of citizens and businesses with services delivered by public administration										
Corresponding overall objective, specific objective or measure	Further improvement of public administration operations and quality of formulation of public policies in line with the European Principles of Public Administration; Delivering high quality services to citizens and businesses; Professional public administration which will significantly contribute to economic stability and improvement of the standard of living.										
Indicator type and level	Qualitative indicator						Impact indicator				
Unit of measurement and nature	Score on a points scale of 0–9						Higher value is desirable				
Source of data/information for monitoring the performance indicator	Balkan Barometer, Regional Cooperation Council Link: https://www.rcc.int/balkanbarometer/publications Regionally comparable indicator										
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Department for Strategic Planning										
Data collection frequency	Research is conducted every year. The next report will be published in April 2021.										

<p>Short description of the indicator and the calculation methodology applied (formula/equation)</p>	<p>The indicator is construed based on the Balkan Barometer research of the public opinion on public service delivery (on a sample of over 6,000 citizens and 1,200 commercial entities/businesses) which is conducted by the Regional Cooperation Council in 6 economies of the Western Balkans.</p> <p>The indicator is calculated on the basis of respondents' answers to 6 questions about how satisfied they are with public administration services (4 questions are posed to citizens, and 2 to businesses; and the possible/offered responses by citizens are <i>good, very good, excellent</i>, and by citizens <i>very satisfied, satisfied</i>). The responses are first expressed in percentages of the total number of respondents, but then recalibrated to a scale of 0–1.5 points. Every question carries equal value for the calculation of the final indicator, but the shift in the focus on citizens is reflected in the double the number of questions meant for them compared to the number of questions meant for businesses. Therefore, the final count for all 6 indicators will fall somewhere on the scale from 0 to 9. The scaling limits match the measurements conducted by SIGMA, albeit SIGMA awards its ponderers differently.</p> <ol style="list-style-type: none"> 1. Would you please tell me how satisfied you are with each of the following in your place of living – Public services for businesses?; Scaling: 1.5 point = 65%–100% desirable/favourable answers ; 1 point = 50%–64.99%; 0.5 point = 35%–49.99% ; 0 points = 0%–34.99% 2. Would you please tell me how satisfied you are with each of the following in your place of living – digital services currently provided by the public administration for businesses?; Scaling: 1.5 point = 65%–100% ; 1 point = 50%–64.99%; 0.5 point = 35%–49.99% ; 0 points = 0%–34.99%; 3. How satisfied are you with the public services in general? Scaling: 1.5 point = 60%–100%, 1 point = 45%–59.99%, 0.5 point = 30%–44.99%; 0 points = below 29.99%; 4. How satisfied are you with administrative services from the central government?; Scaling: 1.5 point = 65%–100%, 1 point = 50%–64.99%, 0.5 point = 35%–49.99%, 0 points = below 35%; 5. How would you grade – the price of public services (e.g. issuance of personal documents, judiciary costs, etc.)?; Scaling: 1.5 point = 70%–100% ; 1 point = 55%–69.99% 0.5 point = 40%–54.99% ; 0 points = below 40%; 6. How would you grade - Time required to obtain public services (police, health system, judiciary, township, etc.)?; Scaling: 1.5 point = 70%–100% ; 1 point = 55%–69.99% ; 0.5 point = 40%–54.99% ; 0 points = below 40%. 									
<p>Information about the baseline value and the year when the baseline value was measured, and past trends</p>	<p>Past trends</p>						<p>Baseline value</p>			
	<p>2017</p>	<p>2018</p>	<p>2019</p>	<p>2020</p>						
	<p>1.5 (I: 0.5 point + 0.5 point + III: 0 points + IV: 0 points + V: 0 points + VI: 0.5 point)</p>	<p>3 (I: 1 point + II: 1 point + III: 0 points + IV: 0 points + V: 0.5 point + VI: 0.5 point)</p>	<p>2 (I: 0 points + II: 0.5 point + III: 0 points + IV: 0.5 point + V: 0.5 point + VI: 0.5 point)</p>	<p>4 (I: 1 point + II: 1 point + III: 0.5 point + IV: 0.5 point + V: 0 points + VI: 1 point)</p>						
<p>Information about target values</p>	<p>2021</p>	<p>2022</p>	<p>2023</p>	<p>2024</p>	<p>2025</p>	<p>2026</p>	<p>2027</p>	<p>2028</p>	<p>2029</p>	<p>2030</p>
	<p>4.5</p>	<p>5</p>	<p>5</p>	<p>6.5</p>	<p>6.5</p>	<p>8</p>	<p>8</p>	<p>9</p>	<p>9</p>	<p>9</p>
<p>Performance assessment</p>	<p>Acceptable deviation from the target score up to 0.5 point.</p>									

Performance indicator – Public policy planning and coordination

Specific objective 1: Improved quality of public policy documents and regulations

Indicator 1

Indicator title	Regulatory quality indicator – World Bank ranking									
Corresponding overall objective, specific objective or measure	Specific objective 1: Improved quality of public policies and regulations									
Indicator type and level	• Quantitative					• Outcome indicator				
Unit of measurement and nature	• Ranking					• Higher value is desirable				
Source of data/information for monitoring the performance indicator	World Bank website – Worldwide Governance Indicators https://info.worldbank.org/governance/wgi/Home/Reports									
Institution responsible for the implementation of the objective/measure	Public Policy Secretariat									
Data collection frequency	Annual data – the indicator is published once a year, in the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	This aggregate indicator measures the ability of the legislative and the executive powers of the government to formulate, adopt and apply sound policies and regulations which permit and promote private sector development. Four main pillars of this indicator are: quality of legal texts [i.e. statutes], parliamentary law-adoption procedure, application of the law. The indicator comprises 67 changeable [sub-indicators], 50 of which are scored on a scale 0-100.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2008		2013		2018		2019			
	45.63		52.13		59.62		60.10			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	61	62	63	64	65	66	67	68	69	70
Performance assessment	No deviation.									

Indicator 2

Indicator title	Indicator of alignment and quality of policy planning									
Corresponding overall objective, specific objective or measure	Specific objective 1: Improved quality of public policies and regulations									
Indicator type and level	• Quantitative					• Outcome indicator				
Unit of measurement and nature	• Ranking					• Higher value is better				
Source of data/information for monitoring the performance indicator	PPS PPS' internal records									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	The indicator is published once a year, in the current year for the year before									
Short description of the indicator and the	Sub-indicator 1: PPD quality (max. 5 points)									

<p>calculation methodology applied (formula/equation)</p>	<p>Description and methodology:</p> <p>Overview on a sample of at least the last 5 PPDs with an AP adopted the previous year, in order to determine if they contain all encompassing information.</p> <p>Sub-indicator criteria:</p> <ul style="list-style-type: none"> - 5 points = all PPDs contain a situation analysis with a problem analysis, policy objectives and outcome indicators with target values, activities with implementation deadlines, associated costs and institutions responsible for their implementation, with a clearly defined institutional framework for management, implementation, and reporting. - 4 points = 80% of PPDs contain a situation analysis with a problem analysis, policy objectives and outcome indicators with target values, activities with implementation deadlines, associated costs and institutions responsible for their implementation, with a clearly defined institutional framework for management, implementation, and reporting. - 3 points = 60% of PPDs ... - 2 points = 40% of PPDs... - 1 point = 20% of PPDs... <p>Sub-indicator 2: Alignment between planning documents at the central level (max. 5 points)</p> <p>Description and methodology:</p> <ol style="list-style-type: none"> 1. Alignment between APIGP priorities with objectives/measures in adopted medium-term plans is assessed by identifying discrepancies between those documents. 2. Alignment between GAWP-planned activities for the year X with the activities listed in the PPD for that same year: a minimum of 80% of regulations envisaged in the PPD should appear in the GAWP with identical deadlines, for the maximum score. To calculate %, it is necessary to identify the number of regulations envisaged by the APs in the last 5 PPDs adopted the year before which were integrated into the GAWP for the following year, and then divide that number by the total number of regulations planned in the APs analysed. 3. It is assessed that the Government is using indicators at the level of outcome if 60% of Government priorities contain outcome indicators. <p>Sub-indicator criteria:</p> <p>APIGP priorities are aligned with the objectives/measures in the adopted medium-term plans:</p> <ul style="list-style-type: none"> - Over 80% (2 points) - 60–80% (1 point) <p>APs for PPDs are aligned with the GAWP:</p> <ul style="list-style-type: none"> - Over 80% (2 points) - 60–80% (1 point) <p>APIGP contains outcome indicators for measuring the achievement of Government priorities. (1 point)</p> <p>Sub-indicator 3: Degree of alignment between public policy objectives and corresponding budget programme objectives and indicators (max. 5 points)</p> <p>Description and methodology:</p> <p>In order to uniformly compare the alignment between planned costs for Government's priority goals in documents at the central level, it is necessary to align policy objectives with budget programme objectives. Considering that public policy objectives are taken from medium-term plans of SABs, the methodology encompasses a comparison between the specific objectives in individual medium-term plans of SABS (including the corresponding indicators</p>
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100	<p>and target values) and the specific objectives of budget programmes and corresponding indicators.</p> <p style="text-align: center;">FORMULA/EQUATION</p> $\frac{\text{Number of aligned SOs in SABs' individual MTPs with budget programme objectives}}{\text{Total number of MTP's specific objectives}} \times$ <p>Assessment scale: Alignment between objectives and indicators in individual MTPs and budget programme classification: Number of MTPs with ≤ 30% alignment with BP objectives - 0 points Number of MTPs with 31–40% alignment with BP objectives - 1 point Number of MTPs with 41–50% alignment with BP objectives - 2 points Number of MTPs with 51–60% alignment with BP objectives - 3 points Number of MTPs with 61–80% alignment with BP objectives - 4 points Number of MTPs with 80–95% alignment with BP objectives - 5 points</p> <p>Upon the analysis and the assessment of all available SAB MTPs, an average score of alignment of all SAB MTP objectives with the budget programme classification will be calculated: $\frac{a \times 0 + b \times 1 + c \times 2 + d \times 3 + e \times 4 + f \times 5}{a+b+c+d+e+f}$</p> <p>The total number of points for all three sub-indicators is 15, and the total score for the entire index is calculated against a 1–5 scale: 0–3 points = 0 3–4 points = 1 5–7 points = 2 6–8 points = 3 9–11 points = 4 12–15 points = 5</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends							Baseline value		
	2017	2018	2019	2020						
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		3	4	4	5					
Performance assessment	No deviation									

'Passport' of indicators for the specific objectives of the Public Policy Management and Regulatory Reform Programme

Indicator 1

Indicator title	The share of adopted laws containing complete impact assessments in the total number of adopted laws requiring impact assessments, per calendar year									
Corresponding overall objective, specific objective or measure	Specific objective 1: Regulatory reform aimed at improving the business environment and reducing unnecessary burden on citizens and businesses									
Indicator type and level	• Quantitative					• Outcome indicator				
Unit of measurement and nature	• Ranking					• Higher value is desirable				
Source of data/information for monitoring the performance indicator	PPS Annual Work Report									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	On a quarterly basis, no regional/international measuring									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the quality of the preparation of laws drafted by SABs in accordance with the LPS and is indicative of the capacity of SABs to apply instruments for the preparation of quality regulations.</p> <p style="text-align: center;">FORMULA</p> <p>Number of laws containing complete impact assessments/Total number of adopted laws requiring impact assessments</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2020			
									30.4%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	35%	40%	45%	50%	52%	54%	56%	58%	59%	60%
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 2

Indicator title	The share of adopted regulations containing complete impact assessments in the total number of adopted regulations requiring impact assessments, per calendar year									
Corresponding overall objective, specific objective or measure	Specific objective 1: Regulatory reform aimed at improving the business environment and reducing unnecessary burden on citizens and businesses									
Indicator type and level	Quantitative					Outcome indicator				
Unit of measurement and nature	Percentage (%)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	PPS Annual Work Report									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	On a quarterly basis, no regional/international measuring									

Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the quality of the preparation of regulations drafted by SABs in accordance with the LPS and is indicative of the capacity of SABs to apply instruments for the preparation of quality regulations.</p> <p style="text-align: center;">FORMULA</p> <p>Number of regulations containing complete impact assessments/Total number of adopted regulations requiring impact assessments</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
										58.3%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
		59%	60%	62%	64%	66%	68%	70%	72%	74%	
Performance assessment	Acceptable deviation from the target value of up to 5%.										

Indicator 3

Indicator title	The share of adopted PPDs within a single calendar year, containing complete impact assessments, in the total number of adopted PPDs requiring impact assessments										
Corresponding overall objective, specific objective or measure	Specific objective 2: Strengthening capacities and implementing instruments for quality development and management of public policies and regulations										
Indicator type and level	Quantitative						Outcome indicator				
Unit of measurement and nature	Percentage (%)						Higher value is desirable				
Source of data/information for monitoring the performance indicator	PPS Annual Work Report										
Institution responsible for the implementation of the objective/measure	PPS										
Data collection frequency	On a quarterly basis, no regional/international measuring										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the quality of impact assessments in the preparation of PPDs in accordance with the LPS and is indicative of the capacity of SABs to apply instruments for the preparation of quality PPDs.</p> <p style="text-align: center;">FORMULA</p> <p>Number of PPDs containing complete impact assessments/ Total number of adopted PPDs requiring impact assessments*100</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
										50%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	60%	70%	80%	90%	100%						
Performance assessment	Acceptable deviation from the target value of up to 5%.										

Indicator 4

Indicator title	The total number of planning areas with a revised and optimised planning framework										
Corresponding overall objective, specific objective or measure	Specific objective 3: Effective public policy coordination										

Indicator type and level	Quantitative	Outcome indicator								
Unit of measurement and nature	Number	Higher value is desirable								
Source of data/information for monitoring the performance indicator	PPS Annual Work Report									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	On a quarterly basis, no regional/international measuring									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures public policy alignment/coordination through mutual alignment of planning documents within determined planning areas.</p> <p style="text-align: center;">FORMULA</p> <p>Number of planning areas with a revised and optimised planning framework and aligned objectives for which an umbrella strategy has been adopted</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016	2017	2018	2020						
				1						
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3	6	8	12	all					
Performance assessment	No deviation.									

Indicator 5

Indicator title	The share of adopted PPDs, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted PPDs in a calendar year									
Corresponding overall objective, specific objective or measure	Specific objective 4: Increased involvement of civil society, businesses and other stakeholders in the early stages of the development of public policies and regulations and in monitoring their impacts									
Indicator type and level	Quantitative					Outcome indicator				
Unit of measurement and nature	Percentage (%)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	PPS Annual Work Report									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	On a quarterly basis, no regional/international measuring									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the openness of SABs for the involvement of the public in the preparation of the PPDs through a consultative process. The aim is to involve the public in the preparation of all PPDs, given their importance to the public.</p> <p style="text-align: center;">FORMULA</p>									

	Number of PPDs containing information on held consultations/Total number of PPDs * 100									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2008			2013			2018			2019
										100%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Performance assessment	No deviation.									

Indicator 6

Indicator title	The share of adopted statutes, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted laws in a calendar year									
Corresponding overall objective, specific objective or measure	Specific objective 4: Increased involvement of civil society, businesses and other stakeholders in the early stages of the development of public policies and regulations and in monitoring their impacts									
Indicator type and level	Quantitative					Outcome indicator				
Unit of measurement and nature	Percentage (%)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	PPS Annual Work Report									
Institution responsible for the implementation of the objective/measure	PPS									
Data collection frequency	On a quarterly basis, no regional/international measuring									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the openness of SABs for the involvement of the public in the preparation of laws through a consultative process. The aim is to involve the public in the preparation of all laws requiring mandatory consultations.</p> <p style="text-align: center;">FORMULA</p> <p>Number of laws for which reports on consultations were submitted/Total number of adopted laws requiring consultations * 100</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2017			2018			2019			2020
										35.71%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	40%	60%	70%	75%	80%		85%			90%
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 7

Indicator title	The share of adopted regulations, during the preparation of which a consultative process took place in accordance with the LPS, in the total number of adopted regulations in a calendar year										
Corresponding overall objective, specific objective or measure	Specific objective 4: Increased involvement of civil society, businesses and other stakeholders in the early stages of the development of public policies and regulations and in monitoring their impacts										
Indicator type and level	Quantitative					Outcome indicator					
Unit of measurement and nature	Percentage (%)					Higher value is desirable					
Source of data/information for monitoring the performance indicator	PPS Annual Work Report										
Institution responsible for the implementation of the objective/measure	PPS										
Data collection frequency	On a quarterly basis, no regional/international measuring										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the openness of SABs for the involvement of the public in the preparation of regulations through a consultative process. The aim is to involve the public in the preparation of all regulations requiring consultations.</p> <p style="text-align: center;">FORMULA</p> <p>Number of regulations for which reports on consultations were submitted/Total number of adopted regulations requiring consultations * 100</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2017			2018			2019			2020	
										11.46%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	15%	20%	25%	31%	36%	40%	43%	46%	48%	50%	
Performance assessment	Acceptable deviation from the target value of up to 5%.										

Performance indicators – Human resource management

Specific objective 2: An improved recruitment process in public administration

Indicator 1

Indicator title	Meritocracy and effectiveness of recruitment of civil servants (SIGMA principle)		
Corresponding overall objective, specific objective or measure	Specific objective 2: An improved recruitment process in public administration		
Indicator type and level	Qualitative indicator	Outcome indicator	
Unit of measurement and nature	Numerical	Higher indicator value is desirable	
Source of data/information for monitoring the performance indicator	Data will be collected at the international and the national level. Source: SIGMA Monitoring Report http://www.sigmaweb.org/publications/monitoring-reports.htm		
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Human Resource Management, Human Resource Management Analytics Group		
Data collection frequency	Data are collected each year. However, every other year the only data that are used are the results contained in the SIGMA Monitoring Report. The years when SIGMA is not monitoring progress or issuing reports, data from the last SIGMA Monitoring Report will be used.		
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which the legal framework and the organisation of civil service recruitment support merit-based and effective selection of candidates wishing to join the civil service and whether this ensures the desired results in terms of competitive, fair and non-discretionary appointments that enhance the attractiveness for job-seekers and performance of the public sector. This indicator only applies to (public) competitive recruitment.</p> <p>This indicator comprises 6 elements (sub-indicators) which help determine the indicator value. These are:</p> <ul style="list-style-type: none"> • Adequacy of legislative framework for merit-based recruitment for civil service positions; • Application in practice of recruitment procedures for civil service positions; • Time required to hire a civil servant (from the moment a vacancy announcement is published until the recruitment procedure results are published) • Average number of eligible candidates per vacancy; • Effectiveness of recruitment for civil service positions (percentage of candidates hired against a position/post compared to the total number of recruitment procedures conducted); • Retention rate of newly hired civil servants (percentage of newly hired civil servants who have remained on the job for at least one year following their recruitment. <p>Points are awarded for each sub-indicator and then summated. The maximum number of points is 50, and the final score is converted to a points scale from 0 to 5. For more details on the methodology for indicator calculation, see: http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-May-2019.pdf, pp. 77–82</p>		
Information about the baseline value and the year when the baseline value	Past trends		Baseline value
	2016	2017	2018
	N/A	2	3

was measured, and past trends										
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3	4	4	4	4	4	5	5	5	5
Performance assessment	Deviation from the target value will still not be considered a success.									

Indicator 2

Indicator title	Recruitment based on stated personnel needs of bodies	
Corresponding overall objective, specific objective or measure	Measure 2.1: Improvement of personnel planning and promoting state administration as a desirable employer	
Indicator type and level	Quantitative indicator	Results indicator (output)
Unit of measurement and nature	Percentile on a scale 0–100%	Higher indicator value is desirable
Source of data/information for monitoring the performance indicator	Data are collected at the national level. Sources of verification: - Internal Reports on the quality of recruitment for civil service, prepared by HRMS - Access to and review of personnel planning documents, i.e. Rulebooks on the job organisation and systematisation (internal documents) - HRMS Internal Report on the implementation of the staff plan	
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), Human Resource Planning and Analyses	
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year	
Short description of the indicator and the calculation methodology applied (formula/equation)	State administration bodies, Government Services and the technical services of the administrative districts will be included in the calculation of this indicator. The aim is to determine the percentage of employees in non-managerial positions (recruited through an internal or a full external procedure and picked from the internal labour market) filling in the positions compared to the total number of employees in non-managerial positions whose recruitment is contained in the personnel plan. Calculation formula: The total number of employees in non-managerial positions filling in the positions within a year / the total number of employees in non-managerial positions whose recruitment is planned, i.e. determined in the internal personnel planning documents (such as Rulebooks on the job organisation and systematisation) * 100	
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends There is no data on the past trends considering that no personnel planning documents were adopted in 2016, 2017 or 2018. Although meant to serve as a baseline value, no personnel planning documents have been adopted for the ministries, the special organisations, the Government Services and the technical services of the administrative districts for 2019 or 2020. Instead, the number of employees in non-managerial positions whose recruitment is planned, has been determined on the basis of a comparative analysis of the number of civil servants shown in the monthly record on the number and the structure of employees and the number of civil servants in systematised positions according to the applicable rulebooks on job organisation and systematisation. Considering that the first report on the quality of recruitment for civil service will be issued for the year 2020, the number of employees in non-managerial positions will be determined on the basis of data submitted by PABs and showing in the recruitment records kept by the HRMS.	
	Baseline value	

	2016			2017			2018			2020	
	N/A			N/A			N/A			20%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	20-25 %	25-30 %	30-35 %	35-40 %	40-45 %	45-55 %	55-60 %	60-70 %	70-85 %	85-95 %	
Performance assessment	Acceptable deviation from the target value of up to 5%.										

Indicator 3

Indicator title	Competency framework established in state administration and LSG bodies									
Corresponding overall objective, specific objective or measure	Measure 2.2 Improvement of the selection process and the process of induction of new employees									
Indicator type and level	Qualitative indicator					At the level of results (output)				
Unit of measurement and nature	Numerical on a scale from 0 to 4					Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national and the local level. Sources: <ul style="list-style-type: none"> - Reports on the work of Government, with the integrated Report on the work of MPALSG, www.gs.gov.rs - Internal Report on the work of HRMS - HRMS Informer https://www.suk.gov.rs/ - Reports generated from the IS for HRM https://www.suk.gov.rs/ 									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Human Resource Management, Employment System Unit									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which the competency framework corresponds to the PA's needs and core values. This indicator concerns the PABs, state bodies and LSGUs.</p> <p>MPALSG monitors how it is applied in practice and awards points from 0 to 4 according to the following criteria:</p> <ul style="list-style-type: none"> 0 – a competency framework has not been developed; 1 – a competency system has been developed for civil servants; 2 – a competency system has been developed for civil servants and employees of the bodies of an autonomous province and the LSGUs; 3 – a competency system has been developed for civil servants and employees of an autonomous province and the LSGUs, and the competency framework for civil servants/senior civil servants has been improved; 4 – the competency system is applied in all HRM areas in state bodies and bodies of an autonomous province and the LSGUs. <p>Until 2025 monitoring of the competency system at all levels will be based on the MPALSG and HRMS Reports. From 2016 on monitoring and assessment of the competency system will be based on the methodology and indicators developed within quality standards for HRM.</p>									
Information about the baseline value and the year when the baseline value	Past trends								Baseline value	
	2016		2017		2018		2020			
	0		0		0		1			

was measured, and past trends										
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	2	2	3	3	4	4	4	4	4	4
Performance assessment	Acceptable deviation from the target value of up to 1 number.									

Indicator 4

Indicator title	The total number of senior civil service positions filled through recruitment compared to the total number of positions									
Corresponding overall objective, specific objective or measure	Measure 2.3 Improvement of the procedure for merit-based filling of senior civil service positions, and induction									
Indicator type and level	Quantitative indicator					At the level of results (output)				
Unit of measurement and nature	Percentile on a scale 0–100%					Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Internal HRMS Report from internal evidences and the new Information System for HRM									
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), HJC Support Unit									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>State administration bodies and Government Services will be included in the calculation of this indicator.</p> <p>The aim is to determine the percentage of civil servants assigned to senior civil service positions through internal or public recruitment in accordance with the newly adopted competency-based selection procedure.</p> <p>First deduct the number of vacant senior civil service positions from the total number of systematised senior civil service positions in PABs and Government Services. Then divide the number of senior civil service appointments by the total number of filled senior civil service positions and multiply it by a 100 to obtain the percentage of senior civil service positions filled through recruitment.</p> <p>Calculation formula: The total number of senior civil service positions filled through recruitment / the total number of (senior civil service) positions filled * 100</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
	N/A		31%			33%			34%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	>40%	>60%	>80%	>90%	>95%	>95%	>95%	>95%	>95%	>95%
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Specific objective 3: An efficient career management system applied in practice

Indicator 1

Indicator title	Degree to which the career management system for the civil service is developed									
Corresponding overall objective, specific objective or measure	Specific objective 3: An efficient career management system applied in practice									
Indicator type and level	Qualitative indicator					Outcome indicator				
Unit of measurement and nature	Numerical on a scale 0–4					Higher indicator value within the defined range is desirable is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: <ul style="list-style-type: none"> - Internal HRMS Report - HRMS Work Reports, https://www.suk.gov.rs/ 									
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), Department for HR Selection and Development									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>State bodies are included in the calculation of this indicator.</p> <p>This indicator measures the extent to which career management system for civil servants has been developed, i.e. whether different career development models have been designed (e.g. an assessment of individual's potential, 360-degree feedback, internal labour market, career counselling, coaching, etc.) and whether different tools for career management are applied in practice.</p> <p>HRMS monitors how it is applied in practice and awards points from 0 to 4 according to the following criteria:</p> <ul style="list-style-type: none"> 0 – a career management system has not been developed 1 – at least three career management tools are applied in practice (e.g. an assessment of individual's potential, 360-degree feedback, internal labour market, career counselling, coaching, etc.) 2 – at least two career development models have been designed 3 – three or more career development models have been designed 4 – career development models are implemented in practice and over 100 civil servants are covered under one of the career development models. 									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	Since it was formed as an organisational unit under HRMS, the Career Management Centre has developed a set of services and the capacity for the application of different career management tools for individual use (e.g. assessments of individual's potential for development, individual career development plans, career counselling, coaching, etc.).									
	2016		2017		2018		2020		1	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	1	1	2	3	4	4	4	4	4	4
Performance assessment	Deviation from the target value will still not be considered a success.									

Indicator 2

Indicator title	Giving performance appraisal ratings according to HRM standards									
Corresponding overall objective, specific objective or measure	Measure 3.1: Creating an environment to have efficient, innovative and motivated civil servants									
Indicator type and level	Quantitative indicator					At the level of results indicator (output)				
Unit of measurement and nature	Percentile on a scale 0–100%.					Lower indicator value within the defined range is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: HRMS Report on performance appraisals submitted to Government for information									
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), Career Management Centre									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	State administration bodies will be included in the calculation of this indicator. The aim is to determine whether the way in which performance appraisal ratings are awarded deviates from the desired way, by measuring the progress in the implementation of the newly adopted appraisal procedure which is based on the assessment of organisational goals and behavioural competencies. The progress measurement will be the percentage of the highest performance appraisal rating given, the rating being – <i>Exceeds expectations</i> . Calculation formula: number of civil servants who received the highest performance appraisal rating / compared to the total number of civil servants appraised* 100									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends Until 2019, the old appraisal procedure has not producing the expected results, particularly in terms of objectivity in assessing one’s individual performance. The two highest ratings were given more frequently than the standard average ratings, over 85% whereas they should not exceed 30-35%.								Baseline value	
	2016		2017			2018			2020	
									75%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	75%	<70%	<65%	50–55%	40–45%	<35%	<35%	<35%	<35%	<35%
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 3

Indicator title	Degree to which personnel affairs in state administration bodies are standardised									
Corresponding overall objective, specific objective or measure	Measure 3.2.: Development of institutional and administrative capacities for HRM									
Indicator type and level	Qualitative indicator					At the level of results (output)				
Unit of measurement and nature	Numerical on a scale 0–4					Higher indicator value is desirable				

Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Sources: <ul style="list-style-type: none"> • Report on the analysis of the key institutions' capacity for strategic HRM • HRM IT system • Internal NAPA Report 									
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), Department for HR Selection and Development									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator measures the extent to which the organisation of personnel affairs in state bodies is standardised. This indicator corresponds to state administration bodies. MPALSG and HRMS monitor the application in practice and award points from 0 to 4 based on the following criteria: <p>0 – no unit exclusively handling HRM affairs has been formed in all of state administration bodies</p> <p>1 – over 30% of state administration bodies with over 100 employees have, by way of a by-law on internal organisation and systematisation of job positions, formed a special unit for HRM or appointing a person to handle HRM affairs</p> <p>2 – over 50% of state administration bodies with an internal HRM unit have filled over 90% of systematised positions in HRM units, in accordance with the by-laws on internal organisation and systematisation of job positions</p> <p>3 – over 50% of employees in non-managerial positions in HRM units of state administration bodies have completed the professional training programme for employees of HRM units</p> <p>4 – in over 50% of state administration bodies, HRM affairs are organised and HRM processes are conducted in accordance with the set quality standards.</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	There were never any units exclusively handling HRM affairs in state administration bodies.									
	2016		2017		2018		2020			
0		0		0		0				
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	1	2	3	3	3	4	4	4	4	4
Performance assessment	Deviation from the target value will still not be considered a success.									

Indicator 4

Indicator title	Degree to which legal protection of senior civil servants/managers is ensured (based on five SIGMA sub-indicators)									
Corresponding overall objective, specific objective or measure	Measure 3.3: Strengthening the professionalisation of the senior civil service/managers									
Indicator type and level	Qualitative indicator					Output (results) indicator				
Unit of measurement and nature	Numerical					Higher indicator value is desirable				
Source of data/information for monitoring the	Data will be collected at the international and the national level. Source: <ul style="list-style-type: none"> • SIGMA Monitoring Report http://www.sigmaxweb.org/publications/monitoring-reports.htm 									

performance indicator	
Managing authority responsible for collecting data	Human Resource Management Service (HRMS), Department for HR Selection and Development
Data collection frequency	Data are collected each year. However, every other year the only data that are used are the results contained in the SIGMA Monitoring Report. The years when SIGMA is not monitoring progress or issuing reports, data from the last SIGMA Monitoring Report will be used.
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The value of this indicator will be determined based on the values of 5 different SIGMA sub-indicators. Those are:</p> <ol style="list-style-type: none"> 1. Exclusion of politically appointed positions from the scope of the public service The value of this sub-indicator is set against an analysis of the legal framework regulating the scope of the public service. The maximum possible number of points for this sub-indicator 2, to be awarded if the legal framework clearly excludes politically appointed individuals from the scope of the public service. Otherwise, zero (0) points will be awarded. 2. Adequacy of the scope of the public service The value of this sub-indicator is set against an analysis of the legal framework, whereby a point is awarded for every criterion: a) that posts at one level below the minister level and managers/heads of public bodies forming part of a ministry are civil service posts; b) that the scope of HRM duties and responsibilities of a ministry secretary or an equivalent position includes making decisions on recruitment and termination of employment of non-managerial staff; c) that there are special provisions on recruitment for and promotion to senior civil service positions. 3. Objectivity of criteria for termination of employment in (senior) civil service legislation The value of this sub-indicator is set against an analysis of laws regulating termination of employment of senior civil servants. The legislation should not permit termination of employment for any reason other than an expiration of the employment period, disciplinary or administrative issues, negative performance appraisals, redundancy due to re-structuring, downsizing or another criterion – as long as they are objective. Points are awarded in the following manner: 4 points if the legal framework only contains objective criteria for termination of employment; 0 points if legal framework permits termination of employment based on non-objective criteria. 4. Legislative protection rights of senior civil servants during demotion The value of this sub-indicator is set against an analysis of laws for which a point is awarded if: 1. they grant a senior civil servant the right to be transferred to the previous position/post or a comparable position/post (this applies to persons who were appointed from among civil servants), provided that the demotion was not the result of a disciplinary procedure; 2. the transfer to another position/post require a written justification. In case demotion is not possible, the maximum number of points awarded for this sub-indicator is -2. 5. Stability in senior civil service positions (%) The estimation is based on the following data: <ul style="list-style-type: none"> • annual turnover of senior civil service posts in the course of a year in which the Government was last formed (calculated as the total number of civil servants who left their positions, divided by the total number of senior civil servants at the start of the year, expressed in percentages); • annual turnover of senior civil service posts in the course of a year, following the year in which the Government was last formed (calculated as the total number of civil servants who left their positions, divided by the total number of senior civil servants at the start of the year, expressed in percentages); • annual turnover of senior civil service posts in the last two full calendar years (calculated as the total number of civil servants who left their positions, divided

	<p>by the total number of senior civil servants at the start of the year). To calculate this sub-indicator, take the highest value from among the three data scenarios. If the forming of a new Government last took place in the second half of the last full calendar year or sooner, then data on the preceding forming of the Government will be analysed. Points will be awarded as follows: 4 points = less than 10%, 3 points = 10%–19.99%, 2 points = 20%–29.99%, 1 point = 30%–40%, 0 points = over 40%.</p> <p>For more details on the indicator calculation methodology, see: http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-May-2019.pdf. The maximum possible total score for this indicator, i.e. all six SIGMA sub-indicators, is 15.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends										Baseline value
	2016			2017			2018			2019	
	N/A			6			6			9	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	11	11	13	13	13	15	15	15	15	15	
Performance assessment	Acceptable deviation from the target value of up to 1 number.										

Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied

Indicator 1

Indicator title	Degree to which the system of professional development in public administration is normatively and practically based on the analysis of needs for the advancement of knowledge and skills, i.e. competencies of employees in public administration	
Corresponding overall objective, specific objective or measure	Specific objective 4: A functional and innovative system of professional development and professional exams in public administration based on the analysis of needs for the improvement of staff competencies, knowledge, skills and abilities developed and applied	
Indicator type and level	Qualitative indicator	Outcome indicator
Unit of measurement and nature	Numerical on a scale from 1 to 5	Higher indicator value is desirable
Source of data/information for monitoring the performance indicator	<p>Data will be collected at the national level.</p> <p>Source:</p> <ul style="list-style-type: none"> - NAPA Reports on professional development needs assessment in public administration 	
Managing authority responsible for collecting data	NAPA, Sector for the Preparation of Training Programmes and Quality Management	
Data collection frequency	Once a year, by the end of Q2 of the current year for the following calendar year	
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator is used to measure the extent to which the system of professional development in the public administration is based on the assessment of public administration employees' needs for upskilling and learning, i.e. their competence to perform their job duties.</p> <p>A special methodology was designed to determine the value of this indicator. This methodology entails an analysis of the application of laws regulating professional</p>	

	<p>development in the mentioned segments of the public administration, and the developed practice of designing and adopting training programmes.</p> <p>The legal framework for all categories is analysed by the MPALSG which awards 4 points for each category if, in accordance with the regulations, professional development is based on a needs analysis, thereby making the maximum score for legal framework 8 (4 points per category for regulations governing professional development of civil servants and employees of LSGUs). Practical application is monitored by NAPA on a sample of 4 ministries, 2 ministry body, 1 special organisation, and 10 LSGUs. One point is awarded for a sampled institution which has conducted its professional development needs analysis following the Instruction on the methodology for determining professional development needs in public administration bodies.</p> <p>It will also be monitored whether the NAPA had prepared a consolidated needs analysis report and adopted programmes for civil servants and employees of LSGUs, which NAPA implements. Maximum of three points are awarded for each category covered (1 point if the needs analysis report has been prepared, and 2 points if the training programme has been adopted).</p> <p>Points per element are added together and the maximum score for practical application is 22 (16+6).</p> <p>Calculation formula – Total number of points for legal framework + Total number of points for practical application</p> <p>The maximum score is 30 (8+22).</p> <p>Indicator value is obtained by converting the score to the following 5-level scale:</p> <p>1 for 0–6 points – the system of professional development and professional exams in public administration is not based on the competency-development needs analysis, i.e. expert knowledge, staff competency and skill levels</p> <p>2 for 7–12 points – the system of professional development and professional exams in public administration is based very little on the competency-development needs analysis, i.e. expert knowledge, staff competency and skill levels</p> <p>3 for 13–18 points – the system of professional development and professional exams in public administration is based on competency principle to a certain extent, i.e. expert knowledge, staff competency and skill levels. MPALSG in cooperation with the NAPA monitors this on a sample of 4 ministries, 2 ministry bodies, 1 special organisation, and 10 LSGUs. One point is awarded for a sampled institution which has conducted its professional development needs analysis following the Instruction on the methodology for determining professional development needs in public administration bodies</p> <p>4 for 19–24 points – the system of professional development and professional exams in public administration is largely based on the competency-development needs analysis, i.e. expert knowledge, staff competency and skill levels</p> <p>5 for 25–30 points – the system of professional development and professional exams in public administration is completely based on the competency-development needs analysis, i.e. expert knowledge, staff competency and skill levels.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
	N/A			N/A			N/A			TBD (in December 2020)	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	3	3	3	4	4	4	5	5	5	5	
Performance assessment	No deviation.										

Indicator 2

Indicator title	Degree of implementation of the quality system in the elements of professional development in public administration
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Corresponding overall objective, specific objective or measure	Measure 4.1: Improvement of the uniform system of professional development in state and LSGU bodies	
Indicator type and level	Qualitative indicator	At the level of results indicator (output)
Unit of measurement and nature	Numerical on a scale from 0 to 5	Higher indicator value is desirable
Source of data/information for monitoring the performance indicator	Central Records of Professional Development Programmes in Public Administration Source: - NAPA Reports on professional development needs assessment in public administration, https://www.napa.gov.rs/tekst/605/analiza-potreba-za-strucnim-usavrsavanjem.php	
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), Sector for the Preparation of Training Programmes and Quality Management	
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year	
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The applicable criteria for determining the extent to which the implementation of quality system in the elements of professional development in the public administration:</p> <ol style="list-style-type: none"> 1. The body is conducting an annual professional development needs analysis in accordance with the adopted Instruction on the methodology for determining professional development needs in public administration bodies which serves to identify the relevant needs for professional development; 2. The body's senior civil servant has adopted a special training programmes for the staff, which are to satisfy the previously identified priority needs for professional development and which have been designed according to NAPA's guidelines for designing training programmes; 3. The body is running the special training programme with the help of hired trainers and training organisers in line with the relevant by-laws and based on the previously planned resources (budgetary and donor); 4. The body is monitoring aspects of the training programme implementation and the training impact, in line with the relevant by-laws; 5. The general score given by training participants for the completed training courses is above 3.4. <p><u>The extent of the implementation</u> is tracked on a sample of 6 state administration and 10 LSGUs.</p> <p>The sample comprises of: MPALSG, Ministry of education, science and technological development, Ministry of trade, tourism and telecommunications, MEI, Ministry of finance – Customs, PPS and following LSG: Belgrade, Smederevo, Valjevo, Pančevo, Zrenjanin, Medveđa, Niš, Žabalj, Čačak I Užice.</p> <p>NAPA will monitor the fulfilment of the criteria and award a point for each met criterion. The full cumulative criteria must be met before a body can be deemed to have established a quality system in the elements of professional development.</p> <p>The scoring for the extent of the implementation of quality system in the elements of professional development is based on a scale 1–5, as follows:</p> <ol style="list-style-type: none"> 0 – no or one institution; 1 – two or three institutions; 2 – four or five institutions; 3 – six or seven institutions; 4 – eight or nine institutions; 5 – all 10 institutions. 	

Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
	N/A			N/A			N/A			1	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	2	3	4	5	5	5	5	5	5	5	
Performance assessment	No deviation.										

Indicator 3

Indicator title	Fulfilment of participants' expectations from training sessions where innovative forms and methods of professional development were applied									
Corresponding overall objective, specific objective or measure	Measure 4.2: Improvement of professional development programmes in state and LSGU bodies and of the manner of their organisation and delivery									
Indicator type and level	Quantitative indicator					At the level of results indicator (output)				
Unit of measurement and nature	Percentile on a scale 0–100%					Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Sources: <ul style="list-style-type: none"> - Reports on conducted training programmes, https://www.napa.gov.rs/tekst/487/izvestaji-i-evaluacije.php - Central Records of Professional Development Programmes 									
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), Sector for Implementation of Training Programmes									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	Calculation of this indicator value is based on the results of the annual training programmes evaluations. The training programmes considered for this purpose are those which contain innovative forms of delivery and development methods, such as: online training, webinars, gamification, coaching, mentoring, etc. At the end of their training, participants fill in a training evaluation questionnaire, among other things, giving their assessment of the innovative forms of delivery and development and stating the extent to which their expectations of the training had been met, on the following three-level scale: <ul style="list-style-type: none"> - Expectations fully met - Expectations partially met - Expectations not met <p>The value of the indicator takes into account only those trainees with expectations fully met. Formula: Number of trainees with fully met expectations in relation to the overall number of trainees in all programmes in the respective calendar year x 100</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2016			2017			2018			2020
	N/A			N/A			N/A			0

Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	70% ³⁸⁴	70%	75%	75%	80%	80%	80%	80%	80%	80%
Performance assessment	No deviation.									

Indicator 4

Indicator title	Quality of new regulations in the area of professional development									
Corresponding overall objective, specific objective or measure	Measure 4.3: Improvement of the normative framework governing professional development in public administration									
Indicator type and level	Qualitative indicator					At the level of results indicator (output)				
Unit of measurement and nature	Percentile on a scale 0–100%					Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Sources: - <i>Ex-post</i> impact assessment of regulations within the MPALSG’s purview and an <i>ex-post</i> impact assessment of regulations within NAPA’s purview (internal)									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Professional Development									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	The value of this indicator is determined based on the findings of the <i>ex-post</i> impact assessment of regulations governing the system of professional development – Law on Civil Servants, Law on Employees in Autonomous Provinces and Local Self-Government Units, Law on the National Academy for Public Administration and relevant by-laws. A precise procedure for the implementation of the findings of the <i>ex-post</i> impact assessment will be developed in the course of 2021, when the first assessment is scheduled to take place. Calculation formula: the number of draft regulations assessed favourably / the total number of analysed regulations x 100									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
	N/A		N/A		N/A		First evaluation due in 2021			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	50%	60%	70%	80%	90%	100%	100%	100%	100%	100%
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 5

Indicator title	Number of business processes conducted using information technologies									
Corresponding overall objective,	Measure 4.4: Process of standardisation and the establishment of the quality system in the area of professional development in public administration, with full application of ICT									

³⁸⁴ Percentage of participants whose expectations have been fully met.

specific objective or measure											
Indicator type and level	Qualitative indicator						At the level of results indicator (output)				
Unit of measurement and nature	Numerical on a scale from 0 to 6						Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Sources: <ul style="list-style-type: none"> - Central Records of Professional Development Programmes in Public Administration (electronic evidence) - LMS (learning management system) NAPA (electronic system of NAPA for managing the professional development system in public administration bodies) 										
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), IT and Records Group										
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year										
Short description of the indicator and the calculation methodology applied (formula/equation)	The value of this indicator will be set against the number of business processes with the most business procedures conducted with the use of information technology, i.e. over 50% of procedures within a single business process. Six professional development processes are analysed. Each process with over 50% of procedures conducted with the use of information technology carries one (1) point. Zero points will be awarded for a process with less than 50% of procedures conducted with the use of information technology. The maximum number of points for this indicator is 6. Professional development processes which will be monitored are: 1. Professional development needs analysis, 2. Accreditation of training programme providers, 3. Accreditation of training programmes, 4. Training programme delivery, 5. Training programme evaluation, 6. Verification.										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
	N/A			N/A			N/A			1	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	1	1	1	3	4	5	5	6	6	6	
Performance assessment	No deviation.										

Indicator 6

Indicator title	Degree of development of the planning and management system for the lifelong professional development										
Corresponding overall objective, specific objective or measure	Measure 4.5: Establishment of a system for planning and managing the process of lifelong professional development in public administration (lifelong professional development master plan)										
Indicator type and level	Qualitative indicator						At the level of results indicator (output)				
Unit of measurement and nature	Numerical on a scale from 0 to 1						Higher indicator value is desirable				
Source of data/information for monitoring the	Data will be collected at the national level. Source:										

performance indicator	- Internal MPALSG reports										
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Professional Development										
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures whether system for planning and managing the process of lifelong professional development has been developed. The criterion used to determine the indicator value is an existing template of a master plan for lifelong professional development in public administration.</p> <p>If no master plan template has been made, the indicator value is 0. If it has, then the indicator value is 1.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2019	
	N/A			N/A			N/A			0	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	0	0	0	0	1	1	1	1	1	1	
Performance assessment	No deviation.										

Indicator 7

Indicator title	Degree of development of a framework of cooperation between institutions responsible for employee professional development										
Corresponding overall objective, specific objective or measure	Measure 4.6: Establishment of instruments for cooperation between institutions responsible for professional development of employees in state and other bodies										
Indicator type and level	Qualitative indicator						At the level of results indicator (output)				
Unit of measurement and nature	Numerical on a scale from 0 to 1						Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	<p>Data will be collected at the national level.</p> <p>Source:</p> <ul style="list-style-type: none"> - NAPA Work Report (internal) 										
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Professional Development										
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures whether a framework of cooperation between institutions responsible for conducting professional development programmes for employees in state and other bodies has been developed (a school network of institutions).</p> <p>The indicator value is calculated by monitoring whether MPALSG has conducted at least one activity a year as part of the established school network of institutions responsible for preparing professional development programmes and implementing professional training programmes. To achieve the minimum value of this indicator (which is 1), three key institutions (NAPA, the Judicial Academy, and the Diplomatic</p>										

	Academy) and state administration bodies which have developed systems of special professional development. Otherwise, the indicator value will be 0.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2016			2017			2018			2019
	N/A			N/A			N/A			0
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	0	0	0	1	1	1	1	1	1	1
Performance assessment	No deviation.									

Indicator 8

Indicator title	Degree of established uniform standards in the area of professional exams in the state administration system									
Corresponding overall objective, specific objective or measure	Measure 4.7: Introduction of uniform criteria, benchmarks and standards in the field of professional exams in the state administration system									
Indicator type and level	Quantitative indicator					At the level of results indicator (output)				
Unit of measurement and nature	Numerical on a scale from 0 to 12					Higher indicator value is desirable				
Source of data/information for monitoring the performance indicator	Source: - MPALSG Work Reports (internal) - Office for IT and e-Government Work Reports (internal)									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Professional Development									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The value of this indicator will be set against the number of digitalised and standardised, and specifically: professional state exams, professional civil registrar's exam, inspector's exam, communal police officer exam. For every exam, it is possible to obtain a maximum of 3 points. Three processes of professional exams are analysed, and one point is awarded for each process conducted in line with the recommendations for business process optimisation.</p> <p>The monitored processes are: 1. candidates submitting online applications to sit a professional exam; 2. deciding on those applications; 3. organising and conducting professional exams.</p> <p>Calculation formula: total number of points is obtained by adding the points awarded for each of the four exams (the maximum number of points per exam is 3). The maximum possible total score is 12.</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2016			2017			2018			2019
	N/A			N/A			N/A			0
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3	6	9	12	12	12	12	12	12	12

Performance assessment	No deviation.
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Indicator 9

Indicator title	Percentage of state bodies and LSGU bodies participating in the student internship programme										
Corresponding overall objective, specific objective or measure	Measure 4.8: Development of cooperation with higher education institutions to support schooling and/or additional education of staff for/in public administration										
Indicator type and level	Quantitative indicator					At the level of results indicator (output)					
Unit of measurement and nature	Percentile on a scale 0–100%					Higher indicator value is desirable					
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Report on completed student internships in state bodies and LSGU bodies (internal)										
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Professional Development										
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>State administration bodies and LSGUs will be included in the calculation of this indicator.</p> <p>This indicator monitors the number of state administration bodies offering student internships and the number of students who completed their internships <i>vis-à-vis</i> those state administration bodies' annual student internships plan.</p> <p>The value is measured on the level of a sample of at least 5 ministries, 2 special organisations, 2 Government services, 4 state and independent bodies, and 5 LSGUs.</p> <p>Each body carries 5%, and the result is obtained by summation of bodies which have facilitated student internships according to the annual programme of student internships in public administration.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2020	
	N/A			N/A			N/A			0%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
Performance assessment	Acceptable deviation from the target value of up to 15%.										

Performance indicators – Service delivery

Specific objective 5: Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience

Indicator 1

Indicator title	SIGMA's average score for service delivery for all four pillars (SIGMA Monitoring Report)									
Corresponding overall objective, specific objective or measure	Specific objective 5: Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience									
Indicator type and level	Quantitative indicator					Outcome indicator				
Unit of measurement and nature	Grade, (average score), scale 0–5					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Source: SIGMA Monitoring Report, OECD http://www.sigmaxweb.org/publications/monitoring-reports.htm Regionally comparable data.									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government									
Data collection frequency	Measuring takes place every two years. The publication of the next report is expected in 2021.									
Short description of the indicator and the calculation methodology applied (formula/equation)	Every two years, the OECD conducts a comprehensive regional study on the quality of service delivery by the public administration. The value indicator measurement is obtained from a simple score average, the scoring scale being from 0 to 5 for the following four pillars: <ol style="list-style-type: none"> 1. Citizen-oriented service delivery; 2. Fairness and efficiency of administrative procedures; 3. Existence of enablers for public service delivery; 4. Accessibility of public services. 									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
			2				3			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	4	4	4	4	5	5	5	5	5	5
Performance assessment	Deviation from the target value of up to ± 0.5 will be considered a success.									

Indicator 2

Indicator title	The GDP share of the administrative burden of citizens and businesses									
Corresponding overall objective, specific objective or measure	Specific objective 5. Public administration provides services in an efficient and innovative manner matching the needs of end users and enhances their user experience									
Indicator type and level	Quantitative indicator					Outcome indicator				
Unit of measurement and nature	Percentage (%) of the GDP					Lower value is desirable				

Source of data/information for monitoring the performance indicator	The Public Policy Secretariat conducts an internal research for the purposes of reporting on the implementation of the Regulatory Reform and Public Policy Management Programme and the e-Paper Programme.									
Managing authority responsible for collecting data	Public Policy Secretariat									
Data collection frequency	Data are collected for a period of one calendar year. Every October, data for the preceding year is made available.									
Short description of the indicator and the calculation methodology applied (formula/equation)	$\frac{\text{Administrative burden of citizens and businesses}}{\text{Gross domestic product}} \times 100$ $= \frac{\text{Total administrative expenditure for citizens and businesses}}{\text{Gross domestic product}} \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	<i>Past trends</i>								<i>Baseline value</i>	
	2016		2017			2018			2019/2020	
	3.26%		/			3.11%			/	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3.00 %	2.90 %	2.85 %	2.80 %	2.75 %	2.65 %	2.55 %	2.50 %	2.45 %	2.40 %
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 3

Indicator title	Number of streamlined administrative procedures of citizens and businesses									
Corresponding overall objective, specific objective or measure	Measure 5.1: Promoted development of new and optimisation of existing services tailored for end users									
Indicator type and level	Quantitative indicator						Results indicator			
Unit of measurement and nature	Numerical, cumulative						Higher value is desirable			
Source of data/information for monitoring the performance indicator	Central Public Registry of Administrative Procedures, Public Policy Secretariat									
Managing authority responsible for collecting data	Public Policy Secretariat									
Data collection frequency	Data are collected continuously throughout the year. A year overview is done every December (of that year).									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator measures the number of administrative procedures which were simplified for citizens and businesses, through the implementation of the PAR Strategy and the e-Paper Programme and on the basis of PPS' recommendations for simplifying the relevant service request forms. Target value defines the overall expected simplified procedures.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
			0			0			89	

Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	250	350	450	500	550		600			700
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 4

Indicator title	Number of established one-stop shops (in units of local self-government)									
Corresponding overall objective, specific objective or measure	Measure 5.1: Promoted development of new and optimisation of existing services tailored for end users									
Indicator type and level	Quantitative indicator					Results indicator				
Unit of measurement and nature	Number, cumulative					Higher value is desirable				
Source of data/information for monitoring the performance indicator	MPALSG web portal									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government									
Data collection frequency	Data are collected continuously throughout the year. A year overview is done every December (of that year).									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator measures the total number of physically established and set-up one-stop shops on the territories of local self-government, which creates real/infrastructural preconditions for raising the quality of public administration services, and in line with the standards prescribed by the competent ministry.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends							Baseline value		
	2017		2018		2019			2020		
	0		0		1			14		
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	19	24	29	34	39	34	50	60	70	80
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 5

Indicator title	Percentage of civil servants and local self-government employees in service delivery jobs who successfully completed a training in the field of service delivery quality (improvement)									
Corresponding overall objective, specific objective or measure	Measure 5.2: Raising human and technical-technological capacities of public administration for service delivery to end users									
Indicator type and level	Quantitative indicator					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	National Academy for Public Administration Information Booklet, https://www.napa.gov.rs/tekst/75/informator-o-radu.php									
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA)									

Data collection frequency	Data is collected continuously and throughout the year. June of every year, a breakdown/overview of the preceding year is done.									
Short description of the indicator and the calculation methodology applied (formula/equation)	Calculation: the number of employees working in the area of service delivery who have direct contact (in-person or in writing) with service users, or employees performing administrative (processing) tasks as part of the broader service delivery function, who completed training prescribed by the PAR Strategy in relation to the overall number of employees in the area of services. Only trainees who successfully complete the training in a given calendar year will be counted.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016	2017			2018			2019		
								(Percentage is to be determined)		
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	10%	25%	40%	55%	70%	85%	100%	100%	100%	100%
Performance assessment	Acceptable deviation from the annually planned number of trained employees of up to 10%.									

Indicator 6

Indicator title	EU Benchmark for e-Government – key prerequisites put in place									
Corresponding overall objective, specific objective or measure	Measure 5.2: Raising human and technical-technological capacities of public administration for service delivery to end users									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	Index, scale 0–100					Higher value is desirable				
Source of data/information for monitoring the performance indicator	EU Commission, see: https://ec.europa.eu/digital-single-market/en/news/egovernment-benchmark-2019-trust-government-increasingly-important-people									
Managing authority responsible for collecting data	Office for IT and e-Government									
Data collection frequency	Annual (November)									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator measures the availability of technical-technological solutions / preconditions (such as electronic signatures, authentic sources, etc.) for electronic delivery and processing of selected public services (such as registering a new business, vehicle and plates registration, change of residence). For more details on the methodology, go to: https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=55174 .									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016	2017			2018			2020		
					23.3			35		
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	35	45	60	75	90	92	94	96	96	96
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 7

Indicator title	Number of SABs which have already implemented the CAF or any other quality management tool in the course of one calendar year, on the basis of the corresponding legal framework										
Corresponding overall objective, specific objective or measure	Measure 5.3: Improved system of service quality control and quality assurance										
Indicator type and level	Quantitative						Outcome indicator				
Unit of measurement and nature	Number						Higher value is desirable				
Source of data/information for monitoring the performance indicator	The Ministry of Public Administration and Local Self-Government collects data internally.										
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Department for Strategic Planning										
Data collection frequency	Data is collected continuously and throughout the year. An overview is made on a quarterly basis.										
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator measures the number of state administration bodies which have applied the CAF or another service quality management system tool. A tool is deemed to have been applied when the respective body has aligned its internal processes with CAF standards, in accordance with the legal framework prescribed by the Government.										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2019 or 2020	
	0			0			0			0	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	2	4	6	8	10	12	14	16	18	20	
Performance assessment	No deviation.										

Performance indicators – Accountability and transparency

Note: The interchangeable use of the terms *public administration bodies at the central level* [and *central government*] in this chapter and the PAR Strategy AP, in the particular context of accountability and transparency, refers to all bodies of the public administration (ministries, administrative bodies within ministries, and special organisations) and state bodies.

Specific objective 6: Increased level of accountability and transparency at all levels of the government

Indicator 1

Indicator title	EC's annual assessment of progress in the area of accountability									
Corresponding overall objective, specific objective or measure	Specific objective 6: Increased level of accountability and transparency at all levels of the government									
Indicator type and level	Qualitative					Outcome indicator				
Unit of measurement and nature	Qualitative indicator, the referenced report contains the desirable elements.									
Source of data/information for monitoring the performance indicator	EC Progress Report for Serbia, available at: https://www.mei.gov.rs/eng/documents/eu-documents/annual-progress-reports-of-the-european-commission-for-serbia									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Department for Strategic Planning									
Data collection frequency	Data is collected on an annual basis, i.e. for a [reporting] period starting in October and ending in September of the following year. Data collecting finishes two months after the end of the reporting period, i.e. at the end of November.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Every year in October, the European Commission publishes a progress report and submits it to the Council of the EU, the European Parliament, and the EU candidate country. The report covers a chapter on Accountability within the assessment of the PAR, as well as within the negotiation Chapter 32.</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019		No	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	No	Yes	Yes	Yes	Yes					
Performance assessment	No deviation.									

Indicator 2

Indicator title	SIGMA indicator: accessibility of public information									
Corresponding overall objective, specific objective or measure	Specific objective 6: Increased level of accountability and transparency at all levels of the government									
Indicator type and level	Qualitative					Outcome indicator				
Unit of measurement and nature	Points					A higher number of points is desirable. The range starts at 0 (zero) – meaning that the requested				

		information is not available nor provided by the state – and ends at 5, a value reserved for performance fully aligned with the principles and the standards of good governance.								
Source of data/information for monitoring the performance indicator	SIGMA Monitoring Report, available at: http://www.sigmaxweb.org/publications/monitoring-reports.htm									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Department for Strategic Planning									
Data collection frequency	Data is collected every 2 years, through September 2025.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>SIGMA indicator measures the extent to which good governance principles and standards are applied in six areas. A special indicator was developed for the assessment of the Principle of <i>Accessibility of Public Information</i>, which measures the extent to which the legal and institutional framework regarding access to public information is established, promoting timely responses to public information requests free of charge or at a reasonable cost. Under this indicator, certain sub-indicators were developed which could be scored by points ranging from 1 (lowest performance) to 5 and 10 (highest performance, depending on the given sub-indicator) for the legal framework, i.e. from 1 (lowest performance) to 2.5 and 5 (highest performance, depending on the given sub-indicator) for application in practice. The legal and institutional framework for access to public information is measured against the following sub-indicators: adequacy of legislation on access to public information (10); and comprehensiveness of monitoring on the implementation of legislation on access to public information (5). Citizens' level of access to public information is measured against the following sub-indicators: proactivity in disclosure of information by state administration bodies on their websites (5); proactivity in disclosure of datasets by the central government (5); perceived accessibility of public information by the population (2.5); perceived accessibility of public information by businesses (2.5). Points for each sub-indicator are added together, and the total score is then converted to the overall indicator value.</p> <p>Conversion of the total points score to the overall indicator value: 0–5=0, 6–10=1, 11–15=2, 16–20=3, 21–25=4, 26–30=5</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016	2017	2018	2019						
		21/30		21/30						
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	22/30		24/30		30/30					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 3

Indicator title	Percentage of state administration³⁸⁵ bodies with officials authorised to conduct administrative proceedings and decide in administrative matters	
Corresponding overall objective, specific objective or measure	Measure 6.1: Establishment of systemic solutions for managerial accountability and decentralisation of authorities in public administration bodies (increasing autonomy)	
Indicator type and level	Quantitative	Results indicator

³⁸⁵ State administration bodies are ministries, bodies within ministries and special organisations

Unit of measurement and nature	%	Higher value is desirable								
Source of data/information for monitoring the performance indicator	MPALSG Report on the number of public administration bodies at the central level with officials authorised to conduct administrative proceedings and decide in administrative matters									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Department of Public Policy System Regulating and Coordination									
Data collection frequency	Once a year, through April of the running year (for the preceding year)									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Description: Number of public administration bodies at the central level with officials authorised to conduct administrative proceedings and decide in administrative (X) compared to the total number of public administration bodies at the central level (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016	2017	2018	2019						
				23%						
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	25%	25%	25%	35%	45%					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 4

Indicator title	Percentage of state administration bodies and independent state bodies³⁸⁶ with managers having attended training in managerial accountability									
Corresponding overall objective, specific objective or measure	Measure 6.1: Establishment of systemic solutions for managerial accountability and decentralisation of authorities in public administration bodies (increasing autonomy)									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	<p>NAPA Reports on training for managers and employees of the public administration bodies at the central level, on the topic of managerial accountability, task delegation and efficient monitoring and reporting mechanisms.</p> <p>Training reports are available on NAPA's website: https://www.napa.gov.rs/.</p>									
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), Sector for Training Program Implementation									
Data collection frequency	Data for the reporting year are collected annually, through February of the following year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Description: Number of public administration bodies at the central level whose managers attended training in managerial accountability (X) compared to the total number of public administration bodies at the central level (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year	Past trends			Baseline value						
	2016	2017	2018	2020						

³⁸⁶ Independent state bodies are: Ombudsman, Commissioner for Information of importance and personal data, Commissioner for equality, Anti-corruption Agency and State Audit Institution

when the baseline value was measured, and past trends											0%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	0%	0%	0%	0%	5%						
Performance assessment	No deviation.										

Indicator 5

Indicator title	Percentage of priority objectives from the Action Plan for the Implementation of Government Programmes related to the state administration body, which were taken into account when preparing medium-term plans³⁸⁷ of state administration bodies									
Corresponding overall objective, specific objective or measure	Measure 6.2: Improvement of the vertical and horizontal system of supervision and monitoring of work in public administration (established mechanism for performance management of public administration bodies)									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Medium-term plans of public administration bodies at the central level and the Action Plan for the Implementation of Government Programmes – Public Policy Secretariat Report, see: https://rsjp.gov.rs/cir/									
Managing authority responsible for collecting data	Public Policy Secretariat									
Data collection frequency	Data for the reporting year are collected annually, through April of the following year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Number of priority objectives from the Action Plan for the Implementation of Government Programmes that were considered during the preparation of medium-term plans of public administration bodies at the central level (X) compared to the total number of priority objectives from the Action Plan for the Implementation of Government Programmes (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019		0%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	25%	30%	35%	40%	45%					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 6

Indicator title	Percentage of state administration bodies with managers having attended training in the application of a single methodology for performance management									
Corresponding overall objective, specific objective or measure	Measure 6.2: Improvement of the vertical and horizontal system of supervision and monitoring of work in public administration (established mechanism for performance management of public administration bodies)									
Indicator type and level	Quantitative					Results indicator				

³⁸⁷ Obligation for preparing mid-term plans applies to: Organisations for obligatory social insurance, other users of budgetary resources, which the Government upon the request of the PPS and the Ministry of finance obliges to prepare mid-term plans in line with the LPS; other users of public finances supervised by the Government; budget users of the Autonomous province, determined by the respective body of the Autonomous province; LSGU; budget users of LSGU, determined by the respective LSGU body; other users of public finances supervised by respective bodies of the Autonomous province or LSGU.

Unit of measurement and nature	%	Higher value is desirable								
Source of data/information for monitoring the performance indicator	<p>NAPA Reports on training for managers and employees of the public administration bodies at the central level, on the topic of application of a single methodology for performance management – monitoring and internal and external reporting on the competent public administration bodies' performance.</p> <p>NAPA Training Reports are available on NAPA's official website: https://www.napa.gov.rs/</p>									
Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), Sector for Training Program Implementation									
Data collection frequency	Data for the reporting year are collected annually, through February of the following year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Number of public administration bodies at the central level with manager who attended training in the application of a single methodology for performance management (X) compared to the total number of public administration bodies at the central level (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016		2017		2018		2020			
							0%			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	0%	0%	0%	3%	5%					
Performance assessment	No deviation.									

Indicator 7

Indicator title	Percentage of state administration bodies and independent state bodies which organise and implement training in ethics and integrity for their managers and employees									
Corresponding overall objective, specific objective or measure	Measure 6.3: Strengthening integrity and ethical standards in public administration									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Anti-Corruption Agency Report (for a period of three years). http://www.acas.rs/									
Managing authority responsible for collecting data	Anti-Corruption Agency, Sector for Corruption Prevention and Integrity Strengthening									
Data collection frequency	Data is collected every third year, in the month of March (for the previous three-year period).									
Short description of the indicator and the	FORMULA/EQUATION									

calculation methodology applied (formula/equation)	Number of public administration bodies at the central level which organise training in ethics and integrity for their managers and employees (X) compared to the total number of public administration bodies at the central level (Y) Calculation formula: $X:Y \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
									0%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	25%	25%	25%	50%	50%					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 8

Indicator title	Number of public administration bodies and other holders of public authorities which/who publish open data on the Open Data Portal									
Corresponding overall objective, specific objective or measure	Measure 6.4: Promoting proactive disclosure of data held by public administration bodies									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	Number					Higher number is desirable				
Source of data/information for monitoring the performance indicator	Statistics on the Open Data Portal, available at: www.data.gov.rs									
Managing authority responsible for collecting data	Office for IT and e-Government, Sector for Standardisation and Certification									
Data collection frequency	Data is collected annually, through December of the reporting year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	FORMULA/EQUATION									
	Number of public administration bodies and other holders of public authorities which share/publish open data on the Open Data Portal.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
									45	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	60	100	120	140	160					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 9

Indicator title	Percentage of state administration and LSG bodies whose employees attended training in open data standards and the Open Data Portal									
Corresponding overall objective, specific objective or measure	Measure 6.4: Promoting proactive disclosure of data held by public administration bodies									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	NAPA reports on the training conducted NAPA Training Reports are available on NAPA's official website, available at: https://www.napa.gov.rs/									

Managing authority responsible for collecting data	National Academy for Public Administration (NAPA), Sector for Training Program Implementation									
Data collection frequency	Data for the reporting year are collected annually, through February of the following year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Number of public administration bodies at the central level whose employees attended training in open data standards and the Open Data Portal (X) compared to the total number of public administration bodies at the central level (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
							0%			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	5%	10%	15%	20%	25%					
Performance assessment	Acceptable deviation from the target value of up to 3%.									

Indicator 10

Indicator title	Percentage of execution of proposed, i.e. instructed measures of inspectoral supervision over the application of the statute on free access to public information									
Corresponding overall objective, specific objective or measure	Measure 6.5: Improving reactive transparency, acting according to regulations within the purview of independent state bodies, i.e. according to the recommendations of independent state bodies									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	2021 Work Report of the Administrative Inspectorate (http://mduls.gov.rs/o-ministarstvu/upravna-inspekcija/), i.e. the annual report of the institution in charge of conducting inspectional supervision over the implementation of the Law on Free Access to Information of Public Importance, for the year 2022, 2023, 2024 and 2025.									
Managing authority responsible for collecting data	<p>For the year 2021 – the Administrative Inspectorate.</p> <p>For the years 2022, 2023, 2024, and 2025 – the institution in charge of conducting inspectional supervision over the implementation of the Law on Free Access to Information of Public Importance.</p>									
Data collection frequency	Data are collected annually, through December of the running [reporting] year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>The number of executed proposed, i.e. instructed measures of inspectoral supervision over the application of the statute on free access to public information (X) compared to the total number of proposed, i.e. instructed measures of inspectoral supervision over the application of the statute on free access to public information (Y)</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value	Past trends								Baseline value	
	2016		2017		2018		2019			

was measured, and past trends										75%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	80%	83%	85%	88%	90%					
Performance assessment	No more than -2% of the target value (would be considered acceptable).									

Indicator 11

Indicator title	Percentage of enforcement of acts of the Commissioner for Information of Public Importance and Personal Data Protection and the Ombudsman (Protector of Citizens)									
Corresponding overall objective, specific objective or measure	Measure 6.5: Improving reactive transparency, acting according to regulations within the purview of independent state bodies, i.e. according to the recommendations of independent state bodies									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Annual Work Reports of the Commissioner for Information of Public Importance and Personal Data Protection (https://www.poverenik.rs/sr-yu/izvetaji-poverenika.html) and the Ombudsman (Protector of Citizens) (https://www.ombudsman.rs/index.php/izvestaji/godisnji-izvestaji).									
Managing authority responsible for collecting data	The Commissioner for Information of Public Importance and Personal Data Protection, Sector for Cooperation and Reporting, and the Protector of Citizens (Ombudsman), respectively									
Data collection frequency	Data for the reporting year is collected annually, through March of the following year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>FORMULA/EQUATION</p> <p>Number of decisions of the Commissioner for Information of Public Importance and Personal Data Protection enacted (X) compared to the total number of passed decisions (Y)</p> <p>Number of received Ombudsman's recommendations which were followed (X) compared to the total number of recommendations of enactment received (Y).</p> <p>Calculation formula: $X:Y \times 100$</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2019	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	65%	68%	72%	76%	80%					
Ombudsman (Protector of Citizens):	81.97%	85%	87%	89%	91.2%					
Performance assessment	No more than -2% of the target value (would be considered a success).									

Performance indicators – Public financial management

Specific objective 7: Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies.

Indicator 1

Indicator title	Real growth of gross domestic product (GDP)									
Corresponding overall objective, specific objective or measure	Specific objective 5.1: Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies									
Indicator type and nature	Quantitative					Outcome indicator				
Unit of measurement and nature	Percentage					Higher value is desirable				
Source of data	Statistical Office of the Republic of Serbia, National Accounts Statistics Visit: https://data.stat.gov.rs/Home/Result/09020104?languageCode=sr-Cyrl									
Managing authority responsible for collecting data	Ministry of Finance									
Data collection frequency	Quarter and annual Preliminary assessment of the indicator quarterly value is published in the current quarter for the previous quarter. Preliminary assessment of the indicator annual value is published in October of the current year for the previous year, and the final assessment of the indicator annual value is published in October of the current year for the two years back.									
Short description of the methodology applied:	Real gross domestic product growth is calculated as the rate of change in gross domestic product (GDP) in constant prices (previous year's prices) and in chain measures of volume, and aims to show real dynamic and structural changes in GDP, incurred regardless of the impact of the price. The Statistical Office of the Republic of Serbia periodically revises the calculated value of GDP. In case of GDP revision, it is necessary to update the values of the indicators. Available at: https://publikacije.stat.gov.rs/G2018/Pdf/G201821018.pdf .									
Baseline value, baseline year and past trends	Past trends					Baseline value				
	2017		2018			2019		2020		
			4.5%			4.2%		-1%		
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2039	2030
	6.0%	4.0%	4.0%							
Performance assessment:	Deviation of achieved growth rate from the target growth rate of GDP in the amount of 0.8 percentage point.									

Indicator 2

Indicator title	The share of general government debt in GDP									
Specific objective	Specific objective 5.1: Achieving a sustainable budget with a stable public debt to GDP ratio through better financial management and control, the audit process and linking budget planning to Government policies and priorities									
Indicator type and nature	Quantitative					Outcome indicator				
Unit of measurement and nature	Percentage					Lower value is desirable				
Source of data	Public Debt Administration, Ministry of Finance									

	http://www.javnidug.gov.rs/default.asp?P=128&MenuItem=4									
Managing authority responsible for collecting data	Ministry of Finance, Public Debt Administration									
Frequency	Quarter, annual Assessment of the indicator quarterly value is published in the current quarter for the previous quarter. Indicator annual value corresponds to quarterly value for the fourth quarter.									
Short description of the methodology applied:	<p>The share of general government debt in GDP is calculated as the ratio of the nominal value of general government debt to the nominal value of gross domestic product (expressed in%).</p> <p>According to the Law on the Budget System, the debt of the general government sector shall encompass the direct debt of the general government and guarantees of the general government sector (indirect debt) issued to domestic and foreign creditors.</p> <p>Debt of the general government sector can alternatively be calculated according to the EU methodology – Maastricht definition.</p> <p>The Public Debt Administration also calculates and publishes data on the share of general government debt in GDP based on the EU and LBS definition.</p>									
	Past trends					Baseline value				
Baseline value, baseline year and past trends	2016		2018			2019		2020		
			54.4%			52.9%		59%		
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	58.7 %	57.9 %	56%							
Performance assessment:	Deviation of the achieved share from the target share of general government debt in GDP in the amount of up to 2 percentage points.									

'Passport' of indicators for the specific objectives of the Public Financial Management Reform Programme

Indicator 1

Indicator title	Public service delivery performance data	
Corresponding overall objective, specific objective or measure	Specific objective 1: Further improvement of the Programme budget, management of public investments and fiscal risk monitoring	
Indicator type and nature	Qualitative	At the level of PFMRP specific objective
Unit of measurement and nature	Score (A, B+, B, C+, C, D+, D)	A is the best value
Source of data	PEFA Assessment for the Republic of Serbia	
Managing authority responsible for collecting data	MoF – Budget Sector	
Data collection frequency	Once in four years	

Short description of the indicator and the calculation methodology applied (formula/equation)	This PEFA Assessment indicator serves to examine performance data on the delivery of public services specified in the executive branch's budget proposal or its supporting documents, as well as in the documents accompanying end-of-year reports.									
Baseline value, baseline year and past trends	Past trends							Baseline value		
	2016		2018			2019		2020		C+
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	C+	/	/	/	B					
Performance assessment:	The assessment is based on the PEFA analysis, and no deviation is acceptable.									

Indicator 2

Indicator title	Actual revenues and expenditures of the general government budget at annual level are within the range of 5% of those projected in the fiscal strategy									
Corresponding overall objective, specific objective or measure	Specific objective 2: Efficient collection and management of public funds									
Indicator type and nature	Qualitative					At the level of PFMRP specific objective				
Unit of measurement and nature	Percentage					Improved planning and management of budget funds				
Source of data	Fiscal Strategy and macroeconomic and fiscal data (MoF website)									
Managing authority responsible for collecting data	MoF – Sector for Macroeconomic and Fiscal Analyses and Projections and Sector for International Cooperation and EU Integration									
Data collection frequency	Once a year									
Short description of the indicator and the calculation methodology applied (formula/equation)	The indicator monitors fiscal projections of actual revenues and expenditures presented in the Fiscal Strategy, whereby planning of public revenues and expenditures and credibility of fiscal projections are measured and improved. Due to the difference between the results of actual revenues and expenditures and projected individual figures in the Fiscal Strategy, it is envisaged that actual revenues and expenditures from 2021 to 2025 will be within the 5% margin of fiscal projections for revenues and expenditures in the Fiscal Strategy which is adopted annually.									
Baseline value, baseline year and past trends	Past trends							Baseline value		
	2016		2017			2018		2019		Within 5% range
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Within 5% range	Within 5% range	Within 5% range	Within 5% range	Within 5% range					
Performance assessment:	Credibility of fiscal projections									

Indicator title	Annual cost of public debt servicing (interest payment – net amount) as % of the GDP
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Corresponding overall objective, specific objective or measure	Specific objective 2: Efficient collection and management of budgetary funds										
Indicator type	Quantitative						At the level of measure				
Unit of measurement and nature	Percentage (%)						Improvement of public debt management, lower value is desirable				
Source of data	Public Debt Administration Annual Report										
Managing authority responsible for collecting data	Ministry of Finance, Public Debt Administration										
Data collection frequency	Annual										
Short description of the indicator and the calculation methodology applied (formula/equation)	The indicator signifies the percentage of the annual cost of the public debt servicing by way of interest payments, [expressed] as a percentage of the GDP. Considering the effects of the COVID-19 pandemic on the trajectory of the public debt in the Republic of Serbia, it is expected that a lower value of public debt servicing will follow the overall reduction of the public debt as a percentage of the GDP. This will contribute to the stability of the public financial system, with public debt sustainability being one of its key elements.										
Baseline value, baseline year and past trends	Past trends							Baseline value			
	2016		2017			2018		2020			
								1.9%			
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	1.9%	1.9%			1.7%						
Performance assessment:	Reduction of the annual cost of public debt servicing as a percentage of the GDP, deviation of 0.1% points is acceptable										

Indicator title	Average duration of an open procedure										
Corresponding overall objective, specific objective or measure	Specific objective 2: Efficient collection and management of budgetary funds										
Indicator type	Quantitative						The level of the PFMRP specific objective, lower value is better				
Unit of measurement and nature	Day										
Source of data	Annual Report on Public Procurement										
Managing authority responsible for collecting data	Public Procurement Office										
Data collection frequency	Once a year										
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator presents an average duration of an open procedure, i.e. it shows by how much the duration of an open procedure is shortened from year to year.										
Baseline value, baseline year and past trends	Past trends							Baseline value			
	2016		2017			2019		2020			

									52	
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	50	48	46	45	44					
Performance assessment:	Acceptable deviation of one day									

Indicator 3

Indicator title	Average number of illegalities and irregularities per control in relation to the total number of controls (The indicator at the overall level measures the efficiency of the budget inspection thus, it should be kept given that the number of illegalities depends exclusively on the budget inspection, whereas the implementation of measures depends on other regulatory bodies (courts))									
Corresponding overall objective, specific objective or measure	Specific objective 3: Improved budgetary discipline and more transparent use of public funds									
Indicator type and nature	Quantitative					At the level of PFMRP specific objective				
Unit of measurement and nature	Number					Lower value is desirable				
Source of data	Budget Inspection Annual Work Report									
Managing authority responsible for collecting data	MoF – Budget Inspection Sector									
Data collection frequency	Once a year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The average number of illegalities and irregularities per control in relation to the total number of controls is calculated in the following manner:</p> <p>The total number of illegalities and irregularities per year is divided by the number of controls carried out per year.</p>									
Baseline value, baseline year and past trends	Past trends					Baseline value				
	2017		2018		2019		2020			
	6		6		3		2			
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	2	2	2	1	1					
Performance assessment:	Reduced number of established irregularities, a 10% deviation is acceptable.									

Indicator 4

Indicator title	Percentage of accepted and implemented recommendations which an audit body issues to subjects of indirect EU funds management									
Corresponding overall objective, specific objective or measure	Specific objective 3: Improved budgetary discipline and more transparent use of public funds									
Indicator type and nature	Quantitative					At the level of PFMRP specific objective				
Unit of measurement and nature	Percentage					Higher value is desirable				
Source of data	Annual Audit Report									

Managing authority responsible for collecting data	Office for the EU Funds Management System Audit Ministry of Finance, Department for EU Funds Management										
Data collection frequency	Once a year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator highlights the efficiency of the entire EU funds management system, as it simultaneously covers the efficiency of the audit body and all the subjects of indirect EU funds management. Audit recommendations are directed at the improvement of the entire system.</p> <p>This indicator is measured on an annual basis, taking into account recommendations issued in the course of the current year and closed in n+2 (adoption of measures issued in 2018 are measured in 2020)</p>										
Baseline value, baseline year and past trends	Past trends							Baseline value			
	2016		2017			2018		2020			
								0			
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	50%	55%	60%	65%	70%						
Performance assessment:	Risks associated with the work of the budget inspection, i.e. reasons for a deviation from the plan of controls are: working from home due to COVID-19 prevention and protection measures, inspectors' absence from work (sick leave), the number and complexity of extraordinary controls, length of time period covered by an inspection control, etc.										

Indicator 5

Indicator title	PIFC-related progress identified in the EC progress report on the Republic of Serbia for a specific year										
Corresponding overall objective, specific objective or measure	Specific objective 4: Improvement of the internal financial control in public sector										
Indicator type and nature	Qualitative					At the level of PFM RP specific objective					
Unit of measurement and nature	EC's assessment					N/A – descriptive indicator					
Source of data	EC's Report on Serbia for a specific year (Chapter 32)										
Managing authority responsible for collecting data	MoF – CHU										
Data collection frequency	Once a year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The selected indicator is external and descriptive, and is based on the EC assessment following the General Assessment of Preparedness value scale:</p> <ul style="list-style-type: none"> - Early stage of preparedness - Some level of preparedness - Moderate preparedness - Good level of preparedness 										
Baseline value, baseline year and past trends	Past trends							Baseline value			
	2017		2018			2019		2020			
						Moderate preparedness		Moderate preparedness			
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	

	Moder. prep.	Moder. prep.	Moder. prep.	Moder. prep.	Good level of prep.					
Performance assessment:	The ultimate goal for 2025 is the EC's assessment that a good level of preparedness was achieved under Chapter 32: Financial Control and that the closing benchmarks were met.									

Indicator 6

Indicator title	Financial report prepared and presented to the Ministry of Finance of the Republic of Serbia in accordance with Cash Basis IPSAS									
Corresponding overall objective, specific objective or measure	Specific objective 5: Improved accounting in the public sector with the application of International Public Sector Accounting Standards (IPSAS) and introduction of accounting standards									
Indicator type and nature	Quantitative					At the level of PFMRP specific objective				
Unit of measurement and nature	Number					0 – does not exist				
Source of data	MoF (Treasury Administration) website									
Managing authority responsible for collecting data	MoF – Treasury Administration									
Data collection frequency	Once a year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The publication of financial statements complying with cash accounting IPSAS increases the quality of reports by introducing standards. Data on entities' cash inflows, outflows and balances make it possible to determine liabilities and provide useful data for assessing an entity's ability to generate enough cash in the future, including probable sources and uses of cash.</p> <p>The Government regulates budget accounting in more detail as well as the keeping of the consolidated treasury account (Article 75 of the Law on the Budget System).</p> <p>At the Ministry's proposal, the Government forms a Commission for the application of the International Public Sector Accounting Standards (Article 75a of the Law on the Budget System).</p> <p>The Commission issues opinions on the Minister's draft acts referring to the application of the International Public Sector Accounting Standards.</p> <p>Compliance with IPSAS requirements and recommendations will improve a comprehensive and transparent financial reporting on entities' cash inflows, outflows and balances.</p> <p>It will also improve comparability with entities' financial statements from previous periods and financial statements of other entities that have adopted cash accounting standards.</p>									
Baseline value, baseline year and past trends	Past trends					Baseline value				
	2016		2018		2019		2020			
						0				
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

	0	0	0	1	1					
Performance assessment:	The objective achievement largely depends on the establishment of the Commission on the Application of International Accounting Standards for the Public Sector (Article 75a of the Law on the Budget System)									

Indicator 7

Indicator title	Number of reviewed audit reports									
Corresponding overall objective, specific objective or measure	Specific objective 6: Strengthening of external supervision of public finances									
Indicator type and nature	Quantitative					At the level of PFMRP specific objective				
Unit of measurement and nature	Number					Improvement in monitoring the administration of recommendations and measures listed in the National Assembly conclusions Higher number is better.				
Source of data	Committee reports/Committee session minutes									
Managing authority responsible for collecting data	Committee on Finance, State Budget and Control of Public Spending									
Data collection frequency	Data are collected annually									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator is about monitoring the Government/Ministry of Finance administering recommendations and measures listed in the National Assembly conclusions concerning the review and the adoption of the SAI' reports.									
Baseline value, baseline year and past trends	Past trends								Baseline value	
	2016		2018		2019		2020			
			9		115		194			
Target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	205	215	225	235	245					
Performance assessment:	Acceptable deviation from the target value of up to ± 5 .									

Performance indicators – Local self-government system

Specific objective 8: Established system of local self-government that enables effective and sustainable exercise of citizens' rights to local self-government

Indicator 1

Indicator title	Compliance of the local self-government system with the key principles of the European Charter of Local Self-Government	
Corresponding overall objective, specific objective or measure	Specific objective 6.1: Established system of local self-government that enables effective and sustainable exercise of citizens' rights to local self-government	
Indicator type and level	Qualitative	Outcome indicator
Unit of measurement and nature	Composite scale	Higher value is desirable
Source of data/information for monitoring the performance indicator	Data of the Ministry of Public Administration and Local Self-Government	
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Local Self-Government System	
Data collection frequency	Data are collected on a three-year basis.	
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which the Republic of Serbia has harmonised its local self-government system with the European Charter of Local Self-Government (ECLSG). Degree of compliance with the ECLSG indicates the development of the local self-government system quality and the strengthening of the position and importance of local authorities in the public authority system. In accordance with the ECLSG, each state is obliged to accept at least 20 provisions of the ECLSG. Also, the situation in all Council of Europe member states and countries that have accepted the ECLSG is subject to periodic monitoring by the Congress of Local and Regional Authorities of the Council of Europe (CLRAE), which publishes reports. Given that the usual three-year dynamics of monitoring by the CLRAE, reporting is on three-year basis.</p> <p>The indicator value is calculated by combining two indicators (the degree of acceptance of ECLSG and analysis CLRAE monitoring) to determine the result in accordance with the defined scale of 1-5:</p> <ol style="list-style-type: none"> 1. The Republic of Serbia has accepted 20 provisions of the ECLSG and there are objections to CLRAE monitoring regarding the application of more than 50% of the accepted provisions of the ECLSG in practice 2. The Republic of Serbia has accepted at least 22 provisions of the ECLSG and there are objections to CLRAE monitoring regarding the application of more than 40% of the accepted provisions of the ECLSG in practice 3. The Republic of Serbia has accepted at least 24 provisions of the ECLSG and there are objections to CLRAE monitoring regarding the application of more than 30% of the accepted provisions of the ECLSG in practice 4. The Republic of Serbia has accepted at least 26 provisions of the ECLSG and there are objections to CLRAE monitoring regarding the application of more than 20% of the accepted provisions of the ECLSG in practice <p>The Republic of Serbia has accepted at least 28 provisions of the ECLSG and there are objections to CLRAE monitoring regarding the application of up to 10% of the accepted provisions of the ECLSG in practice.</p>	
	Past trends	Baseline value

Information about the baseline value and the year when the baseline value was measured, and past trends	2016			2017			2018			2020	
	0			3			3			3	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	3		3	4	4		5	5	5	5	
Performance assessment	Deviation from one assessment on the planned scale during the Strategy implementation period is acceptable, i.e. at the end of 2030.										

Indicator 2

Indicator title	Share of LSG expenditures and consolidated public expenditures in the Republic of Serbia									
Corresponding overall objective, specific objective or measure	Specific objective 6.1: Established system of local self-government that enables effective and sustainable exercise of citizens' rights to local self-government									
Indicator type and level	Qualitative and quantitative					Outcome indicator				
Unit of measurement and nature	Share of local revenues in the consolidated public revenue					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data from the Monthly Bulletin of Public Finances, available at: https://www.mfin.gov.rs/vrsta-aktivnosti/bilten-javnih-finansija/ Data from the Treasury Administration of the Ministry of Finance, available at: https://www.trezor.gov.rs/src/services/ Data from the analytics search tool (database) of the LSGU, MPALSG and the Public Policy Secretariat, available at: https://rsjp.gov.rs/jls-baza/									
Managing authority responsible for collecting data	Ministry of Finance, SCTM									
Data collection frequency	Data on the reporting year are collected until 30 September of the current year for the previous year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator shows the degree of share of LSG expenditures in consolidated public expenditures. Growth of the share of local expenditures indicates a greater decentralisation of public operations, which should be accompanied by a larger share in public expenditures; increasing the responsibility/competence and independence of LSG. This indicator is calculated by dividing total local self-government expenditures (TLSGE) by consolidated public expenditures. FORMULA/EQUATION $\frac{\text{Total local revenue}}{\text{Consolidated public revenues}} \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016			2017			2018		2019	
	14.31%			14.57%			14.87%		14.75%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	15.00 %	15.50 %	16.30 %	17.00 %	18.00 %	18.50 %	19.00 %	20.00 %	21.00 %	22.00 %
Performance assessment	Deviation of up to 1.5 percentile points from the planned target value during the Strategy implementation period is acceptable.									

Indicator 3

Indicator title	The capacity of LSGUs to implement the principles of good governance									
Corresponding overall objective, specific objective or measure	Specific objective 6.1: Enhanced status and accountability of local self-government									

Indicator type and level	Qualitative	Outcome indicator									
Unit of measurement and nature	Index – composite indicators (set of different indicators in a special methodology developed for the needs of the SCTM)	Higher value is desirable									
Source of data/information for monitoring the performance indicator	Data from the SCTM good governance index										
Managing authority responsible for collecting data	SCTM										
Data collection frequency	Data are collected until 31 December, starting in 2021, every 2 years on a representative sample of at least 30 LSGUs (20%). During 2021, it is planned to conduct measurement on a sample of 60 LSGUs (the first one was in 2018).										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator shows the degree of average capacity of local LSGUs to meet the individual administrative, functional and procedural requirements set before them, in order to apply the principles of good governance and identify shortcomings in that application.</p> <p>A composite index that for each individual local self-government shows the difference between 1) the current – achieved and 2) desirable – "ideal" state of good governance, according to predetermined parameters. It is expressed as a percentage of the maximum possible score. The index includes a total of 134 indicators in five areas of good governance: (1) Responsibility; (2) Transparency and participation; (3) Equality; (4) Predictability, economy/efficiency and effectiveness of a local self-government unit and (5) Anti-corruption. Measurements of the index value are conducted on a representative sample of local self-government units.</p> <p>The index is used for self-assessment by cities and municipalities and can also be used for independent external assessment. Having regard to the character and function of this index, its content follows the evolution of the public administration system and is harmonised with it, so that this tool can monitor the capacity of LSG in accordance with current requirements from public policies and regulations and with best practice. Movement on the index is monitored through periodic (biannual) external assessment by the SCTM, and it is measured as an average percentile index value on the level of an LSGU sample.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2018	
	N/A			N/A			39%			39%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	43%	N/A	50%	N/A	55%	N/A	60%	N/A	65%	70%	
Performance assessment	Deviation of up to 5% from the planned percentage increase in relation to the baseline value during the Strategy implementation period is acceptable, i.e. at the end of 2030.										

Indicator 4

Indicator title	Availability and quality of implementation of priority public services by LSG	
Corresponding overall objective, specific objective or measure	Specific objective 6.1: Enhanced quality and accessibility of administrative, utility and services of public institutions of local self-government to all users	
Indicator type and level	Qualitative	Indicator at the level of specific objective
Unit of measurement and nature	Index – composite indicators (set of different indicators in a special methodology developed for the needs of the SCTM)	Higher value is desirable

Source of data/information for monitoring the performance indicator	Data from the MPALSG report on measuring the situation by composite index									
Managing authority responsible for collecting data	Ministry of Public Administration and Local Self-Government, Sector for Local Self-Government System									
Data collection frequency	Data are collected on a three-year basis (2023, 2026, 2029)									
Short description of the indicator and the calculation methodology applied (formula/equation)	This indicator will be developed by the end of 2022. It should show the degree of availability and quality of public services of LSGUs. The indicator will be developed in the form of a composite index which will measure the availability and the quality of delivering (1) administrative services of LSGUs, (2) services of public institutions founded and whose work is organised and financed by the given LSGU, and (3) utility services. It is planned that the composite index, that is the research, will encompass all priority public services in all three areas. Only the measuring will be performed at the level of all LSGUs, whereas the verification of the findings will be performed by organising an external verification on a representative sample of LSGUs which will not be below 30% of the total number of LSGUs. The research findings will be presented as values on a scale from 1 to 10.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016	2017	2018	2020						
	0	0	0	0						
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	0	Index developed	Measurement implemented according to index	To be determined in 2023						
Performance assessment	An acceptable deviation from the planned values will be determined after development and implementation of the first measurement of situation									

'Passport' of indicators for the specific objectives of the Local Self-Government System Reform Programme

Indicator 1

Indicator title	Level of ratification of the European Charter of Local Self-Government	
Corresponding overall objective, specific objective or measure	Specific objective 1: Improving the position and accountability of local self-government	
Indicator type and level	Qualitative	At the level of specific objective
Unit of measurement and nature	Composite scale (1–5)	Higher value is desirable
Source of data/information for monitoring the performance indicator	Law-information system of the Republic of Serbia	

Managing authority responsible for collecting data	MPALSG – Local Self-Government System Sector									
Data collection frequency	Data are collected on a three-year basis.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which the Republic of Serbia has accepted the political and legal frameworks for regulating the local self-government system, as stipulated in the European Charter of Local Self-Government (ECLSG). The level of compliance with the ECLSG is indicative of the existence of preconditions for the development of a quality local self-government system and the strengthening of the position and importance of local authorities in the public authority system. Each state is required to accept at least 20 provisions of the ECLSG.</p> <p>The indicator value is calculated using the one-to-five scale in the following manner:</p> <ol style="list-style-type: none"> 1. The Republic of Serbia has accepted 20 provisions of the ECLSG. 2. The Republic of Serbia has accepted at least 22 provisions of the ECLSG. 3. The Republic of Serbia has accepted at least 24 provisions of the ECLSG. 4. The Republic of Serbia has accepted at least 28 provisions of the ECLSG. 5. The Republic of Serbia has accepted all ECLSG provisions. 									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2017			2018			2019			2020
	3			3			3			3
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3	4	4	4	5					
Performance assessment	Deviation of one score value on the planned scale is acceptable during the Strategy implementation period, i.e. at the end of 2030.									

Indicator 2

Indicator title	Average index value in selected areas: 1) accountability; 2) transparency, openness and participation									
Corresponding overall objective, specific objective or measure	Specific objective 1: Improving the position and accountability of local self-government									
Indicator type and level	Qualitative					Outcome indicator				
Unit of measurement and nature	Index – composite indicators (set of different indicators in a special methodology developed for the needs of the SCTM)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data from the SCTM good governance index									
Managing authority responsible for collecting data	SCTM									
Data collection frequency	Data are collected until 31 December, starting from 2021, every 2 years on a representative sample of at least 30 LSGUs (20%). In 2021, it is planned to conduct measurement on a sample of 60 LSGUs (the first one was in 2018).									

Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator shows, through the good governance index, the level of an average capacity of LSGUs to meet individual administrative, functional and procedural requirements set before them in the areas of (1) accountability and (2) transparency and participation. For each individual LSG, the composite index shows the difference between 1) the current – achieved and 2) desirable – “ideal” state of good governance in specific areas, according to predefined parameters. It is expressed as percentage of the maximum possible score. Given the nature and function of this index, its content follows the evolution of the public administration system and aligns with it, so that this tool could monitor the LSG capacity in accordance with current public policy and regulatory requirements and best practice. Trends are measured in percentage terms against sampled LSGUs.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2018	
							43%			43%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	45%		58%		60%						
Performance assessment	Acceptable deviation from the target value of up to -5%.										

Indicator 3

Indicator title	Share of adopted statutes compared to the total number of adopted statutes which largely concern LSGs, in the preparation of which LSGUs were involved										
Corresponding overall objective, specific objective or measure	Specific objective 1: Improving the position and accountability of local self-government										
Indicator type and level	Quantitative						At the level of specific objective				
Unit of measurement and nature	1–5 scale						Higher value is desirable				
Source of data/information for monitoring the performance indicator	SCTM Report Reports of the relevant authorities on conducted public hearings on draft laws										
Managing authority responsible for collecting data	SCTM										
Data collection frequency	Biennially										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which LSGs, or their national association, participated in the preparation of laws pertaining to LSGs to a great extent. The value of the indicator is calculated by dividing the number of adopted laws pertaining to LSGs to a great extent in the preparation of which LSGs or their national association participated, by the total number of adopted laws pertaining to LSGs to a great extent, and the obtained result is measured against the predefined 1–5 scale:</p> <ol style="list-style-type: none"> 1. More than 20% of adopted laws pertaining to LSGs to a great extent were prepared in consultation with or through direct participation of local authorities or their national association, 2. More than 40% of adopted laws pertaining to LSGs to a great extent were prepared in consultation with or through direct participation of local authorities or their national association, 										

	<ol style="list-style-type: none"> 3. More than 60% of adopted laws pertaining to LSGs to a great extent were prepared in consultation with or through direct participation of local authorities or their national association, 4. More than 80% of adopted laws pertaining to LSGs to a great extent were prepared in consultation with or through direct participation of local authorities or their national association, 5. More than 90% of adopted laws pertaining to LSGs to a great extent were prepared in consultation with or through direct participation of local authorities or their national association. 									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2017			2018			2019			2020
							3			3
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	3		4		5					
Performance assessment	Deviation of one score value is acceptable on the planned scale during the Strategy implementation period, i.e. at the end of 2030.									

Indicator 4

Indicator title	Share of LSG tax revenues in total tax revenues in the Republic of Serbia									
Corresponding overall objective, specific objective or measure	Specific objective 2: Improvement of the local self-government financing system									
Indicator type and level	Quantitative					At the level of specific objective				
Unit of measurement and nature	(%)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data from by the Budget Execution Information System, Autonomous Province and LSGUs Data from the Monthly Bulletin of Public Finances Data from the MoF Treasury Administration Data from the analytics search tool (database) of LSGUs, MPALSG and PPS, available at: https://rsjp.gov.rs/jls-baza/									
Managing authority responsible for collecting data	MoF									
Data collection frequency	Data are collected by 30 September of the current year for the previous year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator shows the degree of participation of LSGs in the distribution of tax revenues. The rise of share of local tax revenues is indicative of two positive processes: 1) greater decentralisation of public affairs, which should be accompanied by a larger share in public revenues needed to finance public administration services; 2) increased efficiency of LSGs in the collection of local tax revenues, which increases the total amount of local government revenues without transferring new revenues from higher levels of government. This indicator is calculated by dividing total LSG tax revenues by state tax revenues.</p> <p style="text-align: center;">FORMULA/EQUATION</p> $\frac{\text{Total local tax revenues}}{\text{Total state tax revenues}} \times 100$									

Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2017			2018			2019			2020
							9.87%%			10.12%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	10.4%	10.7%	11.2%	11.7%	12.3%					
Performance assessment	Acceptable deviation from the target value up to 0.5 point.									

Indicator 5

Indicator title	Share of capital expenditures in total expenditures of local self-government									
Corresponding overall objective, specific objective or measure	Specific objective 2: Improvement of the local self-government financing system									
Indicator type and level	Qualitative and quantitative					At the level of the specific objective				
Unit of measurement and nature	(%)					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data from by the Budget Execution Information System, Autonomous Province and LSGUs Data from the Monthly Bulletin of Public Finances Data from the MoF Treasury Administration Data from the analytics search tool (database) of LSGUs, MPALSG and PPS, available at: https://rsjp.gov.rs/jls-baza/									
Managing authority responsible for collecting data	MoF SCTM									
Data collection frequency	Data are collected by 30 September of the current year for the previous year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator shows the share of capital expenditures in LSG expenditures. Given that one of the key LSG functions is the development of local communal and social infrastructure (in the areas of education, social protection, culture, sports, youth policy, etc.), a certain share of capital expenditures in the local budget is indicative of the appropriateness of using collected local revenues. This indicator is calculated by dividing the total amount of capital expenditures by the total amount of LSG expenditures.</p> <p style="text-align: center;">FORMULA/EQUATION</p> $\frac{\text{Total LSG capital expenditures}}{\text{Total LSG expenditures}} \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2017			2018			2018			2019
							14.5%			15.54%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	16%	16.3%	16.7%	17.2%	17.5%					

Performance assessment	Acceptable deviation from the target value up to 0.5 point.
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Indicator 6

Indicator title	Share of LSGUs which have adopted medium-term plans									
Corresponding overall objective, specific objective or measure	Specific objective 2: Improvement of the local self-government financing system									
Indicator type and level	Quantitative					At the level of specific objective				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Unified Information System (IUS); for public policy management; website of the LSGU LSGU websites									
Managing authority responsible for collecting data	PPS SCTM									
Data collection frequency	Data are collected on an annual basis, i.e. by 31 January LSGUs publish on their websites the adopted medium-term plans for the current year (which also contain projections for the next two years), whereas the data on published medium-term plans are collected by the end of the first quarter of that (current) year by browsing LSGU websites (until automated entries through UIS are made possible).									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>A medium-term plan is a comprehensive planning document which is adopted annually for a three-year period. It enables the linking of public policies to a medium-term expenditure framework. LSGUs are obliged to adopt local medium-term development plans under the LPS. The value of the indicator is calculated by dividing the number of adopted medium-term plans by the total number of LSGUs.</p> <p style="text-align: center;">FORMULA/EQUALTION</p> $\frac{\text{Number of LSGUs with mid-term plans}}{\text{Total number of LSGUs}} \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
						0			0%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	0%	3%	20%	30%	40%					
Performance assessment	Acceptable deviation of up to 10% from the planned percentage value									

Indicator 7

Indicator title	LSGU capacity for HRM in local administration									
Corresponding overall objective, specific objective or measure	Specific objective 3: Improving the organisation and capacity of local self-government									
Indicator type and level	Qualitative					At the level of specific objective				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data from the SCTM HRM index									
Managing authority responsible for collecting data	SCTM									
Data collection frequency	Data are collected by 31 December, starting from 2021, every 2 years on a representative sample of at least 30 LSGUs. In 2020, measurement was conducted on a sample of 70 LSGUs.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator shows the level of an average capacity of LSGUs to meet individual administrative, functional and procedural requirements set before them in the HRM process in local administration. The index is also indicative of the level of LSGU capacity to ensure adequate functioning and appropriate staff in local administration to provide administrative services for citizens and businesses. The current HRM index contains measurements of the LSGU capacity in the following areas: 1) HR organisation and planning; 2) filling vacancies; 3) professional development and training of employees; 4) performance appraisal, disciplinary responsibility and appeals procedure and 5) communication, ethics, and organisational values and culture.</p> <p>The index is used for self-assessment by cities and municipalities and, in addition to being a capacity assessment tool, it is also a development tool, as it contains guidelines for improving the work of LSGs. Given the nature and function of this index, its content follows the evolution of the public administration system and aligns with it, so that this tool could monitor the LSG capacity in accordance with current public policy and regulatory requirements and best practice. Trends are monitored through periodic external assessments by the SCTM and are measured in percentage terms against sampled LSGUs.</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2016			2017			2018			2020
							14.5%			51%
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	56%		62%		68%					
Performance assessment	Acceptable deviation from the target value of up to 5%.									

Indicator 8

Indicator title	Share of LSGUs which have established inter-municipal cooperation in the total number of LSGUs									
Corresponding overall objective, specific objective or measure	Specific objective 3: Improving the organisation and capacity of local self-government									
Indicator type and level	Quantitative					At the level of specific objective				
Unit of measurement and nature	%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data held by the MPALSG									
Managing authority responsible for collecting data	MPALSG – Local Self-Government System Sector									
Data collection frequency	Data are collected annually, by 31 January for the previous year.									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>This indicator measures the extent to which LSGUs have established some form of inter-municipal cooperation (IMC) in performing local self-government operations as one of the key mechanisms for improving the accessibility and efficiency of LSG functions for citizens of the Republic of Serbia. Forms of IMC mean cooperation achieved by cities and municipalities in accordance with the provisions of the Law on Local Self-Government (Articles 88 and 89). Under this Law, the ministry in charge of local self-government keeps a record of concluded cooperation agreements and this record is the basis for monitoring this indicator. The value of the indicator is calculated by dividing the total number of IMC agreements in force (where each concluded agreement is taken into account for each LSGU) by the total number of LSGUs. Whether the indicator is achieved is measured as a percentage increase in relation to the baseline value.</p> <p style="text-align: center;">FORMULA/EQUATION</p> $\frac{\text{Total number of IMC agreements in force}}{\text{Total number of LSGUs}} \times 100$									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
						0			27%	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	31%	36%	40%	42%	43%					
Performance assessment	Acceptable deviation from the planned percentage increase in relation to the baseline value of up to 20%.									

Indicator 9

Indicator title	Index to measure availability and quality of services delivered by LSGUs developed									
Corresponding overall objective, specific objective or measure	Specific objective 4: Improving quality and accessibility of services delivered by local administration, utility companies and public institutions									
Indicator type and level	Qualitative					At the level of specific objective				
Unit of measurement and nature	Yes/No					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Service delivery analysis									
Managing authority responsible for collecting data	MPALSG – Local Self-Government System Sector									
Data collection frequency	Annually									
Short description of the indicator and the calculation methodology applied (formula/equation)	It is planned that the index for measuring the availability and the quality of LSGU services will be developed by the end of 2022 in a form of a composite scale from 1 to 10, which will measure priority public services in all three areas (administrative services, services by public institutions, and utility services). The first measuring against the developed index is planned for 2023.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
						-			No	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Yes								
Performance assessment	Acceptable deviation of one calendar year compared to the planned indicator value									

Indicator 10

Indicator title	Index to measure user satisfaction with services delivered by local self-government developed									
Corresponding overall objective, specific objective or measure	Specific objective 4: Improving quality and accessibility of services delivered by local authorities, utility companies and public institutions									
Indicator type and level	Qualitative					At the level of specific objective				
Unit of measurement and nature	Yes/No					Higher value is desirable				
Source of data/information for monitoring the	User satisfaction survey									

performance indicator										
Managing authority responsible for collecting data	MPALSG – Local Self-Government System Sector									
Data collection frequency	Biennially									
Short description of the indicator and the calculation methodology applied (formula/equation)	An index and a special methodology for measuring user satisfaction with services delivered by a local self-government will be developed. The methodology will be based on the assessment of the quality of administrative services, public institutions' services, and utility services under the purview of a local self-government. The index and the methodology will be developed in 2022. The first measurement of user satisfaction will be done in 2023, when the baseline value will be determined as the starting point for further planning of this indicator's value and adequate reform activities. After developing this index and the methodology and after determining the baseline value, the indicator will be transformed into an indicator which will measure user satisfaction with delivered LSG services, thus becoming a reform indicator under this specific objective.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017			2018			2020	
						-			No	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Yes								
Performance assessment	Acceptable deviation of one calendar year compared to the planned indicator value									

‘PASSPORT’ OF INDICATORS FOR PAR STRATEGY OPERATIONAL PLAN

COORDINATION AND MANAGEMENT

Indicator 1

Indicator title	Number of public policy documents pertaining to PAR, the monitoring results of which are available through the OMT										
Corresponding overall objective, specific objective or measure	Measure 1: Ensure efficient coordination and monitoring of PAR Action Plan measures and activities										
Indicator type and level	Quantitative					Results indicator					
Unit of measurement and nature	Number					Higher value is desirable					
Source of data/information for monitoring the performance indicator	Online monitoring tool: https://monitoring.mduls.gov.rs										
Managing authority responsible for collecting data	MPALSG										
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year										
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>The value of this indicator will be determined depending on whether a given public policy document uses OMT to show results. There are 5 public policy documents that are subject to the application of OMT, and in the following order:</p> <ul style="list-style-type: none"> - Action Plan for the Implementation of PAR Strategy (i.e., PAR Strategy Action Plan); - Action Plan for the Implementation of the Regulatory Reform and Public Policy Management Programme; - Action Plan for the Implementation of e-Government Development Programme; - Action Plan for the Implementation of the Local Self-Government System Reform Programme; - Action Plan for the Implementation of the Public Financial Management Reform Programme. <p>Simple summation of the public policy documents.</p>										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2019	
										1	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	3	5	5	5	5						
Performance assessment	No deviation.										

Indicator 2

Indicator title	Number of active and trained non-managerial staff working in sectors for European integration and international cooperation										
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Corresponding overall objective, specific objective or measure	Measure 2: Ensure efficient coordination of donor support to PAR										
Indicator type and level	Quantitative						Results indicator				
Unit of measurement and nature	Number						Higher value is desirable				
Source of data/information for monitoring the performance indicator	Interim EU/IPA reports on complementary support to PAR, http://mduls.gov.rs/uprava-po-meri-svih-nas/strateska-dokumenta/ or https://monitoring.mduls.gov.rs										
Managing authority responsible for collecting data	MPALSG, Department for European integration and international cooperation										
Data collection frequency	Once a year										
Short description of the indicator and the calculation methodology applied (formula/equation)	Active and trained non-managerial staff from the Department for European integration and international cooperation will be those individuals who attended at least one training or another form of capacity building lasting at least one day a year in the area of policy planning and management or programming of international assistance. Workshops, study visits and multi-day work group retreats will count. Counted are only those training/capacity building events that started and finished within one calendar year.										
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value	
	2016			2017			2018			2019	
										0	
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	6	7	9	9	9						
Performance assessment	No deviation.										

COMMUNICATION AND VISIBILITY

Indicator 1

Indicator title	Annual operational plan for PAR communication by the Coordination Body in place										
Corresponding overall objective, specific objective or measure	Measure 3: Establishing a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level										
Indicator type and level	Quantitative						Results indicator				
Unit of measurement and nature	Numerical on a scale from 0 to 1						Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Minutes of the PAR Council sessions (or the competent body for political-level coordination)										

Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	Indicator value will be determined based on whether the PAR communication annual operational plan had been prepared in line with the current PARS AP, and findings of the annual survey on the level of awareness and information of the key actors and public. If the plan is adopted, the indicator value is 1, and if it is not, the value is 0.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
							0			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	1	1	1	1	1	1	1	1	1	1
Performance assessment	No deviation.									

Indicator 2

Indicator title	Level of fulfilment of annual operational plans for PAR communication									
Corresponding overall objective, specific objective or measure	Measure 3: Establishing a functional coordination mechanism for planning, implementation and monitoring of PAR communication at the national level									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	Percentile on a scale 0–100%					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: <ul style="list-style-type: none"> Annual report on the implementation of annual operational plans for PAR communication process and results 									
Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	Indicator value will be determined based on the number of implemented activities from annual operational plans for communicating PAR in line with the PAR Strategy Action Plan. Formula: Number of implemented activities in the current year / total number of planned activities in the current annual operational plan * 100									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value	
	2016		2017		2018		2019			
							-			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

Performance assessment	No deviation.
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Indicator 3

Indicator title	Proportion of state administration bodies and LSGUs that publish PAR-related information in a standardised manner on the e-Notice Board		
Corresponding overall objective, specific objective or measure	Measure 4: Harmonisation, standardisation and continuous PAR communication in public administration		
Indicator type and level	Quantitative	Results indicator	
Unit of measurement and nature	Percentile on a scale 0–100%	Higher value is desirable	
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Analytical reports on the use of the e-Notice Board		
Managing authority responsible for collecting data	MPALSG		
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year		
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>Indicator value will be determined based on the number of state administration bodies and local self-government units who have published at least once in a calendar year a news related to the public administration reform on the e-Notice Board, in line with the criteria. News must meet the following criteria in order to be considered standardised:</p> <ol style="list-style-type: none"> 1. It is structured in line with the form prepared by the MPALSG; 2. It contains key words <i>public administration reform</i> and this collocation is used to communicate reform process and results; 3. It is listed under the PAR category. <p>Conditions must be met cumulatively. Institutions under this indicator include bodies with representatives in the Public Administration Reform Council: MPALSG, Ministry of finance, Ministry of economy, Ministry of construction, transport and infrastructure, Ministry of trade, tourism and telecommunication, Ministry of Justice, Ministry for human and minority rights and social dialogue, Ministry of Interior, Ministry of foreign affairs, MEI, Ministry of education, science and technological development, Ministry of youth and sports, Office for IT and e-Government and NAPA.</p> <p>Regarding LSGUs, for the purposes of this indicator LSGUs on the territory with the official city status will be monitored: Bor, Valjevo, Vranje, Višac, Zaječar, Zrenjanin, Jagodina, Kikinda, Kragujevac, Kraljevo, Kruševac, Leskovac, Loznica, Niš, Novi Pazar, Novi Sad, Pančevo, Piroć, Požarevac, Priština, Prokuplja, Smederevo, Sombor, Sremska Mitrovica, Subotica, Užice, Čačak, Šabac i Beograd..</p> <p>The baseline value will be determined according to the Decision on forming the Council for PAR and will encompass the above listed institutions.</p> <p>Formula: Number of SABs and LSGUs who have published at least once a news on the e-Notice Board in a calendar year, in line with the criteria / total number of mentioned state administration bodies and LSGUs * 100</p>		
Information about the baseline value and the year when the baseline	Past trends		Baseline value
	2016	2017	2018
			2020
			25%

value was measured, and past trends										
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 4

Indicator title	Total number of trained public relations and human resources management staff in state administration bodies and LSGUs									
Corresponding overall objective, specific objective or measure	Measure 4: Harmonisation, standardisation and continuous PAR communication in public administration									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	Number					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Internal Training reports (EU Visibility and Communication of PAR project for the first two years, and after that NAPA)									
Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	Indicator value will be determined based on the number of civil servants and LSGU staff working in public relations and human resources management, who have attended training on the importance, manner, channels and tools of inter-ministerial and internal communication of the public administration reform. Training for present employees is planned for 2021 and 2022. In 2023, newly hired employees on these positions will undergo training. Therefore, target values for the first two years of Action Plan implementation are higher. Formula: Number of all training participants during a calendar year is added to the total number of trained employees in previous years, and the total is the indicator value.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends							Baseline value		
	2016		2017		2018		2020			
							0			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	200	400	450	500	550					
Performance assessment	Acceptable deviation from the target value of up to 10%.									

Indicator 5

Indicator title	Number of affirmative and neutral posts (feature stories) about the public administration reform in media									
Corresponding overall objective, specific objective or measure	Measure 5: Increasing visibility and communication of the PAR process and results									

Indicator type and level	Quantitative	Results indicator								
Unit of measurement and nature	Number	Higher value is desirable								
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Reports on the media content analysis prepared by the unit for cooperation with media, MPALSG									
Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	Indicator value is determined based on the number of positive (affirmative) and neutral article posts, media articles and posts (TV, radio, press, agencies, and internet portals) on the subject of public administration reform and placed in the context of the public administration reform during a calendar year. In addition to being an affirmative or neutral article, another criteria to determine whether the content is placed in the context of PAR is the presence of key words – <i>public administration reform</i> . Formula: A total of all affirmative and neutral articles on the subject of PAR during a calendar year.									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends			Baseline value						
	2016		2017		2018		2020			
							To be determined in January 2021 because the media reporting analysis began in 2020.			
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%
Performance assessment	No deviation.									

Indicator 6

Indicator title	Presence of PAR topics on institutions' websites and social media pages / profiles									
Corresponding overall objective, specific objective or measure	Measure 5: Increasing visibility and communication of the PAR process and results									
Indicator type and level	Quantitative					Results indicator				
Unit of measurement and nature	Number					Higher value is desirable				
Source of data/information for monitoring the performance indicator	Data will be collected at the national level. Source: - Report on the analysis of institutions' website and social media content to be prepared by MPALSG.									

Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									
Short description of the indicator and the calculation methodology applied (formula/equation)	<p>Indicator value will be determined based on the number of articles and posts on websites and social media of specific institutions on the subject of public administration reform and placed in the context of the public administration reform during a calendar year. Standards for communicating PAR process and results will be defined on later date.</p> <p>Institutions under this indicator include bodies with representatives in the Public Administration Reform Council: MPALSG, Ministry of finance, Ministry of economy, Ministry of construction, transport and infrastructure, Ministry of trade, tourism and telecommunication, Ministry of Justice, Ministry for human and minority rights and social dialogue, Ministry of Interior, Ministry of foreign affairs, MEI, Ministry of education, science and technological development, Ministry of youth and sports, Office for IT and e-Government and NAPA.</p> <p>The baseline value will be determined according to the Decision on forming the Council for PAR and will encompass the above listed institutions.</p> <p>Formula: Total number of articles and posts on websites / social media profiles of institutions during a calendar year.</p>									
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends									Baseline value
	2016			2017			2018			2020
										To be determined in January 2021 because the media reporting analysis began in 2020.
Information about target values	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%
Performance assessment	No deviation.									

Indicator 7

Indicator title	Proportion of citizens who are informed about the PAR results									
Corresponding overall objective, specific objective or measure	Measure 5: Increasing visibility and communication of the PAR process and results									
Indicator type and level	Quantitative						Results indicator			
Unit of measurement and nature	%						Higher value is desirable			
Source of data/information for monitoring the performance indicator	<p>Data will be collected at the national level.</p> <p>Source:</p> <ul style="list-style-type: none"> - Report on the informedness of the key actors and the public about the PAR process and results 									
Managing authority responsible for collecting data	MPALSG									
Data collection frequency	Once a year, in the first quarter of the current year for the previous calendar year									

Short description of the indicator and the calculation methodology applied (formula/equation)	<p>Indicator value will be determined based on the results of a public survey which is to be conducted in line with specifically prepared set of questions that will examine the citizens' level of awareness and information about PAR, on a representative sample.</p> <p>Survey question that will be monitored and the result of which will be taken as the indicator value is 'Have you heard about PAR?' The indicator value will be determined based on the number of respondents who have answered 'Yes, and I know what that means'.</p> <p>Formula: Number of respondents who, when asked 'Have you heard about PAR?', answered 'Yes, and I know what that means' / total number of respondents * 100</p>																			
Information about the baseline value and the year when the baseline value was measured, and past trends	Past trends								Baseline value											
	2016		2017		2018		2019													
Information about target values	2021		2022		2023		2024		2025		2026		2027		2028		2029		2030	
	28%		32%		35%		37%		40%		45%		50%		55%		60%		60%	
Performance assessment	No deviation.																			