

You are currently reading the seventh report on the implementation of the

The previous two annual reports on the implementation of the strategic anti-corruption documents, both the Strategy and Action Plan adopted in 2013, were deliberated upon by the Parliamentary Committee on the Judiciary, Public Administration and Local-Self Government, but not by the National Assembly in its plenary session.

The Government of the Republic of Serbia adopted the Revised Action Plan for the Implementation of the Strategy on 30 June 2016.

The report is comprised of the following parts:

I General part containing:

*assessment of the compliance with the Revised Action Plan for 2016
conclusions on the treatment of the strategic anti-corruption documents
in Serbia*

*general recommendations for the improvement of the implementation of
the Strategy*

*summary overview of the current state of affairs in the individual areas
of the Strategy*

evaluation of the international organisations

II Special area containing:

general notes on the strategic anti-corruption documents

*detailed information about the implementation of certain obligations
stemming from the Revised Action Plan, gathered from the reports of the
implementing entities and other available sources, accompanied by their
compliance assessment*

III On Monitoring Methodology containing:

*general notes regarding monitoring over the strategic anti-corruption
documents*

conclusions about the Action Plan review

explanation of the methodology used to develop the report

*assessment methodology in terms of implementation of individual
obligations deriving from the Revised Action Plan*

*This Report is intended for the National Assembly of the Republic of
Serbia, implementing entities from the strategic anti-corruption
documents, academic community, and for all citizens interested in the
Republic of Serbia current state of affairs concerning anti-corruption.*

REPORT ON THE IMPLEMENTATION OF THE NATIONAL ANTI-CORRUPTION STRATEGY IN THE REPUBLIC OF SERBIA FOR THE PERIOD 2013 – 2018 AND THE REVISED ACTION PLAN FOR ITS IMPLEMENTATION FOR THE YEAR OF 2016

I GENERAL PART

The National Anti-Corruption Strategy in the Republic of Serbia for the period 2013 - 2018 (the Strategy), adopted by the National Assembly on July 1, 2013,¹ contains 53 formulated objectives, for whose fulfilment the Revised Action Plan for the Implementation of the Strategy (Revised Action Plan), adopted by the Government of the Republic of Serbia on June 30, 2016,² envisages 113 measures and 243 activities. In this Report, the Anti-Corruption Agency (the Agency) examined the actions taken in compliance with 121 activities due for the implementation in 2016.

In accordance with the assessment of the Agency, out of the total 121 activities examined:

1. 22 activities were implemented in compliance with the indicators, in the manner and within the deadlines envisaged in the Revised Action Plan (out of which 18 permanent activities, i.e., those assessed in each reporting period).
2. 37 activities were not implemented in compliance with their indicators (this number encompasses both the one-off and the permanent activities), out of which 7 were not implemented given that the previous conditioning activities were not fulfilled.
3. As per 62 activities, the Agency was not able to assess their implementation.

Assessment on the fulfilment of the Revised Action Plan for 2016

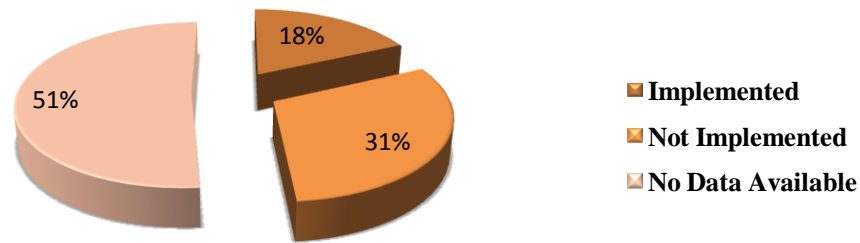
¹ “Official Gazette of RS”, no. 57/13.

² “Official Gazette of RS”, no. 61/16.

³ “Official Gazette of RS”, no. 79/13.

⁴ Transparency Serbia “Report on the implementation of the National Anti-Corruption Strategy for the period 2013 – 2018 and Action Plan for its implementation“, January 2015, p. 12, available at: <http://www.acas.rs/alternativni-izvestaji/>.

⁵ Revision was done on the basis of the Strategy implementation assessment in the previous reports of the Agency, ² “Official Gazette of RS”, no. 61/16, on the basis of the implementation and monitoring of the implementation of the Strategy, and in line with the same or substantially similar obligations from the AP 23, in a way that they were mainly deleted from the revised



As it can be seen from the pie chart, a bit less than one fifth (18%) of the activities were implemented in line with the indicator, whereas 31% of the activities were assessed as not implemented. The most concerning is that the Agency was not able to assess the compliance for almost 51% of the activities (in the last year's report it was the case for 18% of the activities), mainly because the implementing entities failed to report on the activities or they reported it in the way which did not allow for drawing any conclusions whether these activities were complied with or not. This situation is repeating year after year, but in this reporting cycle it is the most dramatic.

A negative trend as regards the failure to comply with the obligations stemming from the anti-corruption documents has continued in this year (last year 63% of the activities were not complied with, and in 2014 - 49%). Despite the fact that it seems that the percentage of non-implemented activities has significantly dropped as compared to the previous year, and it is now reduced by half, it is still raising concerns. Namely, this data should be observed in correlation with the extremely high percentage of non-assessed activities, among which there are certainly non-implemented ones, however the Agency, due to lack of data, was not able to draw any reliable conclusion about them. Likewise, the fact that the Revised Action Plan is significantly reduced compared to the Action Plan of 2013 should be also taken into account. In 2015, 422 activities due for the implementation were assessed, while in 2016 only 121.

All implemented activities were assessed as implemented in the manner envisaged under the Revised Action Plan. However, the majority of these activities are of the permanent character, which means that they are assessed in every reporting period, and that they are not of such nature that their fulfilment would indicate achievement of the relative obligation and no need for further actions in that regards. Approximately one fifth of not-implemented activities was not implemented given that the previous conditioning activities were not implemented, which is in the most of the cases related to the activities that envisage either the adoption of new, or amendments to the current laws.

Even though these conclusions undoubtedly help create a general image on the fulfilment of the Strategy, it is important to mention that they are a result of numerical indicators, which give an equal value to all activities, and which also do not have to necessarily correspond to the importance of each individual activity and measure related to the implementation of the Strategy's objectives.

Conclusions about the treatment of the strategic anti-corruption documents in Serbia

The assessment of the Alternative Report of the Transparency Serbia about the implementation of the Strategy for 2014, that the Strategy and the Action Plan for its implementation (the Action Plan), adopted by the Conclusion of the Government on August 25, 2013,³ are not the realistic drivers of changes in the anti-corruption area is still valid for this reporting cycle. A large number of indicators are still observant for such a conclusion. Namely, some of the envisaged measures were part of the plans of the public authorities even before the Strategy was adopted or are part of the broader legal reforms or capacity development, part of other strategic enactments or even fulfilment of the existing obligations. Reforms occurred in those areas where they were part of some other plans, and they were implemented when the dynamics in these areas allowed, which implies the political will, available resources, impact of international factors, etc. On the other hand, and in some of the most important segments of the reports, which are solely pertaining to the Strategy, things developed “at their own pace”. The fact that at the end of the year one of the implementation of the Strategy and its Action plan, their changes were planned “from behind the scene”, specifically through the Action Plan for the Chapter 23 (AP 23), whose text encompassed individual measures from the Action Plan, but often with significantly extended deadlines,⁴ clearly speaks about poor treatment of the Strategy and its Action Plan.

The process of the AP 23 development lasted somewhat longer than one year. In the course of that period, all implementing entities from the Action Plan, whose obligations with the changed deadlines were transferred to the AP 23, being aware that the new deadlines would eventually be the valid ones, temporarily stopped implementing their tasks. After the adoption of the final version of the AP 23, in April 2016, the situation got even more confusing, for the fact that two valid documents contained the same or identical obligations, with different deadlines for their implementation. Such a situation was rectified on June 30, 2016, through the adoption of the Revised Action Plan for the Implementation of the Strategy.

Revision of the Action Plan started in September 2015, and the Agency took part in this process upon the invitation of the Ministry of Justice.⁵

³ “Official Gazette of RS”, no. 79/13.

⁴ Transparency Serbia “Report on the implementation of the National Anti-Corruption Strategy for the period 2013 – 2018 and Action Plan for its implementation“, January 2015, p. 12, available at: <http://www.acas.rs/alternativni-izvestaji/>.

⁵ Revision was done on the basis of the Strategy implementation assessment in the previous reports of the Agency, observed difficulties in the implementation and monitoring of the implementation of the Strategy, and in line with the same or substantially similar obligations from the AP 23, in a way that they were mainly deleted from the revised document. Through the revision of the Action Plan, this document has been improved, some of its elements were better formulated, but yet, again, there remains room for further improvements. The final version of the document does not contain all suggestions the Agency presented in its opinions sent to the Ministry of Justice in March 2016. The most significant changes made to the measures from the Action Plan in the process of the revision and transfer into the AP 23, refer to the significant change of their deadlines as compared to those initially planned under the document adopted in 2013. The Analysis of changes made to deadlines, carried out by the Agency covering these activities, implies that all defined deadlines were extended by an average of 22 months. For more details about this analysis see the Chapter: *On the Monitoring Methodology, Revision of the Action Plan*.

Findings of the Agency's analysis of the rescheduling of the deadline throughout the revision of the Action Plan and transfer of measures from the Action Plan into the AP 23, pointing out to the fact that the obligations from the document adopted back in 2013, were thus postponed in average for almost two years, and examples of drastic rescheduling of deadlines for certain activities, do not solely imply the problems of inadequate planning, poor participatory process or the lack of capacities, i.e., resources for their implementation.

These findings may also imply that there is a serious negligence of the implementation of the anti-corruption strategic documents, which the Agency covered in its previous reports, but with the expected evading to recognize it as neglect. Rescheduling of the implementation deadlines for more than a year, with no clear vision or criteria for postponement, turned out to be currently "good formula" and perfect excuse so this negligence remains less visible and recognizable.

Likewise, the impression is that a significant number of "more important" measures and activities were transferred to the AP 23, and therefore this year's assessment of the implementation of the Revised Action Plan refers less to the monitoring whether some law was amended due to better fight against corruption, but rather to the assessment whether implementing entities organize training sessions, meetings, develop manuals, keep statistics or publish reports on their activities on their webpage.

Further on, measures transferred to the AP 23 were initially defined under the Action Plan of 2013 in order to fulfil objectives of the Strategy adopted by the National Assembly, and now they form part of the document enabling the implementation of the recommendations stemming from the Screening Report of the European Commission, whose implementation is monitored by the Council for the Implementation of the Action Plan for Chapter 23, established by the Government of the Republic of Serbia on December 11, 2015. That part of the obligations remains, therefore, beyond the scope of the Agency's monitoring, despite the fact that the Agency should also be authorized to monitor the implementation of the AP 23, as envisaged under this document, but only after such Agency mandate is prescribed by the new Law on the Agency that has not yet been adopted. This way, a part of the monitoring over the Strategy was indirectly taken from the Agency's competences and transferred to the Council for the implementation of the AP 23, and therefore this year's report of the Agency on the implementation of the Strategy is actually the report on the implementation of the *part* of the Strategy, whose fulfilment ensures those measures which were "left" in the Revised Action Plan.

The reasons for extremely negative trends of non-compliance with the obligations stemming from the anti-corruption strategic documents, which has been present for years back, may be also found in other factors. Namely, there is no system of accountability for the public authorities that do not comply with their obligations, actually, the only sanction is that such a finding has been recorded under the Agency's Annual Report. On the other hand, the National Assembly has not deliberated upon these reports in its plenary session for two years, which speaks about the scope, i.e., possible effects of such a "sanction". Despite the fact that the Strategy envisaged some new mechanisms for

deliberation upon this type of accountability, they require corresponding amendments to the Law on the Agency, which still has not occurred. Lack of an accountability system for poor results does not represent any novelty, i.e., such a system did not exist in the times the previous Strategy was in force, too.

Implementing entities, therefore, do not have any obligation to act in line with the anti-corruption strategic documents, i.e., the only statutory obligation they have is to periodically report to the Agency about their actions. That is the reason for which the fulfilment of the obligations stemming from these documents, in case coordination of their implementation is lacking or is insufficient, is left to a “good will” of the public authorities. In case such a will does not exist, an implementing entity, when the reporting obligation is due, mainly sends to the Agency a report on its regular activities, which in a way may be connected with the obligations stemming from the anti-corruption documents. On the basis of a multi-year experience in analysing the reports of implementing entities, the Agency is now able to easily notice the difference between activities undertaken for the implementation of the Strategy and the activities that the implementing entities would undertake even if there was no Strategy, but at the first glance they may seem as the implementation of the obligations stemming from this document. Implementing entities very often do not accept to enter the information that they simply failed to comply with a certain obligation in the report, even in the case of absence of any sanctions for their non-compliance. This is the reason why monitoring over the implementation of the Strategy converts from monitoring and analysis of the extent and manner of the realisation of measures into a kind of the control of whether measures are being implemented at all.

Such a situation may be mitigated by introducing a clear obligation for implementing entities, where possible, e.g., when drafting legal texts or other enactments, to mention the obligation from the anti-corruption documents they implemented by such action and to explain how they did it or to explain why some element envisaged under this document was not covered by the realized obligation. Likewise, it would be useful for the Revised Action Plan to explain in details the connection between a measure, i.e., activity and a problem it intends to solve, whereby misunderstanding of measures by implementing entities, observed in some cases, would be overcome.

According to the data the Agency has, the Coordination Body for the Implementation of the Action Plan, founded at the beginning of August 2014, after one year of the implementation of the new Strategy and its Action Plan, in the period of two and a half years since it was founded, organized two meetings, in September 2014 and January 2016, respectively. However, prior to that the Strategy indicated the Ministry of Justice as responsible for coordination of all Strategy activities. At the end of 2013, the Ministry of Justice formed the Group for the Coordination of the Implementation of the Strategy, tasked, among other things, with coordination and networking of the entities implementing the Strategy, gathering of their reports on the implementation of the Strategy, monitoring the implementation of this document, and with organisation of consultative meetings of all implementing entities in regards with the implementation of the Strategy and its Action Plan.⁶

⁶ See: The Anti-Corruption Agency, *Report on the Implementation of the Strategy for 2013*, p. 208, available at:

Unfortunately, the data on performing these tasks by the Ministry of Justice are not available, while a part of the webpage, dedicated to this topic, is completely out of date, it even does not have the Revised Action Plan posted on it, which was adopted six months ago, only the Action Plan of 2013.

Lack of visibility of the coordination of the Strategy implementation, even though two entities are in charge of it, implies that coordination is not being implemented in a satisfactory manner, which adversely impacts on the implementation of the strategic anti-corruption documents and speaks about how, besides the adequate monitoring, it is important for the attainment of good results as well.

All mentioned findings:

- ✓ *Transfer of the important measures for the implementation of the Action Plan of 2013 into the Action Plan for the Chapter 23, with significant rescheduling of deadlines for the implementation without any specific criteria, and implicit exemption of the monitoring of the part of the Strategy from Agency's competences and transfer of this competence to the body formed by the Government;*
- ✓ *Significant delay with the adoption of the new Law on the Anti-Corruption Agency which should improve mechanisms for monitoring and deliberation upon accountability for non-compliance with the obligations stemming from the anti-corruption documents and authorize the Agency to monitor the implementation of the AP 23;*
- ✓ *Fact that the National Assembly did not deliberate in plenary session upon the Agency's Report on the implementation of the Strategy for 2014 and 2015;*
- ✓ *Obviously insufficient coordination of the implementation of the strategic anti-corruption documents, which can lately be qualified even as a complete absence of coordination;*
- ✓ *Extremely negative trend regarding compliance with the obligations stemming from the strategic anti-corruption documents ever since the beginning of the monitoring of their implementation, which can be greatly attributed to the previously mentioned findings*

impose the conclusion that the implementation of the strategic anti-corruption documents, adopted in 2013, does not represent any priority for decision-makers.

General recommendations for the improvement of the implementation of the Strategy

1. *To ensure the adoption of the Law on the Anti-Corruption Agency, which contains novelties in the process of monitoring as envisaged under the Strategy and assigns the Agency the competence to monitor the implementation of the Action Plan for Chapter 23.*

2. *To establish an efficient mechanism for coordination of the implementation of the strategic anti-corruption documents, to precisely define implementing entities, the manner of coordination and to enable public access to the coordination process.*
3. *To ensure more active involvement of the National Assembly into the monitoring process over the strategic anti-corruption documents.*
4. *To introduce an obligation for the implementing entities when implement measures, where possible, to mention which obligation from the anti-corruption strategic documents they implemented by such action and how.*

Overview of the state of affairs in certain areas of the Strategy

Political Activities

In the future, the measures tackling the following issues shall be monitored through the system of the AP 23:

- *amendments to the Law on the Anti-Corruption Agency in the area of public official' assets and income control and resolving of conflict of interest;*
- *amendments to the Law on Financing Political Activities, Law on the State Audit Institution and the Law on the Tax Procedure and Tax Administration;*
- *development of a model and adoption of local and provincial anti-corruption plans.*

As per more proactive actions taken by the Agency, only in the area of public officials' assets and income control the increase in the number of the instigated procedures as compared to the previous year was observed, whereas in the area of the control of timeliness of filing the income and assets disclosures, incompatibility of public offices and conflict of interest, the number of proactively instigated procedure dropped, mostly due to insufficient staff capacities under the circumstances of the increased inflow of cases and short deadlines for actions.

The Draft Law on the Public Administration has been prepared, the public debate organised and the text was submitted to the public authorities for their opinion. In its opinion about this draft, the Agency states that the text is enriched with significant novelties, such as introduction of the obligation for all ministries and specialised organisations to prepare and make publicly available starting point for the development of a law at the beginning of drafting, and every draft law, with its rationale, at the latest in the moment of the submission of the text to the other public authorities for their opinion. However, the Draft Law does not prescribe public debates for all laws, but only, as it is the case now, for those which significantly impact on the legal system in one area, i.e., regulate the issues of special concern for the public.

The Draft Law on the Amendments to the Law on the Local Self-Government envisages that the

local self-government units shall regulate under their statutes the issue of mandatory public debates when preparing certain general enactments, such as statute, budget, strategic development plans, determining source income rate, spatial and urban planning, and any other general enactment on the basis of the proposal of qualified number of citizens or request of one third of councillors. The Draft Law on the Amendments to the Law on the Local Self-Government is still being finalized in line with the filed comments, proposals and suggestions from the public debate.

At the end of 2016, the Ministry of Trade, Tourism and Telecommunications and the Ministry of Justice (MoJ) agreed that the MoJ would prepare Draft Law regulating lobbying, given the fact that the main goal and desired effects of the adoption of this law are focused on suppression of corruption, of which, in line with the Law on the Ministries, the MoJ is in charge.

Amendments to the Law on Public Enterprises are no longer a part of the Revised Action Plan, despite the opinion of the Agency that the new Law, adopted in February 2016, did not meet all requirements stemming from the strategic documents, which referred to setting clear criteria for nomination, selection and dismissal, and for performance evaluation of public enterprises' directors.

Public Finances

In the future, the measures dealing with these issues shall be monitored through the AP 23:

- establishment of the system of unique identification tax number (ITN);*
- statutory regulation of internal audit;*
- all measures in the custom duties area.*

Tax Administration is continuously carrying out activities of regular control over the updating of data, system functioning and elimination of possible technical deficiencies within the "E-Taxes" system.

In the course of 2016, the Republic Commission for the Protection of Rights in the Public Procurement Procedure deliberated upon the total of 875 reports of contracting authorities in the cases wherein, after the procedure conducted before it, the public procurement procedure was completely or partially cancelled. It was found that 11 contracting authorities did not act in line with its orders, and the cases to impose fines were formed. Likewise, 31 contracting authorities failed to submit the required report and documentations, and in these occasions cases to impose fines were formed.

In the course of 2016, the State Audit Institution (SAI) filed 274 motions to institute misdemeanour proceedings, 28 criminal charges and 22 charges for commercial offences, whereas the Public Procurement Office (PPO) filed 8 motions to institute misdemeanour proceedings and acted in line with 23 prosecution requests to submit adequate information and documentation it possessed.

Consolidated Annual Report for 2015 about the internal financial control in the public sector of the Republic of Serbia, found that 161 public funds beneficiaries were performing internal audit in line with their strategic plans and annual work plans approved by heads of the public funds beneficiaries (PFBs), and plan of individual audit approved by a head of audit. Consolidated Annual Report implies that the major problem of the PFBs at the national level, when it comes to the process of the establishment of the financial system and control at the organizational level, is the development of business process mapping, taking into account that only 50% of the PFBs submitted the reports stating that this activity was implemented. On the other hand, only two out of the total of 591 institutions mentioned that their most important processes were not regulated in writing, which means that the most of the key business processes are prescribed by by-laws or internal enactments, instructions, directives or procedures. The total of 180 PFBs that have established internal audit function have under the systematization 478 posts, whereas only 373 internal auditors are employed. These beneficiaries encompass 90% of the public funds. Internal audits issued total of 5,901 recommendations for the improvement of business activities and reduction of established risks to the acceptable level. By the end of 2015, the total of 3,615 recommendations were complied with, whereas the compliance due deadline for the others has not yet expired. The most of the recommendations were issued for the area of the internal rules and procedures reflecting the level of quality of the financial management system. However, a percentage decline in recommendation within this area was observed as compared to 2014, which, according to the conclusion of the Consolidated Annual Report indicates to the gradual improvement.

On November 1, 2016, the SAI started to use the premises within the facility named “Kula” in line with the Conclusions of the Government of November 2015 and September 2016. However, the SAI did not manage to accommodate all of its employees within this facility, and therefore one part of them remained at the old location 41 Mekenzijska St., in Belgrade.

Privatisation and Public-Private Partnership

In the course of 2016, no amendments were made to the Law on Privatisation. The Ministry of Economy prepared a Draft Law on the Amendments to the Law on Bankruptcy in the fourth quarter of 2016 and pertaining public debate was organised in the second half of the year.

The Agency has no data whether the Ministry of Economy organised a series of meetings the Agency for Privatisation used to organise in two previous years in line with the Memorandum on Cooperation, signed on November 3, 2014 between the Agency for Privatisation, Ministry of the Interior, Republic Public Prosecutor’s Office, Supreme Court of Cassation, Anti-Corruption Agency and Anti-Corruption Council.

The Law on Public-Private Partnership and Concession was amended on December 22, 2016. In line with the negotiating Chapter 5 “Public Procurement”, in the fourth quarter of 2017, this Law shall be amended so as to be fully harmonized with the EU *Acquis communautaire* in this area.

Judiciary

In the future, the measures dealing with these issues shall be monitored through the AP 23:

- *planning and execution of independent budget of the High Court Council (HCC) and State Prosecutorial Council (SPC);*
- *legal framework defining clear and objective measurable criteria and procedures for selection and appointment of judicial office holders;*
- *legal framework defining clear criteria and actions regarding accountability of judicial office and prosecutorial office holders;*
- *secondment of the employees of the Ministry of the Interior to the Prosecutor's Office for Organised Crime;*
- *improvement of substantive criminal legislation and its harmonisation with the international standards;*
- *establishment of the consolidated records (electronic registry) for criminal offences with corrupt element;*
- *introducing a team of forensic economists within the public prosecutor's offices.*

HCC and SPC regularly publish their annual reports on activities, with their financial statements being their integral part.

HCC and SPC publish their statistics and practice in terms of actions taken by their disciplinary entities, but they do not fully carry that out as stipulated by the Revised Action Plan.

On November 20, 2013, the Republic Public Prosecutor (RPP) issued an instructional manual to all public prosecutor's offices to keep records on proactive actions regarding corrupt criminal offences, and to keep the statistics on proactive investigations. In line with the mentioned, all public prosecutor's offices were keeping statistics on their proactive investigations, which are then presented in the RPPO statistical report. In 2014, proactive investigations in the cases with elements of corruption were initiated against 54 persons, and in 2015 against 69 persons, which means that the number of proactive investigation undertaken in 2015 increased as compared to the previous year.

Police

Sector for Internal Control (SIC) of the Ministry of the Interior (MoI) developed a working version of the Rulebook on Ways and Forms to Conduct Internal Controls, and a working version of the Instructions on the Implementation of Corruption Risk Analysis within the MoI. Guidelines to Conduct Corruption Risk Analysis were developed and the corruption risk analysis was conducted in the Border Police Administration.

In the course of 2016, SIC conducted four preventive controls in the police administrations of the MoI. After these controls, and on the basis of the found omissions in their operations, SIC filed 8 criminal charges, and disciplinary measures against 136 police officer were proposed. Besides, on the basis of all observed irregularities and omissions, SIC also proposed undertaking of measures targeted to eliminate irregularities, clarifications or establishment of new procedures, in order to develop clear and standardized set of operations.

SIC also developed the Rulebook on asset and income declaration of the MoI employees. In the course of 2016 the opinion of the Anti-Corruption Agency was obtained and the contact with the ACA was established, all with the view to exchange experience on the asset declaration review procedures and presentation of the database to keep records on asset declarations of public officials. Specific activities for networking were agreed, i.e., establishment of SIC link with the database of the ACA on the asset declaration of public officials.

Spatial Planning and Construction

As of January 1, 2016, the Republic Geodetic Authority (RGA) has been conducting the training programme of its employees with the view to train them to work in electronic registry office, which started operating and introduced a simple case follow-up mechanism. New electronic registry office, application *Terra Soft module eCadatsre*, provides for the information on the cases' status in line with the requests recorded after March 11, 2016 in the Registry Office of the RGA, and *online* access to the information about the status of the second-instance cases formed in line with the appeals lodged against the first-instance resolutions or instigated administrative disputes. RGA also introduced internet service to file requests, which automated part of the activities in this business process, increased efficiency in requests' processing and reduced number of visits of the service beneficiaries. Beneficiaries shall have access to overall history of correspondence, electronic message and documentation exchange, filed and processed requests, and current data processing status.

On the basis of the results of the pilot project of rotation of civil servants with a legal background, rotation of heads of Real Estate Cadastre Services was initiated on September 26, 2016. Rotation was introduced so as to modernize routine work flows of the Real Estate Cadastre Services, increase efficiency and trust of the citizens in the reliability and quality of the data kept in the Cadastre. This way heads who exchanged their positions and came to new working environments were able to transfer their knowledge and experience and thereby contributed towards standardizing the actions and application of the cadastral practices.

RGA adopted the Directive on the Procedure to Eliminate all Observed Irregularities in the Activities of Civil Servants and State Employees within the RGA, which sets the procedure for resolving all observed irregularities and flaws, preventing their repetition and eliminating possible consequences by applying the 8D methodology.

Adoption of the Rulebook which shall align the way to issue cadastre excerpts in a way to have an electronic signature and document form is pending upon the adoption of the Law on E-Government

and stemming by-laws which should be adopted in the period of six months after the Law enters into force. This Law shall regulate ways all entities are to establish and keep their registries, ways to electronically manage their data and documents, issue certificates, launch and use portals and web presentation, electronically provide information and undertake any other actions in electronic form.

The World Bank, in its latest *Doing Business* ranking for 2017, ranked Serbia among ten countries in the world that mostly advanced on this list. Compared to the previous year (ranking of 59), Serbia moved up 12 positions, and now it has a ranking of 47 among the total of 190 countries, which are ranked on this list in line with the conditions of business operation. For such a jump on the list, most of the credit is attributed to the introduction of the electronic construction permits. Only two years ago, in 2015 ranking, in the area of construction Serbia had a ranking of 186, whereas in the latest ranking concerning this area it has a ranking of 36. As per the implementation of the Law on Construction and Planning, "Guide to Construction Permits: From Idea to Usage" issued within the USAID Business Enabling Project, with a support by the Standing Conference of Towns and Municipalities (SCTM) and Swiss Agency for Development and Cooperation (SDC), can be found at the special internet page of the Ministry of Construction, Transportation and Infrastructure. Citizens are now enabled the access to electronic portal for permit issuance, i.e., into the following information about the case: register number of the case within the competent authority, filing number of the case (internal number of the registry office of the competent authority), type of request, date of request filing, date of completion (if the case has been processed) and the status of the pending case.

SCTM established the Network of Construction Inspectors, and they held the first meeting on September 14, 2016 in Belgrade. The network was established in line with the initiative of the SCTM members, taking into account all positive experience of networking experts from local administrations in other areas, particularly in the area of town planning, and all with the view to improve the implementation of legislation in the area of inspection control over the construction of facilities. It shall be the platform for the exchange of professional opinions and mutual support with the view to have more accurate and efficient implementation of legislation regulating construction, with the particular focus on the area of inspection in this specific field, which represents the competence entrusted to the local self-government units.

Health

In the future, the measures dealing with these issues shall be monitored through the AP 23:

- amendments to the Law on the Health-Care Protection, Law on Health Insurance, Law on Health Workers Chambers and the Law on Drugs and Medical Devices so as to eliminate all inconsistencies causing the risk of corruption;*
- building the capacities of health inspections.*

Health-care institutions in Serbia submit to the Ministry of Health their reports on conducted public procurement, which Ministry publishes and update quarterly on its webpage.

Education and Sports

In the future, the measures dealing with these issues shall be monitored through the AP 23:

- *improvement of legal framework in the area of educational inspection;*
- *strengthening the capacities of educational inspections at all levels of government;*
- *amendments to the Law on Primary and Secondary Education and the Law on Higher Education in a way to maximally objectify all procedures and criteria;*
- *review of all requests for signing the lease agreements for the part of the school facilities' spaces.*

In the course of 2016, the Law on Education System Foundations was not amended, whereas the Law on Higher Education was amended, but in the area not at all related to the instructions stemming from the Revised Action Plan.

With the view to implement *activity 2.2.10.14.* of the AP 23, the Draft Anti-Corruption Action Plan for the area of education was developed, aligned with the OECD recommendations regarding integrity strengthening and fight against corruption in the area of education and the Strategy for Development of Education in Serbia until 2020. The Proposal envisages to have developed guidelines for the development of code of conduct for each institution by the end of September, which will encompass conduct of all employees working in these institutions, pupils, i.e., students and parents.

Educational information system is functioning, and printout of certain data from the information system in the open data format, which can be accessed. Direct networking of information system with the other state authorities' systems has not yet been materialized, but printouts of data are available at the open data portal in such a format that the other state authorities may download them as entry data.

By the end of 2016, a special law to regulate status of sports' federations and association, ownership over the assets and financing the sports from the public funds at both national and local level was not adopted.

Media

As per the only objective in this area, which implies ensuring the transparent ownership, financing and editorial policy of the media, it is important to underline that the assessment from the EC Report on the Progress of the Republic of Serbia for 2016 is: (1) that the package of the laws within the media sector still needs to be fully implemented; (2) that the privatisation of the state-owned media outlets did not result into any higher level of transparency of the ownership or source of their funding, including state funding; (3) that co-financing of the media contents shall be done in compliance with the legal framework, applying fair and transparent procedures without any interference by the public administration, particularly at the local level; (4) that Serbia should make

Regulatory Body for Electronic Media fully operational, so as to provide support to the editorial independence in the media; and to (5) secure adequate financing of the public media broadcasting services and editorial independence, to support them in serving the public interest.

Therefore, the strategic goal within the media area is still not attained, and the fact that only one measure has remained within this area, and that it refers to mere maintenance of the Media Register within the Business Register Agency, with an implementing entity inadequately determined, indicates that this area of the Strategy is left to be implemented through some other documents, such as AP 23 which envisages a number of measures within the media area.

Corruption Prevention

In the future, the measures dealing with these issues shall be monitored through the AP 23:

- *amendments to the Law on Free Access to Information of Public Importance;*
- *building capacities of independent institutions;*
- *whistleblowing;*
- *regulating conflict of interests in the public administration;*
- *awarding grants to the civil society organisations for the projects in the anti-corruption area.*

On the basis of the experts' starting point, the Draft Law on Civil Servants was prepared and it envisages fostering of the competition procedure which provides for objectivity and impartiality, determination of the duration of the acting status with the realistic needs of the procedure for filling positions, precise defining of the deadline until which an acting official can perform duties at that position, i.e., when by the force of the law, his/her status of acting official expires and setting more efficient, transparent and competitive way to fill positions through organising either internal or open competition, so as to fill all positions with persons selected in line with the competition procedure.

The Law on the System of Salaries of Employees in the Public Sector, which legal basis is used for current drafting of special laws, entered into force on march 9, 2016, and shall be implemented as of January 1, 2018, i.e., July 1, 2017 for the employees of authorities and organisations of autonomous provinces and local self-government units. The Law envisages transfer to the system of the unique base for calculation and payment of salaries, so as to ensure maximum transparency and comparability of salaries of employees in the public sector. This way, salaries in different parts of the system can be compared in sampler manner and changes in certain subsystems can be easier controlled.

Redesign of the Information System of the Central Registry of Mandatory Social Insurance (CRMSI) was made, specifically in the part concerning the development of the databases of

withholding agents and on paid contributions for mandatory social insurance per individual. As of January 2016, the full implementation and commissioning of the part of the CRMSI Portal was initiated, which refers to networking with the Tax Administration. In the course of March and April of 2016, the technical connectivity with the organisations of mandatory social insurance, Republic Pension and Disability Funds, Republic Health Insurance Fund and National Employment Agency was materialized, in the part related to the exchange of the data on paid contributions for mandatory social insurance.

The Decree on funds for stimulating programmes or cost-share for financing the programmes of public interest implemented by associations has still not been amended so as to introduce an obligation for all beneficiaries to enclose a statement, when applying for the allocation of public funds, on the nonexistence of conflict of interests and internal enactment on anti-corruption policy as well as with the aim of improving the framework related to criteria, terms, scope, manner and procedure to grant funds.

In the course of 2016, the Agency organised two consultative meetings with the civil society organisations, one in Niš covering the topic of the control over the public authorities and experience of the CSOs in this areas with the special focus on the conflict of interests of public officials; the second one in Belgrade with the aim of presenting the experience of the CSOs in applying the ICT in the projects dealing with corruption.

With the same explanation as the one given for the previous year, the Law regulating income tax of legal entities was not amended in a way to stipulate the fight against corruption as one of imposition/business activities for which the companies providing financial support to the CSOs may be granted special tax relief.

In the course of 2016, the Serbian Chamber of Commerce and Economy organized five events, that directly or indirectly covered the topic of the company anti-corruption.

The Law on the National Assembly was not amended in a way to introduce an obligation of the Government to, at least once in a year, submit to the National Assembly the report on the implementation of its conclusions adopted in line with the deliberation of the reports of public authorities, organisations and bodies, within six months from the adoption of the conclusions, with an obligation to deliberate upon these Government Reports at the National Assembly session.

Implementation and Monitoring the Implementation of the Strategy

In the future, the measures dealing with these issues shall be monitored through the AP 23:

-amendments to the Law on the Anti-Corruption Agency improving the monitoring over the implementation of the Strategy;

-amendments to the Law on the National Assembly improving the control over the implementation of its conclusions drawn on the basis of the Agency's reports.

The Serbian Government adopted the Revised Action Plan on June 30, 2016.

Assessments of the international organisations

The most famous ranking based on the perception of public sector corruption, composed by *Transparency International* for twenty two years in a row, is still ranking Serbia among the countries with the high level of corruption. According to the corruption perception index for 2016, Serbia is of ranking of 72 among 176 countries, with the index of 42 of possible 100,⁷ so, essentially, there are no significant changes of ranking compared to 2008. The index is composed on the basis of the assessments of experts, representatives of institutions and businessmen, and on the basis of researches made by international organisations.

Transparency Serbia estimates that the cause of this stagnation lies not only in the fact that the impression on corruption is slowly changing, but also in the absence of any substantial progress in this area. This organisation adds that the years when corruption was the top priority for the Government and the citizens were not used for strengthening the institutions, which would ensure that the system is operating irrelevant of presence of “political will”, and neither was the EU accession process sufficiently used to push through the reforms. This way, a significant part of the activities stemming from the AP 23, not formulated in a sufficiently ambitious manner, were not complied with even at the formal level, whereas some compliance assessments, in line with the conclusion of the Transparency Serbia, are disputable.

Transparency Serbia further stresses that the results of public opinion researches in Serbia, such as Global Corruption Barometer of the *Transparency International* or researches of the United Nation Development Programme (UNDP), indicate to the fact that even the citizens have the impression of wide-spread corruption, even though when it comes to these researches, fluctuations in corruption perception are more significant.⁸

The European Commission (EC) Progress Report for the Republic of Serbia for 2016 states too that corruption in Serbia still prevails in many areas and continues to constitute a serious problem, whereas no progress was made in terms of the compliance with the recommendations given under the previous reports. EC concludes that the Law on the Anti-Corruption Agency has not yet been adopted, nor the amendments to the Criminal Code in the part related to the economic crime, that the Government is still not taking into account any recommendations of its own advisory body –

⁷ In 2015, the Republic of Serbia is evaluated with the index 40, and in 2014 with the index 41. Evaluations for previous years are at: <http://www.transparentnost.org.rs/index.php/sr/istraivanja-o-korupciji/indeks-percepcije-korupcije-cpi>.

⁸ Transparency Serbia “Press release: Corruption perception index of *Transparency International* – stagnation on the list, absence of any substantial progress in the reality“, January 25, 2017, available at http://www.transparentnost.org.rs/images/dokumenti_uz_vesti/CPI_2016_saopstenje_srpski_januar_2017.pdf

Anti-Corruption Council, no progress was made in terms of the improvement of the records on criminal proceedings, or in the acceleration of the implementation of the National Anti-Corruption Strategy. In line with the EC assessment, effects of the implementation of both Strategy and Action Plan are for the time being limited and large number of measures are delayed, whereas on the other hand, there are limited institutional capacities to manage the coordination of the activities.⁹

1. II SPECIAL PART

The National Anti-Corruption Strategy in the Republic of Serbia for the period 2013-2018 was adopted at the session of the National Assembly on July 1, 2013. The Strategy states that there is an awareness raised and the political will in Serbia to attain a significant progress in the fight against corruption, while respecting all democratic values, rule of law and the protection of fundamental human rights and freedoms, and that this is the foundation used to adopt the Strategy, while specific measures and activities for its implementation will be envisaged under the Action Plan. The general objective of the Strategy is to significantly eliminate corruption, as a barrier for economic, social and democratic development of the Republic of Serbia. In the course of the implementation of the Strategy, public authorities and holders of public authorities, involved in the prevention and fight against corruption, are obliged to perform their authorities in line with the following general principles: (1) principle of rule of law; (2) principle of “zero tolerance” for corruption; (3) principle of accountability; (4) principle of comprehensiveness of the application of measures and cooperation with entities; (5) principle of efficiency; and (6) principle of transparency. The Strategy lists priority areas for actions, which are determined on the basis of the quantitative and qualitative analysis of indicators for trends, scope, manifestation and other corruption-related issues in the Republic of Serbia, based on the different sources of information. Under the Chapter titled “Prevention of Corruption”, both objectives related to the priority areas for actions and objectives for all other areas where corruption might occur are defined.

The Action Plan for the Implementation of the National Anti-Corruption Strategy in the Republic of Serbia for the period 2013 - 2018 was adopted under the Conclusion of the Government of August 25, 2013. The Action Plan envisages specific measures and activities necessary for the implementation of the strategic goals, deadlines, implementing entities and resources for the implementation. Indicators for activity compliance are defined, on the basis of which the level of their implementation will be measured, and success assessment indicators for the set objectives. The Action Plan stresses that Agency shall, when monitoring the implementation of the Strategy, exclusively use activity compliance indicator, and that the documents and the other materials mentioned under these indicators shall be submitted as evidence that the activities have been implemented. Along with a large number of activities, notes

⁹ European Commission, „Republic of Serbia Report for 2016“, Brussels, November 9, 2016, pp. 16-18, available at http://www.seio.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf.

for their implementation were also developed, and at the beginning of the Action Plan eight general notes are presented. It is also mentioned that no additional funds from the budget of the Republic of Serbia are required for the implementation of the Action Plan.

The Government of the Republic of Serbia adopted the **Revised Action Plan for the Implementation of the Anti-Corruption Strategy in the Republic of Serbia for the period 2013 - 2018** on June 30, 2016. Namely, in September 2015, the process for the revision of the Action Plan for the Implementation of the Strategy was initiated, and the Agency took part in it upon the invitation of the Ministry of Justice. The revision was envisaged as one of the obligations listed under the Action Plan itself, and was conducted on the basis of the Strategy compliance assessment presented in the past Agency's reports, observed difficulties in the implementation and monitoring of the implementation of the Strategy, and in line with the same or substantially similar obligations stemming from the Action Plan for Chapter 23, in a way that they were mainly deleted from the revised document. The Revised Action Plan contains the same elements as the Action Plan from 2013. The only difference is in the way the deadlines were defined, where the number of months that was calculated as of the day the Action Plan entered into force is changed with quarters of certain years. As explained at the beginning of the document, it is not necessary to implement the activity in the mentioned quarter, it is possible to initiate the action even before, and the time limit for its implementation expires on the last day of the mentioned quarter. Deadlines that are still formulated as certain number of months are set against the circumstance whose implementation is used as a starting point of the timeframe, which is envisaged under the note accompanying the activity. It is mentioned that the determinant "continuous" refers to the activities that should be implemented till the end of validity of the Strategy and Action Plan, and their fulfilment is to be assessed every year.

The Anti-Corruption Agency was founded as an independent and autonomous state authority by the Law on the Anti-Corruption Agency,¹⁰ which implementation started on January 1, 2010. Article 5 of the Law on Anti-Corruption Agency stipulates the competencies of the Agency, among which are the monitoring of the implementation of the Strategy, Action Plan and sectoral action plans, and issuance of opinions in relation to their implementation.

This is the seventh report on the implementation of the strategic anti-corruption documents the Agency submits to the National Assembly in line with provisions of Article 26, paragraph 2 of the Law on the Anti-Corruption Agency, and the fourth related to the Strategy and Action Plan of 2013. The Report on the Implementation of the Strategy and the Action Plan for 2015 was submitted to the National Assembly in March 2016, as a part of the Annual Report of the Agency for 2015.¹¹ Committee for Judiciary, Public Administration and Local Self-Government of the National Assembly deliberated upon these two reports on September 20, 2016, but, alike in the reporting cycle

¹⁰ "Official Gazette of RS", nos. 97/08, 53/10, 66/11 - decision of the CC, 67/13 – decision of the CC, 112/13 – authentic interpretation and 8/15 – decision of the CC.

¹¹ Anti-Corruption Agency "Report on the Implementation of the National Anti-Corruption Strategy in the Republic of Serbia for the period 2013 – 2018 and the Action Plan for its Implementation", March 2015, available at: <http://www.acas.rs/wp-content/uploads/2011/03/Izvestaj-o-sprovedenju-nacionalne-strategije-i-akcionog-plana-20141.pdf>.

for 2014, the National Assembly did not deliberate upon them in the plenary session.¹²

IMPLEMENTATION OF INDIVIDUAL OBLIGATIONS STEMMING FROM THE REVISED ACTION PLAN FOR 2016

3.1. POLITICAL ACTIVITIES

The five following objectives are formulated under the first area of the Strategy – Political Activities:

1. to eliminate deficiencies in the legal framework and control the financing of political activities and political entities (**objective 3.1.1.**);
2. to eliminate deficiencies in the legal framework and build capacities in the area of prevention of conflict of interest, control over assets and incomes of public officials (**objective 3.1.2.**);
3. to adopt and implement an effective legal framework that regulates lobbying and participation of the public in the legislative process (**objective 3.1.3.**);
4. to determine clear criteria for the nomination, selection and dismissal, and for evaluation of performance of directors of public enterprises (**objective 3.1.4.**);
5. to adopt provincial and local anti-corruption action plans which implementation will be monitored by standing working bodies of provincial, i.e. local assemblies (**objective 3.1.5.**).

For achievement of these five objectives, 12 measures and 31 activities were foreseen, out of which 8 were subjected to examination. According to the Agency's assessment, out of the 8 examined activities:

- 1 activity was implemented in compliance with the indicator for the reporting period, specifically in the manner envisaged under the Revised Action Plan;

¹² Report on the Implementation of the Strategy and the Action Plan for 2014 was submitted to the National Assembly in March 2015, as a part of the Annual Report of the Agency for 2014. Committee for Judiciary, Public Administration and Local Self-Government of the National Assembly deliberated upon these two reports on May 14, 2015, but, alike in the reporting cycle for 2014, the National Assembly did not deliberate upon them in the plenary session.

- 7 activities were not implemented in compliance with the indicators, out of which 2 were not implemented given that the previous conditioning activity had not been implemented.

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.1.1. To eliminate deficiencies in the legal framework and control the financing of political activities and political entities

The Revised Action Plan envisages one measure for the fulfilment of this objective. It concerns the **measure 3.1.1.1.**, which refers to strengthening capacities of the SAI for efficient conduct of audit of political parties, and therefore, encompasses the changes to job classification and recruitment of new employees, development and implementation of the training curriculum of the employees in this topic, and purchase of equipment and initiation of the procedure to provide for necessary working space. The second activity envisages that SAI develops and continuously organises training curriculum for employees in line with the needs assessment recommendations. The Revised Action Plan does not specify whether training sessions should be organised in 2016 or after the job classification is adopted and new employees are recruited, which is planned for the second quarter of 2017. It is therefore unclear whether the activity referring to the development and implementation of the training should be assessed for this year. On the one hand, the SAI has already started conducting audits of political parties, and several reports of these audits from December 2016 are available on its webpage.¹³ On the other hand, the assumption that this activity is to be assessed only in 2017, when the SAI recruits new employees who will be engaged as a part of the measure to strengthen capacities of this institution for efficient conduct of audit of parliamentary political parties, is justified. In addition, the SAI should have been charged, in line with AP 23, (*activity 2.2.2.2.*), through the amendment to the Law on Financing Political Activities,¹⁴ until the end of 2016, with a new obligation to cover the audit of parliamentary political parties at the republic level by its Audit Plan, which means that this novelty would be certainly implemented only from 2017. The same amendments to the Law were envisaged under the Action Plan adopted in 2013, and the assumption is that the author of the document considered that strengthening the SAI capacity to act in line with this new competence should follow only when that became a statutory obligation for this institution. Likewise, the SAI in its Report on the Implementation of the Strategy, when it comes to this activity, stated that the development of training curriculum was ongoing,¹⁵ and therefore an implementing entity in the similar way interprets the deadline envisaged for this activity. Due to all aforementioned, the Agency has concluded that this activity is due only in 2017 and its fulfilment shall not be assessed in this year. A new needs assessment is envisaged under this measure, which should be used to align the new job classification, training, purchase of equipment and ensuring the space. The note accompanying this activity states that the previous needs assessment was made in March 2014, and therefore it is clear that it is necessary to make a new one. Despite the fact that no separate activity for conduct of new assessment is

¹³ See: <http://www.dri.rs/revizije/izvestaji-o-reviziji.136.html>.

¹⁴ "Official Gazette of RS", no.43/11 and 123/14. These amendments to the Law on Financing Political Activities have not yet been adopted.

¹⁵ SAI, *Report on the implementation of the Strategy for 2016*, January 2017.

envisaged under the Revised Action Plan, we draw the SAI attention to the fact that this obligation stems beyond any doubt from the way the activity 1 is envisaged and from its accompanying note.

Objective 3.1.2. To eliminate deficiencies in the legal framework and strengthen capacities in the area of prevention of conflict of interest, control over assets and incomes of public officials

The Revised Action Plan envisages five measures for fulfilment of this objective.

Measures 3.1.2.1, 3.1.2.2. and 3.1.2.4. were still not due for implementation by the end of 2016, given the fact that the deadline for the first measure was conditioned with the establishment of TIN (envisaged under the AP 23 for the end of 2018 (*activity 2.2.10.9.*)), whereas the deadlines for the other two measures were conditioned with the commencement of the application of the new Law on the Anti-Corruption Agency, which has still not been adopted.

Measure 3.1.2.3.a. To establish a proactive approach in the control of assets and income of public officials

The second activity provides for **the Agency to continuously** initiate new control procedure over the timeliness of filing income and assets disclosure by public officials on the basis of indications and data gathered in the course of the procedures of the control of other disclosures, other procedures conducted by the Agency, and other sources (media, information obtained from other entities, legal entities and natural persons not submitted so as to initiate any procedure before the Agency, and the similar).

Indicator: Number of new control procedures over the timeliness of disclosures, initiated in the way described in the content of the activity, increased compared to the previous year

This activity is not implemented in line with the indicator for the reporting period.

The third activity provides for the **Agency to continuously** initiate new procedure for control over the accuracy and completeness of the data provided under the assets and income disclosures of public officials on the basis of the indications and data gathered in the control procedures of other reports, in other procedures conducted by the Agency, and from any other source (media, information obtain from the other authorities, legal entities and natural persons which were not submitted with the intention to initiate the procedure before the Agency, and the similar).

Indicator: Number of control procedure over the accuracy and timeliness of the disclosures, initiated in the way described in the content of the activity, increased compared to the previous year

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

* The first activity was not due for implementation until the end of 2016.

In the course of 2016, the Agency initiated the procedures of preliminary control of timeliness of filing of notification on the appointment, i.e. termination of the public office, and timeliness of the submission of the assets and income declarations of public officials. In 268 cases it

addressed the other public authorities for the verification of the afore-mentioned data for more than 2,400 public officials. After the verifications, procedure to establish violation of the provisions of the Law on the Anti-Corruption Agency was initiated in 206 cases, whereas in 2015 that number amounted to 520.

The main objective of the Agency in the course of 2016 was to inform as many public officials, at all governmental levels, about the provisions of the Law on the Anti-Corruption Agency. In keeping with that, the analysis of the data kept in the Register of Public Official was conducted, and based on the analysis, the total of 27 training sessions in the control of assets and income declarations of public officials were organised in 26 municipalities and towns of Serbia. Through these seminars, the current staff capacities were focused on proactive actions through direct contact with public officials, which resulted in a decreased number of violations of the provisions of the Law on the Anti-Corruption Agency, which is also reflected in the decreased number of the initiated procedures as compared to 2015.

In 2015, the number of the initiated procedures of control, where the accuracy, completeness and timeliness of data from the disclosures were verified amounted to 277, whereas in 2016, that number amounted to 340. Besides the fact that the number of controls increased, measures and activities already undertaken to increase the number of controls refer to: (1) networking of state authorities to facilitate electronic data exchange; (2) request for the improvement and modernisation of the application, i.e., software that would indicate to possible discrepancies in line with the set parameters, for instance, through an alarm system; and (3) overall analysis with the view to design indicators to serve as the basis of the planned controls.

Given the fact that the human resources are of the utmost importance for an efficient and quality work, the Agency plans to, in 2016, increase the number of its staff, continue with the continuous development of its employees and acquisition of new knowledge, all of that taking into account that the control implies knowledge of a large number of regulations.

Measure 3.1.2.3.b. To establish a proactive approach in the area of public officials' conflict of interest prevention and resolution

The second activity provides for the **Agency to continuously** initiate new procedures to determine incompatibility of public offices based on the indications and data gathered in the course of other procedures to establish incompatibility of public offices, other procedures conducted by the Agency, and other sources (media, information obtained from other entities, legal entities and natural persons not submitted so as to initiate any procedure before the Agency, and the similar).

Indicator: Number of initiated procedures to determine incompatibility of public offices, initiated in the way described in the content of the activity, increased compared to the previous year.

This activity is not implemented in line with the indicator for the reporting period.

The third activity provides for the **Agency to continuously** initiate new procedures to establish and sanction conflict of interests of public officials based on the indications and data gathered in the course of other procedures to establish and sanction conflict of interests of public officials, other procedures conducted by the Agency, and other sources (media, information obtained from other

entities, legal entities and natural persons not submitted so as to initiate any procedure before the Agency, and the similar).

Indicator: Number of procedures to establish and sanction conflict of interests of public officials, initiated in the way described in the content of the activity, increased compared to the previous year

This activity is not implemented in line with the indicator for the reporting period.

* The first activity was not due for implementation until the end of 2016.

In the course of 2016, on suspicion of violation of provisions of Article 28 of the Law on the Anti-Corruption Agency, the total of 120 procedures were initiated against those public officials discharging the second public office without the approval of the Agency, which is less compared to 2015, when 153 procedures were initiated.¹⁶

On suspicion of violation of Articles 27 and 32 of the Law on the Anti-Corruption Agency, the total of 38 procedures were initiated in the situations constituting conflict of interest in 2016, which is less compared to 2015, when 63 procedures were intimated.

Reasons for lesser number of the initiated procedures compared to 2015 are the following:

- ✓ Increased number of the requests for approval (to discharge the other public office, i.e., other job or business activity, for the membership in bodies of associations, for employment or business collaboration after termination of public office - *pantouflage*), amounted to 800, i.e. two times more than in 2015, when only 398 requests were filed;
- ✓ Increased number of applications, with 337 filed in 2016, compared to 2015, when 287 applications were filed; and
- ✓ Limited number of employees in the Sector for Resolution of Conflict of Interest.

Deadlines to act in accordance with the mentioned requests, stipulated under the Law on the Anti-Corruption Agency, are quite short, and therefore increased engagement of the employees of the Sector in deciding upon the requests led to the fact that the *ex-officio* actions planned to be undertaken did not meet planned results. That is the reason for the need to recruit new employees in this Sector of the Agency in the next period.

Objective 3.1.3. To adopt and implement an effective legal framework that regulates lobbying and participation of the public in the legislative process

The Revised Action Plan envisages three measures for fulfilment of this objective.

Measure 3.1.3.1. To set mechanisms allowing both stakeholders and public to take part in the regulation adoption process at all governmental levels

¹⁶ On suspicion of violation of Article 28 of the Law on the Anti-Corruption Agency, procedures are to be initiated against public officials discharging the second public office, or several public offices without approval of the Agency, in which process they may, but need not be incompatible. It is therefore more correct to instead of term “procedures to establish incompatibility of public offices“ use a term “procedures to establish illegal cumulating of public offices“.

The first activity provides for the **Ministry of Public Administration and Local Self-Government**¹⁷ and the **Government** to draft and submit to the National Assembly proposals of the laws on the amendments to laws on the basis of the conducted analysis **by September 30, 2016.**

Indicator: Proposals of the laws on the amendments to the laws, which by their content correspond to the recommendations of the analysis and the Resolution on the Legislative Policy of the National Assembly, are submitted to the National Assembly

Means of verification: Reasoning from draft/proposals of laws containing explanation regarding the way of introduction the recommendations of the analysis and those from the Resolution on the Legislative Policy of the National Assembly

This activity is not implemented in line with the indicator in the part related to the Ministry of Public Administration and Local Self-Government.

This activity is not implemented in line with the indicator in the part related to the Government, since the previous conditioning activity was not implemented.

The second activity provides for **the National Assembly** to adopt the laws on the amendments to the laws **by December 31, 2016.**

Indicator: Laws on the amendments to the laws which by their content correspond to the recommendations of the Resolution on the Legislative Policy of the National Assembly are adopted

This activity is not implemented in line with the indicator, since the previous conditioning activity was not implemented.

* The third, fourth and fifth activities were not due for the implementation until the end of 2016.

The Report of the Ministry of Public Administration and Local Self-Government (MPALSG) on the Strategy states that the implementation of this measure is ongoing. Namely, Draft Law on the Amendments to the Law on Public Administration and Local Self-Government for which the public debate had been organized, was prepared, and the Draft was submitted to the public authorities for their opinion. The Report states that the implementation of the activity was postponed in order to organise broader consultative process, given to the fact that the implementation of the law encompasses, besides the public authorities, all social entities who may be interested in the content of the law and other public policy instruments that the competent bodies plan to apply. MPALSG expects that the activity will be implemented in February 2017.¹⁸

The Agency presented its opinion regarding the corruption risks related to the Draft Law on the Amendments to the Law on Public Administration at the end of December, 2016. It stated, in its opinion, that the text contained significant novelties, such as introduction of the obligations for ministries and special organizations to apply and make available to the public starting points for law drafting, with accompanying explanation, at the latest in the moment of its submission to the other authorities for their opinion. However, the Draft Law has not prescribed the obligation to

¹⁷ As implementing entity for this activity Revised Action Plan envisages “responsible subjects in accordance with the recommendations of the analysis and the Government”. According to the interpretation of the Ministry of Justice, upon the ACA request for interpretation, the implementing entity for this activity is Ministry of State Administration and Local Self-Governance.

¹⁸ MPALSG, *Report on the implementation of the Strategy for 2016*, January 2017.

conduct public debate for all laws, but, as it is the case now, only for those laws significantly changing legal regime in one area, i.e., regulating the issues of special importance for the public.

Since the criteria for determining when it is obligatory to conduct public debate when drafting a law are not properly specified in the Law on the Public Administration or the Rules of Procedure of the Government, i.e., that they are subject to different interpretations in the practice, it is clear that these issues should be regulated in detailed through amendments to the mentioned regulations. Taking into account the aforementioned, amendments to the Law on Public Administration and the Rules of Procedure of the Government in the area of public debate are provided for under the anti-corruption strategic documents (Revised Action Plan and the AP 23), and under the Action Plan for the Implementation of the Open Government Partnership Initiative in the Republic of Serbia for 2016 and 2017.

Reports of relevant international organisations indicated to the necessity to amend the legislation regulating organisation of public debates. Namely, in accordance with the evaluation of the European Commission Report on Serbia's Progress for 2015, public debates should encompass broader public and should be organized in more realistic time frame, so as to enable to all stakeholders to give their contribution. This is particularly indispensable for those draft laws with huge economic and social impact. In addition, the Report on Serbia's Progress for 2016 stated that the inclusiveness, transparency and quality of regulation drafting and efficient control of the executive branch should be additionally improved.¹⁹

Similar evaluations were presented in the report adopted by the Group of States Against Corruption (GRECO) in June 2015, within the fourth round of evaluation which topic was "Corruption prevention in respect of members of parliament, judges and prosecutors". Namely, during the evaluation, it was indicated to the fact that the criteria for obligatory public debates set under the Rules of Procedure of Government, formulated as "significant changes" or "issue of special concern for the public" were not clear and that the rules on the public debates were often ignored in the practice, even in cases of obvious significant legislative changes (for instance, no public debates were organised in such cases or no information about the public debates were announced). GRECO formulated recommendations for further improvement of legislative process transparency, and some of these recommendations were related to development of the rules on public debates and public hearings and to ensuring their application in the practice, and those related to the cases when urgent procedure should be applied as exception, rather than a rule.²⁰

The Agency believes that the Draft Law should clearly provide for, as a rule, that all public debates should be organised in all law drafting processes, and not only for those laws significantly changing system in one area, i.e., regulating issues of special concern for the public. Additionally, provisions of the Draft Law should set an obligation to organise public debate regarding the starting basis for law drafting as well as after finalising the draft text, and then prescribe that the draft text sent for public debate can be amended primarily on the basis of the accepted comments and suggestions presented in the course of the public debate.²¹

¹⁹ European Commission, *Progress Report for the Republic of Serbia for 2016*, pp. 7-8.

²⁰ GRECO, The Fourth Evaluation Round, *Corruption Prevention in respect of members of parliament, judges and prosecutors*, Report on the evaluation – Serbia, June, 2015, pp. 13-15, available at: <http://www.acas.rs/greco-rpyna-држава-за-борбу-против-корупци/>.

²¹ Anti-Corruption Agency, *Opinion on the Draft Law on the Amendments to the Law on Local Self-Government*,

The EC Report on Serbia's Progress for 2016, also stated that the public administration should additionally strengthen its capacities for the development of inclusive and well-based policies and legislation. The report states that public and cross-sectoral consultations about proposals are often organised *pro forma* and in the very late stage of the process, and therefore stakeholders are not in a possibility to provide their quality contribution. The reports further adds that decision-makers are not systematically informed about the outcome of the public consultations.²²

MPALSG further states in its Report on the Strategy that the Draft Law on the Amendments to the Law on Local Self-Government provides for the local self-governments to regulate, under their statues, the issue of organising mandatory public debate process when preparing certain general enactments, such as statutes, budget, strategic development plans, determining the income source rate, spatial and town planning plans, and any other general enactment in line with the proposal of a qualified number of citizens or requests of one third of councillors. For instance, the current Law on the Local Self-Government provides for an obligation to organise public debates for some of these enactments. This obligation is also stipulated under special, i.e., sectoral laws in certain areas for which the local self-government units are competent.

The Draft Law on the Amendments to the Law on Local Self-Government has still not been finalised in line with the objections, proposals and suggestions made during the public debate. The adoption of this Law is expected in the first quarter of 2017. It was postponed since it was not possible to ensure inclusion of the Proposal of the Law in the National Assembly agenda until the end of 2016, due to excessive number of laws that had been earlier in the parliamentary procedure.²³

The Report of the Government on the Strategy indicates that the activity was not implemented because the proponents did not submit draft laws for further governmental procedure. On November 16, 2016, the Government Committee for Legal System and Public Authorities adopted the Proposal of the Conclusion to conduct public debate about the Draft Law to Amend the Law on Local Self-Government, and it was organised in the period from November 18 until December 8, 2016, and then on December 6, 2016, it adopted the Proposal of the Conclusion to organise public Debate on the Draft Law on Amendments to the Law on Public Administration, organised in the period from December 7 until December 27, 2016.²⁴

The Report on the Strategy of the National Assembly indicates that the implementation of this activity was not initiated because the authorised proponents did not submit the proposals of the laws before the National Assembly.²⁵

Measure 3.1.3.2. To adopt a law regulating lobbying and access of the public to the information on lobbying in the public authorities

The first activity provides for the **ministry in charge of trade** to develop a draft law and submit it

December 29, 2016 available at <http://www.acas.rs/wp-content/uploads/2012/12/Misljenje-o-Nacrtu-zakona-o-izmenama-i-dopunama-Zakona-o-drzavnoj-upravi-final.pdf>.

²² European Commission, Report on Serbia's Progress for 2016, p. 11.

²³ MPALSG, *Report on the implementation of the Strategy for 2016*, January 2017.

²⁴ Government of the Republic of Serbia, *Report on the implementation of the Strategy for 2016*, January 2017.

²⁵ National Assembly, *Report on the implementation of the Strategy for 2016*, January 2017.

to the Government until December 31, 2016.

This activity contains a remark that representatives of the ministry in charge of the public administration affairs and the Agency should participate in the working group.

Indicator: Draft law regulating lobbying and access of the public to all information on lobbying in public authorities is submitted to the Government

Verification factor: Reasoning from the Draft Law containing explanation regarding how the access for the public to information on lobbying is enabled in public authorities

This activity was not implemented in compliance with the indicator.

* The second and the third activities were not due for implementation until the end of 2016.

The Working Group for the development of the Draft Law on Lobbying was formed in March 2013, within the former Ministry of Foreign and Internal Trade and Telecommunications. Representatives of the Ministry, General Secretariat of the Government, Law School of the Belgrade University, Serbian Lobbyists' Association, MoJ and the Anti-Corruption Agency took part in the working group. They prepared working version of the Law on Lobbying/Law on the Protection of Public Interest from Unlawful Trading in Influence on the basis of the proposal developed by the Serbian Lobbyists' Association. The proposal, as the Ministry of Trade, Tourism and Telecommunication stated in its Report on the Strategy, besides the mandatory and public registry of lobbyists, provides for a large number of mechanisms to improve transparency and ensure that lobbying meets its professional and ethical standards.

However, in the second part of 2016, it was agreed as a part of the cooperation between the Sector for Normative, Administrative and European Integration Affairs of the Ministry and the Ministry of Justice, that the Ministry of Justice assumed this obligation and in the coming period prepare Draft Law regulating lobbying, since the main objectives and desired effects of the adoption of this Law were directed on the suppression of corruption, for which, according to the Law on the Ministries,²⁶ the Ministry of Justice was in charge. The Ministry of Trade, Tourism and Telecommunications states in the report that the Ministry of Justice shall inform the Agency on the mentioned change.²⁷

The Ministry of Justice did not submit its report on the implementation of the Strategy to the Agency until the end of February, 2017.

Measure 3.1.3.3. was not due for implementation until the end of 2016.

Objective 3.1.4. To set clear criteria for the nomination, selection and dismissal, and performance evaluation of directors of public companies

The Revised Action Plan provides for the measures and activities under this objective to be erased since all of them are implemented. A single measure under this objective envisages the amendments to the Law on Public Companies in a way to set clear and objective criteria for selection, dismissal and manner to evaluate performance of directors at all governmental levels, and to introduce accountability mechanisms for consistent implementation of these criteria.

²⁶ "Official Gazette of RS", no.44/14, 14/15, 54/15 and 96/15 – other law.

²⁷ Ministry of Trade, Tourism and Telecommunication, *Report on the implementation of the Strategy for 2016, January 2017.*

The Report of the Ministry of Economy for the second quarter of 2016 indicated that the new Law on Public Enterprises of February 2016 specified all requirements for selection and dismissal of directors, and since the Law stipulated that the criteria for the appointment of public company directors should be set under a by-law, a Draft Decree on the Criteria for the Appointment of Public Enterprise Directors was prepared. It was, further on, stated that it was expected that the Government would soon adopt this Decree.²⁸

The Agency's opinion about the Draft Revised Action Plan of March 2016, indicated that the Law on Public Enterprises, adopted in February 2016, did not fully comply with the instructions stemming from this measure. Namely, even though the measure provides for the Law to contain clear and objective criteria for selection, dismissal and manner to evaluate performance of public enterprise directors and accountability mechanism for consistent application of these criteria, the Law, however, provides for professional qualification, knowledge and skills during the selection process of candidates to be evaluated in line with the criteria stipulated by the Government, i.e., for these criteria to be prescribed under a by-law.²⁹ For these reasons, the Agency evaluated this measure in its Report on the Strategy for 2015 as not implemented in the way provided for under the Action Plan, and therefore its erasing in the course of the revision of the Action Plan is not justified.

When it comes to this objective, the Strategy states that the Law on the Public Enterprises of 2012 reduced certain corruption risks, but, despite the fact that requirements for the selection of directors were prescribed, no clear criteria were set on which basis the competent ministry would nominate candidate meeting all prescribed requirements. Therefore, according to the Strategy text, selection, dismissal and manner to evaluate performance of directors keeps on constituting risk-prone processes from the misuse and corruption standpoint. The very Action Plan of 2013, provides for the long deadline to amend the Law on Public Enterprises (28 months – January 2016), and corresponding explanation was that the effects on corruption would be better observed after certain period of the application of the Law of 2012, and that the longer deadline was assigned so as to be able to deliberate upon and introduce experience from its application. However, despite the fact that it was adopted with an insignificant variation from the set deadline, certain provisions of the new Law still remain insufficiently clear, and there are no data whether this note was complied with, i.e., whether in the course of the adoption of the new Law, experiences in the application of the Law were deliberated upon and introduced in the text.

On the other hand, AP 23 provides for a mitigated form of this measure in a way that it instructs that the ministry in charge of economy affairs develop with participation of civil society organisations “criteria for objective and transparent selection of directors, executive and supervisory boards of public enterprises” (*activity 2.2.9.3.*) until the end of the fourth quarter of 2016. Besides mitigating this obligation, AP 23 does not specify in which form these criteria should be developed.

²⁸ Ministry of Economy, *Report on the Implementation of the Strategy*, July 2016.

²⁹ More detailed reasons why, according to the Agency's opinion, the Law on Public Enterprises does not comply with the instructions stemming from this measure, please see: Anti-Corruption Agency, *Opinion on the Corruption Risk Assessment in the Provisions of the Draft Law on Public Enterprises*, February 5, 2016, available at <http://www.acas.rs/wp-content/uploads/2016/02/Misljenje-o-Nacrtu-zakona-o-javnim-preduzecima-final-.pdf>.

Objective 3.1.5. To adopt provincial and local anti-corruption action plans, which implementation will be monitored by the standing working bodies of provincial, i.e., local assemblies

Revised Action Plan provides for three measures to fulfil this objective, out of which for the first two (**measures 3.1.5.1.a.** and **3.1.5.1.b.**) the deadline is conditioned by the expiry of the deadline for the adoption of the local anti-corruption plans in line with AP 23 (the second quarter of 2017 – *activity 2.2.10.37.*). As per the activities under the **measure 3.1.5.2.** deadlines were also not due for the implementation until 2016.

3.2. PUBLIC FINANCES

Within the second area of the Strategy – Public Finances – ten objectives are formulated, and 23 measures and 45 activities envisaged for their fulfilment, out of which 22 were subjected to examination. According to the assessment of the Agency out of 22 examined activities:

- 9 activities were implemented in compliance with the indicator and in the manner provided for under the Revised Action Plan. Only one implemented activity is a one-off, whereas the remaining activities are of a permanent nature;
- 3 were not implemented in compliance with the indicator;
- As per 10 activities, the Agency was not able to assess the implementation.

This area of the Strategy is divided into three sub-areas: public revenues, public expenditures and public internal financial control, external audit and protection of the financial interests of the European Union.

3.2.1. Public Revenues

The four objectives are formulated within this sub-area:

1. To fully develop e-Taxes system and regularly update respective data (**objective 3.2.1.1.**);
2. To set legal and institutional framework to implement a unique tax identification number for both natural persons and legal entities (**objective 3.2.1.2.**);
3. To identify and eliminate all deficiencies in the legal framework of the customs system conducive to corruption (**objective 3.2.1.3.**);
4. To set an efficient control of the customs regulations application (**objective 3.2.1.4.**).

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.2.1.1. To fully develop e-Taxes system and regularly update respective data

The Revised Action Plan envisages one measure to fulfil this objective.

Measure 3.2.1.1.1. To ensure regular entry of the data into the e-Taxes system

The sole activity within this measure provides for the **Tax Administration** to **continuously** conduct regular control over data updating, system functioning and possible technical flaws rectification.

Indicator: Number of controls of regularity and accuracy of the e-Tax system; Reports on the Controls

This activity was implemented in compliance with the indicator for the reporting period.

According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

The Tax Administration Reports on the Strategy listed the areas in which tax returns were filed in specific reporting periods, and the report for the second quarter listed the number of the filed tax returns per each area. “E-Taxes” portal enabled submission of electronically signed tax return forms, following the status of the sent forms and insight into a taxpayer tax card, and all with the view to enable taxpayers to fulfil their tax obligations in a more efficient and mainstreamed manner. All data from the electronically submitted tax return forms through the “e-Taxes” portal are recorded into the tax accounting on a daily basis.

The Tax Administration continuously conducts activities of regular control of the data updating, system functioning and possible technical flaws rectification. Sector for Information and Communication technologies is in charge of control and rectification of possible technical deficiencies. Testing and follow-up of the system are done on a daily basis, within which a large number of transactions are executed given a dynamic character of the system.³⁰

The Report of the Tax Administration on the Strategy for 2015 stated that since there were a large number of the processed requests for elimination of irregularities and deficiencies, it was impossible to, in line with the indicator, submit the exact number of requests or photocopies of the reports on the controls, unless the form, level of details and content of the requested reports are better defined.

Therefore, in its opinion on the Draft Revised Action Plan of March 2016, Agency stated that it could be expected that if the indicator remained formulated in the same manner, it would not be possible to make any compliance assessment of the activity in the future reporting cycles as well.

Despite the recommendation from the Report for 2015 and the suggestions from the opinion on the Draft Revised Action Plan, the indicator remained unchanged. To avoid the situation in which implementing entities would be poorly assessed, and taking into account that its reports clearly indicate that this activity is being implemented, the Agency assesses that this activity is implemented in line with the indicator for the reporting period and in the way provided for within the Revised Action Plan. Likewise, the Agency again recommended to the ministry in charge of the judicial affairs to change this indicator in a way to enable the implementing entity to prove that this activity was being implemented and to enable the Agency to properly assess the fulfilment of the activity.

Objective 3.2.1.2. To set legal and institutional framework to implement a unique tax identification number for both natural persons and legal entities

Within **objective 3.2.1.2.** deadlines for all activities are conditioned with the commencement of the application of the law regulating TIN, i.e., by the establishment of the system regulating TIN,

³⁰ Tax Administration, *Report on the implementation of the Strategy*, July 2016, November 2016, February 2017.

envisaged under the AP 23 for the end of 2018 (*activity 2.2.10.9.*). As per this objective, the Strategy indicated the listed problems, and the reasons thereto were related to non-existence of the TIN system. In its 2015 Report on the Strategy, the Agency stated that it could not get any data whether certain activities were being implemented so as to fulfil this objective. The AP 23 firstly set the deadline for the establishment of the TIN system in the fourth quarter of 2016, and later on, in its final version, for the fourth quarter of 2018. The conclusion of the Agency is that most probably there is no consensus regarding the establishment of this system, given the fact that there are no available data on whether any analysis has been conducted, whether this issue has been discussed at all, and given the fact that its establishment was postponed under the AP 23. Due to the all aforementioned, the Agency recommended the public debate on the establishment of the TIN system to be organised, and to make data on that debate public.

As per the **objectives 3.2.1.3.** and **3.2.1.4.**, the Revised Action Plan provided for all measures to be erased and monitored in the future through AP 23, except for one implemented activity, and one measure that was erased without any explanation thereto,³¹ which implies that all measures focused on fight against corruption within the customs system were transferred to the AP 23 system.

3.2.2. Public Expenditures

Three objectives are formulated within this sub-area:

1. To improve participation of the public in the monitoring of budget funds spending (**objective 3.2.2.1.**);
2. To consistently apply the Law on Public Procurement and set records on actions by competent authorities regarding irregularities found in their reports (**objective 3.2.2.2.**);
3. To improve the cooperation and coordination of activities dedicated to suppression of corruption among all relevant institutions at all governmental levels (**objective 3.2.2.3.**).

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.2.2.1.1. To improve participation of the public in the monitoring of budget funds spending

The Revised Action Plan provides for three measures for fulfilment of this objective.

Measure 3.2.2.1.1. To publish annual report on budget inspection activities that is submitted to the National Assembly

³¹ It concerns the **measure 3.2.1.4.1.**, which provides for the higher number of activities so as to raise the level of information of the public regarding the ways to report corruption in the Customs Administration, i.e., continuation of the programme and campaign to inform the public about the ways to report corruption in the Customs Administration. However, the Agency was not able to assess the compliance of this activity in either of the reports, as the indicators were poorly formulated and that was the reason for providing the recommendation to have it amended. Finally, the author of the Revised Action Plan decided to erase this measure, without any explanation thereto.

The sole activity within this measure provides for the **Ministry of Finance** to publish its report on the webpage on **the annual basis**.

Indicator: The report on the budget inspection activities is published on the webpage of the ministry in charge of finance affairs

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

At the beginning of the current year, the Sector for Budget Inspection submits to the ministry in charge of finances, the report on its activities for the previous years. The Minister submits this report to the Government, which in turn submits it to the National Assembly until March 31 of the current year for the previous budgetary year (Article 91, paragraph 3 of the Budget System Law). Annual Report on Activities of the Budget Inspection is published on the webpage of the Ministry of Finance (MF).³²

Activities within the remaining two measures (**3.2.2.1.2.** and **3.2.2.1.3.**) were not due for implementation until the end of 2016.

Objective 3.2.2.2. To consistently apply the Law on Public Procurement and set records on actions by competent authorities regarding irregularities found in their reports

The Revised Action Plan provides for five measures for fulfilment of this objective.

Measure 3.2.2.2.1. To establish records on activities of competent authorities concerning irregularities found in the reports of the control and regulatory bodies

The sole activity provides for the **Ministry of Finance** to design and **continuously** update records on activities of competent authorities concerning irregularities found in the reports of control and regulatory bodies.

Indicator: The report on the established records with the time intervals for its updating

The Agency is not able to assess the implementation of this activity.

The Report of the MoF on the Strategy states that this measure is being continuously implemented in a way that the Sector for Budget Inspection continuously keeps records on activities concerning irregularities found in the course of control over all public funds beneficiaries, and *inter alia*, on irregularities found by control and regulatory bodies.³³ However, the MoF report does not state whether the records on activities of competent authorities concerning irregularities found in the reports of control and regulatory bodies was established.

Measure 3.2.2.2.2. To establish electronic procurements so as to reduce the influence of human factor

The first activity provides for the **Public Procurement Office** to make an analysis of the

³² Ministry of Finance, *Report on the Implementation of the Strategy*, February 2017. Please see: http://www.mfin.gov.rs/UserFiles/File/dokumenti/2016/Izvestaj%20o%20radu%20B_I_%20za%202015_.pdf.

³³ Ministry of Finance, *Report on the implementation of the Strategy*, February 2017.

optimum legal, institutional and technical e-procurement model suitable to the Republic of Serbia **by September 30, 2016.**

The activity contains a remark that new activities are set under the Public Procurement Development Strategy of the Republic of Serbia for the period 2014-2018, and that the implementation of the mentioned activities and deadlines are also defined under the Negotiation Position for Chapter 5 - Public Procurements.

Indicator: The report on the analysis is submitted

This activity was not implemented in compliance with the indicator.

* The second activity was not due for implementation until the end of 2016.

The Report of the Public Procurement Office (PPO) about the Strategy stated that this activity was being implemented with the support of the World Bank experts, and that the analysis was at that time in the translation stage. Delays in the implementations were due to the postponed commencement of the project which funds were used for this activity.³⁴

Measure 3.2.2.2.3. To strengthen capacities of the Public Procurement Office taking into account new competences set under the Public Procurement Law

The second activity provides for the **Public Procurement Office** to **continuously** comply with the training curricula for its employees.

Indicator: The Report on the fulfilment of the training curricula is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

* The indicators set for the first and the third activities that provide for the PPO to recruit new employees and procure equipment in line with the needs analysis until the second quarter of 2016 are “number and structure of employees are in line with the needs analysis” and “equipment is procured in line with the needs analysis; the report on the purchased equipment is submitted”. Since the deadlines are set so as to imply the permanent activity, though these indicators might be used in cases of one-off activities, the Agency shall not assess the compliance with these activities under this report and it recommends to the ministry in charge of judicial affairs to change either deadline or indicator in an adequate manner. Likewise, the PPO report states for the third activity that it was not implemented because it was directly linked with the first activity under this measure, which referred to the recruitments of new professional employees in line with the needs analysis, and it would start with its implementation upon the completion of the mentioned activity.³⁵

The PPO report on the Strategy indicates that this activity was implemented, and the evidence presented are these two documents: Capacity Strengthening Plan and Report on the Implementation of the Plan.³⁶

Measure 3.2.2.2.4. To enforce final decision of the Republic Commission for the Protection of Rights in Public Procurement Procedures

³⁴ PPO, *Report on the implementation of the Strategy*, November 2016, February 2017.

³⁵ PPO, *Report on the implementation of the Strategy*, November 2016, February 2017.

³⁶ PPO, *Report on the Implementation of the Strategy*, February 2017.

The sole activity provides for the **Republic Commission for the Protection of Rights in Public Procurement Procedure** to follow-up the enforcement of its decisions.

Indicator: Report on the activities of the Republic Commission for the Protection of Rights in Public Procurement Procedure containing data on the follow-up of the enforcement of its decision is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

The Republic Commission for the Protection of Rights in Public Procurement Procedure (PPC) states in its Report on the Strategy that it continuously requests from the contracting authority, in the cases in which after the procedure conducted before it, the public procurement procedure was fully or partially cancelled, to submit a detailed report and complete documentation in relation with the actions taken in line with the orders stemming from its decisions. In the course of 2016, during eight sessions, the PPC deliberated upon 875 of cases of this kind, in regards its decisions adopted on the basis of the Public Procurement Law of 2008³⁷ and the Public Procurement Law of 2012.³⁸ On the basis of the detailed reports and documentations it was found that 11 contracting authorities did not act in line with the orders from the PPC decisions adopted in line with the Public Procurement Law of 2012, and the cases to impose fines were created. Likewise, 31 contracting authorities failed to submit the requested report and documentation, and cases to impose fines were created in such circumstances.³⁹

The mentioned data refers to 2015, and the Report on the PPC activities for the current year has not yet been developed or available, since it is to be submitted to the National Assembly until March 31 of the current year for the previous year. Therefore, the Agency is not able to apply activity indicator against the data for 2016. On the other hand, the latest report on the activities available on the PPC webpage is the semi-annual report for the period July 1 until December 31, 2014, which encompasses the data on the results of the follow-up on the enforcement of its decisions. The following parts of the report are concerned: “Controls conducted by the Republic Commission at contracting authorities“ and “Contracting authorities that failed to observe the instruction of the Republic Commissions and failed to remedy irregularities“. These two chapters constitute the mandatory part of the PPC Activity Report in line with Article 147, paragraph 2, items 4 and 5 of the Public Procurement Law,⁴⁰ so the presumption is that every subsequent report contains these data. PPC Activity Report for 2015 and 2016 are still not available on its webpage, because the National Assembly has not yet adopted them, i.e., they still haven’t become official documents.⁴¹

At any rate, it is proven that the indicator formulated this way, appearing in other places in the Revised Action Plan is not an adequate one, given the fact that all public authorities submit and

³⁷ “Official Gazette of RS”, no. 116/08.

³⁸ “Official Gazette of RS”, nos. 124/12, 14/15 and 68/15.

³⁹ The Republic Commission for the Protection of Rights in Public Procurement Procedure, *Report on the implementation of the Strategy for 2016, January 2017*.

⁴⁰ “Official Gazette of RS”, nos. 124/12, 14/15 and 68/15.

⁴¹ The Republic Commission for the Protection of Rights in Public Procurement Procedure, *Report on the implementation of the Strategy, Addendum, February 2017*.

publish reports on their activities after the expiry of deadline for submission of their reports on the Strategy to the Agency, and mostly there is no possibility to apply this indicator for the year subject to reporting. Hence, even if an implementing entity submits the data related to the reporting period, the latest available report from the indicator always refers to the year preceding the reporting period. The Agency is therefore not able to correctly apply the indicator, despite the fact that it is obvious from the implementing entity's report that the activity is being implemented.

In this case, from the all abovementioned, the Agency assesses that this activity was implemented in compliance with the indicator for the reporting period in a way provided for under the Revised Action Plan, so as not to damage implementing entity that is complying with its obligations for inadequacy of the indicator.

The Agency recommends to change this indicator into "submitted data on monitoring the compliance with the PPC decisions for the reporting period", and to change accordingly similar indicators in the other places.

However, a question of appropriateness of this activity's presence in the Revised Action Plan is raised, since the obligation to report about monitoring the PPC decisions represents a mandatory part of its reporting in line with the Public Procurement Law, for which reason the compliance with this obligation and its following simply come down to a mere implementation and monitoring the implementation of the provision of one law.

Measure 3.2.2.2.5. To organise education on the application of new solutions in the public procurement area

The sole activity provides for the **Public Procurement Office** to prepare manuals for training and passing the exam for acquiring the public procurement official certificate **by September 30, 2016**.

Indicator: The Manual is published on the PPO webpage.

This activity was not implemented in compliance with the indicator.

PPO, as it is stated under its Report on the Strategy, has been developing different models and documents with the view to provide professional assistance to both contracting authorities and bidders and to have better application of the Public Procurement Law for the past two quarters. Taking into account current PPO's capacities, the implementation of this activity, in line with the explanation given in the report, requires additional time so as to comply with all obligations stemming from all action plans.⁴²

Objective 3.2.2.3. To improve the cooperation and coordination of activities dedicated to suppression of corruption among all relevant institutions at all governmental levels

The Revised Action Plan provides for three measures for fulfilment of this objective.

Measure 3.2.2.3.1. To train police and public prosecutor's office employees in public procurement so as to conduct more efficient criminal investigation, and judges to efficiently conduct criminal proceedings for establishment of criminal liability in the public procurement

⁴² PPO, *Report on the Implementation of the Strategy*, February 2017.

area and train misdemeanour judges to efficiently conduct proceedings for misdemeanours stemming from the Public Procurement Law

The first activity provides for the **Judicial Academy** to develop manuals with instructions by **December 31, 2016**

Indicator: The Manual is printed and published on the webpage

The Agency is not able to assess the implementation of this activity.

The second activity provides for the **Judicial Academy** to **continuously** conduct training programme for the employees and distribute manuals with instructions.

Indicator: The report on the conducted training curricula and distribution of the manual is submitted.

The Agency is not able to assess the implementation of this activity.

Judicial Academy did not focus on the first activity in its Report on the Strategy, whereas for the second activity it stated that two trainings were organised in Belgrade, in October and November of 2016, in “Misuse in the Public Procurement”, and that 8 prosecutors underwent these trainings. One training was organised in Niš in October, and one in Novi Sad in November 2016, in financial investigations and public procurements for representatives of courts and public prosecutor’s offices.⁴³ Judicial Academy did not mention in its report whether, besides organised trainings, manuals with instruction referred to under this activity were distributed.

Measure 3.2.2.3.2. To establish records on actions of misdemeanour courts, prosecutor’s offices and general jurisdiction courts concerning irregularities established in the SAI and Treasury Administration reports

The first activity provides for the **Judicial Academy** to **continuously** conduct education of the SAI and Treasury Administration employees in the characteristics and manifestations of corruption offences.

Indicator: Number of conducted trainings

The Agency is not able to assess the implementation of this activity.

The second activity provides for the **SAI and PPO** to **continuously** file misdemeanour charges and submit its findings to the competent Prosecutor’s Office.

Indicator: Number of charges

The activity was implemented in line with the indicator for the reporting period in the part related to the SAI.

In accordance with the Agency’s data, the activity was implemented in the manner provided for under the Revised Action Plan.

The activity was implemented in compliance with the indicator for the reporting period in the part related to the PPO.

In accordance with the Agency’s data, the activity was implemented in the manner provided for under the Revised Action Plan.

* The third activity was not due for implementation until the end of 2016.

Judicial Academy did not comment on this activity in its report on the Strategy. SAI continuously files both misdemeanour and criminal charges and information to prosecutor’s offices.

⁴³ Judicial Academy, *Report on the implementation of the Strategy*, February 2017.

In the course of 2016, SAI filed 274 motions to instigate misdemeanour proceedings, 28 criminal charges and 22 charges for economic offences.⁴⁴

In the course of 2016, PPO filed 8 motions to instigate misdemeanour proceedings and acted upon 23 requests by prosecutor's offices to submit adequate information and documentation it possessed.⁴⁵

Measure 3.2.2.3.3. To establish efficient cooperation among CSOs and regulatory, control and repressive bodies as regards prevention and suppression of corruption in the public procurements

The first activity provides for the **Judicial Academy** to **continuously** organise specialised seminars and workshops.

The activity contains a remark that it should be implemented in cooperation with the Public Procurement Office.

Indicator: General note no. 7

The Agency is not able to assess the implementation of this activity.

* Despite the fact that the deadline for the second activity is characterised as “continuously”, “a public authority in charge of the registry of corruption offenses” is stated as a implementing entity for this activity, but such entity has not yet been established, and therefore, neither can the implementation of this activity be assessed.

Judicial Academy did not comment on this activity in its report on the Strategy.

3.2.3. Public internal financial control, external audit and protection of the EU financial interests

Three objectives are formulated within this sub-area:

1. To establish and develop a public internal financial control at all governmental levels (**objective 3.2.3.1.**);
2. To amend legal framework to ensure full financial and operational independence of the SAI in line with the International Organization of Supreme Audit Institutions (INTOSAI) and conduct of performance audit (**objective 3.2.3.2.**);
3. To establish and develop a system for prevention, detection, reporting and treatment of irregularities regarding usage of the EU and other international institutions and organisations funds (**objective 3.2.3.3.**).

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.2.3.1. 1. To establish and develop a public internal financial control at all governmental levels

⁴⁴ SAI, *Report on the implementation of the Strategy for 2016, January 2017.*

⁴⁵ PPO, *Report on the implementation of the Strategy, February 2017.*

The Revised Action Plan provides for four measures for fulfilment of this objective.

Measure 3.2.3.1.1. To ensure efficient application of regulations in the public internal financial control

The sole activity provides for the **Ministry of Finance** to **annually** compose report on whether public funds beneficiaries consistently conducted their obligations to adopt plans for the implementation and development of their financial management and control systems, to appoint a head in charge of financial management and control, to adopt internal enactment and procedures related to internal financial control, and to submit the annual report to the Central Harmonization Unit.

This activity contains a remark that the Consolidated Annual Report on the Status of the Public Internal Financial Control representatives in the Republic of Serbia is to be published on the webpage of the ministry in charge of financial affairs, and that the measure relates to the implementing entities defined under the Budget System Law (“Official Gazette of RS”, no. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13, 108/13, 142/14, 68/15 – other law and 103/15).

Indicator: Central Harmonization Unit of the ministry in charge of financial affairs developed the consolidated annual report on the status of the public internal financial control in the Republic of Serbia, which shows whether and which public funds beneficiaries complied with their obligations

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

The MoF Report on the Strategy states that this measure is followed through AP 23, activity 2.2.6.5,⁴⁶ which provides for the law to improve the status of internal auditors, ensure functional and operational independence of internal audit and improve principles of financial management and control, and functions and tasks of the Central Harmonization Unit (CHU) until the end of 2016.

The Consolidated Annual Report for 2015 on the Status of the Public Internal Financial Control in the Republic of Serbia,⁴⁷ available at the webpage of the MoF, was composed on the basis of the public funds beneficiaries (PFB) reports. The total of 642 PFBs submitted their Annual Reports on the Financial Management and Control (FMC) System for 2015, and the Consolidated Report encompassed 591 complete reports, while partially completed or incomplete reports were not covered by the analysis. Review of the submitted and processed reports is shown in the table per PFBs categories. These reports consist of the general part (general data on PFBs and data in relation to the organisational establishment of the FMC) and questionnaire for internal control self-assessment. The annual reports of PFBs on audits and internal audit (IA) activities consist of general part (general data on beneficiaries, data on units for IA and internal auditors, data on

⁴⁶ Ministry of Finance, *Report on the Implementation of the Strategy*, February 2017.

⁴⁷ Ministry of Finance, Sector for Internal Control and Internal Audit, “Consolidated Annual Report for 2015 on the Status of the Public Internal Financial Control in the Republic of Serbia”, December 2016, p. 6, 8-9, 16-17, 20-22, available at: http://ifkj.mfin.gov.rs/user_data/posts/Konolidovani%20godu%20in%20izve%20ta%20za%202015.%20godinu.pdf.

application of standards and methodologies of the IA work, and proposals for the IA system development) and special part (review of audits conducted with the number of given recommendations per types of recommendations). For 2015, the total of 358 PFBs submitted their reports to the CHU, out of which 295 reports were covered by the analysis, whereas the remaining, incomplete or empty reports were not covered by the analysis.

PFBs categories are divided in the following way: ministries, organisation of mandatory social insurance (Republic Pension and Disability Fund, Republic Fund of Health Insurance and National Employment Service), republic entities (agencies, administration, institutes, courts....) and republic enterprises, local self-governments and indirect beneficiaries (schools, hospital, institution....) and public utility companies.

In terms of obligations stemming from measure related to the adoption of plans for the implementation and development of FMC, the Consolidated Report indicates that the IA activities with 161 public funds beneficiaries were performed in line with the strategic plan and annual work plan approved by PFBs' management, and individual audit plan approved by audit manager. In 19 PFBs, which introduced the IA function, the process of adoption of strategic and annual plan was ongoing at the end of reporting period.

In terms of appointment of a head in charge of FMC, a table shows, per categories of PFBs that submitted the report, the number of those that appointed a head in charge of FMC, established a group, made a business process map and set up internal control in their business processes taking into account most important risks.

In terms of adoption of internal enactments and procedures related to the FMC, the Consolidated Report indicated that the biggest problems the PFBs at the republic level had, in the course of organisational establishment of the FMC system, was the development of business process maps, taking into account that only 50% PFBs that submitted their reports stated that they had implemented this activity. On the other hand, only two out of the total of 591 indicated that their most important business processes are not regulated in written form, which means that the manner to perform most of the key business process is prescribed either by by-laws or internal enactments, instructions, decrees and procedures.

Submitted reports indicate that 180 PFBs, that established IA function, had classified 478 jobs, and 373 internal auditor posts were occupied. These beneficiaries cover 90% of the public funds.

Internal auditors gave in total 5,901 recommendations for the improvement of business activities and reduction of found risks to the acceptable level. Until the end of 2015, the total of 3,615 recommendations were complied with, whereas the deadline for the other recommendation was not yet due. The most of the recommendations were given in the area of the internal rules and procedures that reflect the level of quality of the financial management system. However, a percentage decline of the recommendations within this area was observed compared to 2014, which, according to the conclusion of the Consolidated Report, indicates a gradual progress.

The Report of the EC on the Serbia's progress for 2016 states that its recommendations from the

report for 2015 regarding public internal financial control (PIFC) were not complied with, neither were the measures regarding PIFC from the Action Plan for the Public Administration Reform. The SAI findings confirm permanent deficiencies of the internal control throughout the whole public sector, which impacts on external audit as well, which mainly focuses on the compliance with regulations and discovering irregularities. EC recommends the Republic of Serbia to adopt and start implementing belated PIFC strategy and set formal mechanisms for coordination, control and reporting, then to redirect the CHU activities to make it more proactive in issuing methodological guidelines and deliberation of the quality of the PIFC implementation, and to ensure that all SAI finding be encompassed by the report on the implementation of the PIFC and to systematically ensure implementation of the recommendations from this report.⁴⁸

The report on progress further states that the IA in the public sector is still being developed as occupation, and that additional efforts are needed so as to ensure that the higher management understand its purpose and to actively support it. The report also stated that the situation is quite diverse in terms of the number of employees, their functional independence, audit planning, accepting of managements and types of arrangements. The most of the central institutions conduct audits in line with the strategic and annual plans, but, on the other hand, they still ask from many of auditors to perform additional tasks even those not related to audit at all, and that way their professional independence is being undermined. The EC opinion is that the CHU should develop methodological guidelines to ensure IA quality.⁴⁹

As it could be observed from the content of the activity, it is expected from the Consolidated Report to state whether and which PFBs are consistently complying with their obligations to adopt plans, appoint head, adopt internal enactments and procedures and submit their annual reports to the CHU. All these elements are encompassed by the Consolidated Report, the only unclear thing is whether the measure requires for the entities that failed to comply with their obligations to be individually listed, or it is enough to be presented per categories, which was done under the Report. Given the fact that individual listing of a large number of PFBs would take a lot of space in the report, the Agency assesses this activity as implemented, and recommends the ministry in charge of judicial affairs to precise under the activity and indicator whether PFBs, that failed to comply with the mentioned obligations are to be listed individually or simply per categories.

Measure 3.2.3.1.2. To strengthen capacities of public funds beneficiaries that have established internal audit

The first activity provides for the **Ministry of Finance – CHU** to develop, **by December 31, 2016**, a training curriculum for internal auditors in the areas that might be subject to control and in ways to act in case of discovering substantial irregularities and frauds.

Indicator: Training curricula for internal auditors is developed

This activity was implemented in line with the indicator.

According to the data the Agency has, the activity was implemented in a manner and within

⁴⁸ European Commission, *Report on Serbia's progress for 2016*, p. 95.

⁴⁹ *Ibid.*, p. 96.

the deadline provided for under the Revised Action Plan.

* The second activity was not due for implementation until the end of 2016, since it refers to the implementation of the training curricula from the first activity, for which the deadline expires on December 31, 2016.

The MoF Report on the Strategy states that the training curricula for internal auditors is being implemented in line with the Rulebook on the conditions and procedure for taking the exam for acquiring the title of certified internal auditor in the public sector, adopted in January 2014.⁵⁰ Namely, the programme for training and taking the exam constitutes an integral part of the mentioned Rulebook. Information on the organised trainings are published within the Consolidated Annual Report on the status of PIFC. After the adoption, this report is made available on the webpage of the MF, but the one for 2016 has not yet been made available. Until June 30, 2016, the total of 304 public internal auditors were certified.⁵¹

The Consolidated Report states that in the course of 2015, a total of 106 trainees, employees with the PFBs underwent the theoretical part of the training for IA, and the practical part of the training for IA was organised with 29 PFBs for 40 candidates so as to acquire the title of certified internal auditor in the public sector. In 2015, 35 candidates passed the exam for certified internal auditor in the public sector, and until the end of 2015, the total of 278 public internal auditors were certified.⁵²

Measure 3.2.3.1.3. To strengthen CHU capacities

The first activity provides for the **Ministry of Finance – CHU** to make needs analysis by **September 30, 2016**.

Indicator: The Needs Analysis Report is submitted

The Agency is not able to assess the implementation of this activity.

The fifth activity provides for the **Ministry of Finance** to enable **continuously** the CHU to network with the participants in the public internal financial control, and with the other countries' CHU employees.

Indicator: The Report on networking is submitted

The Agency is not able to assess the implementation of this activity.

* The second and the third activities were not due for the implementation until the end of 2016, neither was the fourth activity which referred to the implementation of the training curricula from the third activity for which the deadline was March 31, 2017.

The Report of the MoF on the Strategy states that the needs analysis report is developed, but the number and structure of the recruited employees shall be in line with this analysis until the end of

⁵⁰ "Official Gazette of RS", no.9/14.

⁵¹ Ministry of Finance, *Report on the Implementation of the Strategy*, February 2017.

⁵² Ministry of Finance, Sector for Internal Control and Internal Audit, "Consolidated Annual Report for 2015 on the Status of the Public Internal Financial Control in the Republic of Serbia", December 2016, p. 22, available at: http://ifkj.mfin.gov.rs/user_data/posts/Konolidovani%20godu%20in%20izve%20ta%20za%202015.%20godinu.pdf.

the first quarter of 2018. In terms of the second activity, the report states that the working group for the cooperation with the SAI and CHU was formed in July 2012.⁵³

The EC Report on Serbia's progress for 2016 states that the CHU still does not act as a strategic promoter of the PIFC reforms, and that due to training activities it is not proactive in providing methodological guidelines to public entities when it comes to the implementation of the PIFC. The Annual CHU Report on the implementation of PIFC did not so far encompass analysis of systemic deficiencies, or proposal of corrective measures.⁵⁴

Measure 3.2.3.1.4. To create electronic records on implementing entities for the introduction of the public internal financial control at all levels

The sole activity within this measure provides for the **Ministry of Finance** to design a software, define necessary data and collect and enter information on implementing entities **by September 30, 2016.**

Indicator: Report on the established records, with explanations on how the selection of necessary data categories was made and how the data on implementing entities were collected and entered is submitted

The Agency is not able to assess the implementation of this activity.

Despite the fact that the Report on the Strategy for 2014 stated that funds for the software development were secured, tender conducted and the best bidder selected, terms of reference and platform for the software developed, and demo version presented,⁵⁵ MoF in its Report on the Strategy for this year repeats the same text it used for the past year's report: "The list of direct and indirect beneficiaries of the budget of the Republic of Serbia, i.e., local government budget, beneficiaries of the funds for mandatory social insurance, other public funds beneficiaries involved in the consolidated treasury account system, and other public funds beneficiaries not involved in the consolidated treasury account system is being kept by the Treasury Administration in line with Article 93, paragraph 1, item 9, indent one of the Budget System Law."⁵⁶ The list is published on the webpage of the Treasury Administration.⁵⁷

As in the previous year, it is still unclear how the list of the mentioned entities corresponds with the software mentioned in the report for 2014 and why it is not mentioned in the reports for both 2015 and 2016.

Objective 3.2.3.2. To ensure full financial and operational independence of the SAI in line with the International Organization of Supreme Audit Institutions (INTOSAI) and conduct of performance audit

The Revised Action Plan provides for one measure for the fulfilment of this objective.

⁵³ Ministry of Finance, *Report on the implementation of the Strategy*, February 2017.

⁵⁴ European Commission, Report on Serbia's progress for 2016, p. 95.

⁵⁵ Ministry of Finance, *Report on the implementation of the Strategy for 2014*, January 2015.

⁵⁶ "Official Gazette of RS", nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – correction, 108/13, 142/14, 68/15 – other law, 103/15 and 99/16.

⁵⁷ Ministry of Finance, *Report on the implementation of the Strategy*, February 2017.

Measure 3.2.3.2.1. To strengthen the SAI capacities and improve working conditions by increasing the number of employees and permanent resolution of the office premises related problem

The second activity provides for the **Government** to furnish suitable office premises enabling the recruitment of the adequate number of employees of SAI by **September 30, 2016**.

Indicator: SAI moved to new office premises enabling for the whole institution to be housed in one location

This activity was not implemented in compliance with the indicator.

* The first activity was not due for its implementation until the end of 2016.

On September 13, 2016, the Government of the Republic of Serbia adopted the Proposal of the Conclusion by which it gave the approval to the SAI to conclude lease agreement for business premises owned by “AIK Bank”, facility “Kula” (Tower) in Belgrade, whereby the current SAI spatial capacities were extended.⁵⁸

On November 1, 2016, the SAI started using business premises within the facility “Kula” on the basis of the Government Conclusions of November 2015 and September 2016. However, the SAI did not manage to house its all employees in this facility, and one part of the employees still remained in the old location in 41 Mekenzijska St.⁵⁹

When assessing the implementation of this activity, the problem is caused by the fact that even though the SAI got additional space for its employees, the indicator is not fulfilled, namely, this extension did not enable the whole institution to be located in one place. It is therefore necessary to reconsider whether the indicator should remain in the same form, or it is necessary for the whole institution to be located in one place so as to permanently resolve the SAI office premises related problem, as stated under the measure.

Objective 3.2.3.3. To establish and develop a system for prevention, detection, reporting and treatment of irregularities regarding usage of the EU and other international institutions and organisations funds

The Revised Action Plan provides for two measures for fulfilment of this objective.

Measure 3.2.3.3.1. To set alternative measures for prevention of irregularities in line with the relevant procedures regulating the system for decentralised / indirect EU funds management

The first activity provides for the **Ministry of Finance** to **continuously** organise training session in management of irregularities.

The activity contains a remark that donors and NGOs should take part.

Indicator: Report on organised trainings is submitted

⁵⁸ Government of the Republic of Serbia, *Report on the Implementation of the Strategy for 2016*, January 2017.

⁵⁹ SAI, *Report on the implementation of the Strategy, Addendum*, February 2017.

The Agency is not able to assess the implementation of this activity.

The second activity provides for the **Ministry of Finance** to **continuously** organise periodical meetings to manage irregularities.

The activity contains a remark that donors and NGOs should take part.

Indicator: Report on the period meetings is submitted

The Agency is not able to assess the implementation of this activity.

As per this measure, the MoF reports that it is being implemented in a way that all relevant issues are treated with alternative measures, such as organisation of trainings in management of irregularities, organising periodical meetings of officials in charge of management of irregularities within a body involved in the system, and similar.⁶⁰ However, reports on the organised trainings and held periodical meetings were not submitted.

Measure 3.2.3.3.2. To establish an organisational unit to suppress irregularities and frauds within the ministry in charge of finance (AFCOS – Anti-Fraud Coordination Service – Service for suppression of irregularities and frauds in treatment of EU funds) as a coordination mechanism among competent institutions with the European Anti-Fraud Unit (OLAF)

The sole activity within this measure provides for the **Ministry of Finance** to implement **continuously** the training curricula for the AFCOS employees.

Indicator: Detailed Report on the implemented training curricula is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

In the course of 2016, AFCOS' employees attended the following workshops and seminars:

TAIEX JHA 61417: Workshop on the Strengthening of Cooperation with the Serbian Anti-Fraud Coordination Service (AFCOS) (25-26. February, Belgrade). – Objective of the workshop was to introduce the participants with the role and importance of all institutions involved in suppression of irregularities and frauds in treatment of EU funds, needs for cooperation and information exchange, mostly with AFCOS, best practice from other EU-member states, clear explanation of the status and role of AFCOS and cooperation with European Anti-Fraud Office (OLAF).

Visit to Macedonian institutions responsible for the implementation of the IPA programme for agriculture and rural development (IPARD) and EU funds management (15-18 May).

Visit organised within the technical assistance project EuropeAid/133788/C/SER/RS – Technical Assistance to the Serbian Authorities for the Management of Pre-Accession Assistance, with the view to become familiarized with the procedures and EU funds management system in Macedonia, with the special focus on IPARD programme.

⁶⁰ Ministry of Finance, *Report on the implementation of the Strategy*, February 2017.

AFCOS seminar (1-3 June, Tirana, Albania). – The seminar was organised by OLAF, and EU member states, EU candidate countries and representatives of the EU potential candidate countries took part in it. The seminar was organised with the view to familiarize participants with the practice and experience in the area of the protection of the EU financial interests.

The training on business skills “Soft skills” (6-7 June, Belgrade). – The training was organised within the technical assistance project EuropeAid/133788/C/SER/RS – Technical Assistance to the Serbian Authorities for the Management of Pre-Accession Assistance (DIS III) so as to improve the knowledge on business communication skills.

Study visit to Budapest, Hungary (20-22 June). – The visit was organised within the technical assistance project EuropeAid/133788/C/SER/RS – Technical Assistance to the Serbian Authorities for the Management of Pre-Accession Assistance (DIS III), so as to take part in the seminar dedicated to work and procedures for using e ARACHNE IT- system for risk level determining. Objective of the study visit was to get familiarized with different instruments used to determine different risk levels so as to develop risk management methodology in relation with the irregularities and frauds which is envisaged as one objective under the Strategy for suppression of irregularities and frauds in treatment of EU funds for the period 2016-2020.

Seminar TAIEX Multi – Country Workshop on Irregularity Management System (26-29, October, Skopje, Macedonia). – OLAF and Ministry of Finance of the Republic of Macedonia organised this seminar. The objective of the seminar was to introduce novelties within the Information system for irregularities management (IMS – Irregularity Management System), launched on April 1, 2016, and to train participants in adequate usage of this system.

Workshop on Irregularity Management System (14 December, Brussels, Belgium).

Development of the annual training programme for the AFCOS employees for 2017 is ongoing.⁶¹

3.3. PRIVATISATION AND PUBLIC-PRIVATE PARTNERSHIP

Three objectives are formulated within the third area of the Strategy – Privatisation and Public-Private Partnership:

1. To amend the legal framework so as to eliminate corruption risks in regulations governing procedure and control of privatisation, restructuring and bankruptcy of the companies with state and social capital (**objective 3.3.1.**);
2. To establish a system for efficient application and control of the implementation of applicable regulations in the area of privatisation, restructuring and bankruptcy (**objective 3.3.2.**); and
3. To eliminate corruption risks in the area of public-private partnership and concessions

⁶¹ Ministry of Finance, *Report on the implementation of the Strategy*, February 2017.

and its consistent application (**objective 3.3.3**).

For achievement of these three objectives, 13 measures and 24 activities were foreseen, out of which 8 were subjected to examination. In line with the Agency's assessment, out of 8 examined activities:

- 5 activities were not implemented in compliance with the indicator, out of which 1 was not implemented because the previous conditioning activity was not implemented;
- The Agency was not able to assess the implementation of 3 activities.

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.3.1. To amend the legal framework so as to eliminate corruption risks in regulations governing procedure and control of privatisation, restructuring and bankruptcy of the companies with state and social capital

The Revised Action Plan provides for six measures for the fulfilment of this objective.

Measure 3.3.1.1. To make analysis of regulation provisions governing procedures for privatisation, restructuring and bankruptcy, from the corruption-risk aspect

The sole activity within this measure provides for the **Ministry of Economy** to make regulatory analysis **by September 30, 2016**.

The activity contains a remark that representatives of the Republic Public prosecutor's Office, Supreme Court of Cassation, Anti-Corruption Agency, Anti-Corruption Council, ministry in charge of internal affairs, ministry in charge of judicial affairs and civil society organisations dealing with these issues should be consulted during the analysis.

Indicator: Report on the regulatory analysis is submitted

This activity was not implemented in compliance with the indicator .

The Report of the Ministry of Economy on the Strategy states that this activity was implemented in the period of the application of the Law on Privatisation which was adopted in August 2014.⁶²

This activity was initially formed under the Action Plan adopted in 2013, so the ministry in charge of finance and economy was supposed to conduct until March 6, 2014 the analysis of regulations governing procedures of privatisation, restructuring and bankruptcy from corruption risks aspects, using the Anti-Corruption Agency methodology. A number of institutions were supposed to be consulted in the course of the analysis, and among them the Agency. The Ministry of Economy then stated in its report that the Draft Law on Privatisation and Draft Law on the Amendments to the Law on Bankruptcy were subject to public debate, and that the competent authorities provided their comments to these laws. These laws were adopted on August 2, 2014 under the urgent procedure. The Agency had no information whether any corruption risk analysis preceded drafting of these laws. A part of objections the Agency presented in its opinion related

⁶² Ministry of Economy, *Report on the implementation of the Strategy for 2016, January 2017*.

to these laws were adopted, but new legal solutions were still characterised by certain deficiencies the Agency had indicated, and whose elimination would have contributed towards reduction of corruption risks in these areas.⁶³ Likewise, the Agency stated in its Report on the implementation on the Strategy for 2014 that implementing entity was not able to conduct analysis of the mentioned regulations on the basis of the Agency's methodology, which was not officially adopted back then, which adoption was expected only after the adoption of the new Law on the Anti-Corruption Agency. However, the implementing entity was supposed to, before working on drafts, during the analysis consult entities mentioned under the remark accompanying the activity, rather than submitting the drafts to the Government and in that way, start implementing the mentioned two measures. They, due to absence of analysis, were not able to be implemented in line with the Action Plan, because this document precisely required the adopted amendments to the laws to be in line with its recommendations. Hence, the Ministry of Economy had the opportunity to contact the Agency and require its professional assistance regarding the analysis or to incorporate into the adopted amendments to the laws on privatisation and bankruptcy in 2014 all suggestions from the opinion the Agency submitted in the process of the amendments made to these laws. Likewise, the needed amendments of these laws had been known even back in times of drafting of the Action Plan, and as such they were incorporated into the remarks accompanying these activities, but neither were they introduced into the adopted laws. All this support assumption that amendments to these laws were obviously directed to some other topics in the national political agenda, and not to those the state had bound itself through different strategic documents.

On the other hand, the AP 23 envisaged the corruption risk analysis in the *application* of new laws on bankruptcy and privatisations and amendments to the laws in line with the analysis results. Deadline for the analysis was third quarter of 2015, and the adoption of the amendments was supposed to be initiated in the fourth quarter of 2016 (*activity 2.2.9.2.*). As can be seen, this measure does no longer envisage corruption risk analysis in regulations, but in their application, whereas in constellation with it, the presence of **measures 3.3.1.1, 3.3.1.2. and 3.3.1.3.** in the Revised Action Plan remains completely unclear. Namely, the fact that it exists in two different documents, providing for quite similar, but different activities with different deadlines, can rather confuse implementing entity, than constitute a clear instruction of the public policy author in the anti-corruption area regarding how and for which period a certain stage in regulating a legal framework in this area is to be implemented from the anti-corruption standpoint. In its opinion to the Draft Revised Action Plan of March 2016, the Agency proposed for the **measures 3.3.1.1, 3.3.1.2. and 3.3.1.3.** to be erased, since the mentioned activities were already envisaged under AP 23.

However, some other measure, completely opposite to this one, was proven from the very beginning to be directed to the fulfilment of the obligation stemming from the Action Plan, having bigger impact on the attainment of this objective. Namely, those are the semi-annual meetings held on the basis of the Memorandum on Cooperation among Agency for Privatisation, Supreme Court of Cassation (SCC), Republic Public Prosecutor's Office, Ministry of the Interior, Agency and Anti-Corruption Council. One result of these meetings is analysis of potential weaknesses and corruption risks in certain legal enactments from the privatisation and bankruptcy area. This analysis was submitted to the Ministry of Economy on March 23, 2015, and the Ministry stated in its report in one rather general sentence, that suggestions from these analyses "were contained in the regulations

⁶³ For more details see: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2014*", pp. 83-84.

governing the procedure of privatisation, restructuring and bankruptcy“, with no additional clarification supporting this assertion, and particularly taking into account, for instance, that the Law on Bankruptcy was not amended after the submission of the analysis, and then the question is raised how the suggestions in this case were taken into account. Hence, despite the fact that it is “socially desirable” to stress the elimination of corruption risks as a motive to amend a law, the very amendments and new regulations in their final effect do not encompass all elements pointed out by the very Action plan and by different institution dealing with this topic.⁶⁴

Finally, it remains unclear why these measures “passed” the revision of the Action Plan, and are still present in the same form in this document. The Agency assesses that this activity was not implemented in line with the indicator, since it is obvious that the author of the Revised Action Plan took into account that there was a need to repeat the analysis and change the legal framework. However, taking into account that it could be concluded from the report of the implementing entity that it concerned this measure as implemented, and that 2015 amendments to the Law on Privatisation were not directed towards the amendments envisaged under the Action Plan, there is no room where it could be expected from the implementing entities to make new amendments to the law only to meet the same requests. The similar can be applied in the case of the amendments to the Law on Bankruptcy.

Measure 3.3.1.2. To amend the Law on Privatisation (“Official Gazette of RS”, nos. 83/14, 46/15 and 112/15) (possibly other laws too, if necessary) in line with the analysis, so as to eliminate deficiencies that allow for corruption

The first activity provides for the **Ministry of Economy** to develop and submit the Draft Law on the Amendments to the Law, being in line with the analysis **by December 31, 2016**.

The activity contains a remark that the subject of privatisation and allocation of strategic resources (for instance, electrical, water-supply, telecommunication networks, etc.) should be specified, and the way to advertise the privatisation procedure and make it accessible to the public, define precisely ways to decide on the method of privatisation and increase transparency of the privatisation process; prescribe the obligation of examining economic substance of restructuring, content of privatisation agreement and financial statement; issue of ownership over the land must be preliminary issue for privatisation process, regulate cases in which the state assumes directly or through public enterprises obligations when a buyer of a privatised company does not fulfil its obligations, etc.

Indicator: Draft Law on the Amendments to the Law which is by its content in line with the instructions provided for under the remarks and recommendations of the corruption risk analysis is submitted to the Government

Means of verification for draft and proposal of the law: Reasoning from the draft/proposal law contains explanation how the instructions stated under remarks and recommendations of the corruption risk analysis are incorporated into the draft/proposal text

This activity was not implemented in compliance with the indicator.

The second activity provides for the **Government** to submit the Proposal of the Law on the National Assembly **by December 31, 2016**.

The activity contains the same remark as the one accompanying the first one.

⁶⁴ For more details see: Anti-Corruption Agency, *Report on the implementation of the Strategy*, pp. 35-36.

Indicator: Proposal of the Law on the Amendments to the Law which is by its content in line with the instructions provided for under the remarks and recommendations of the corruption risk analysis is submitted to the National Assembly.

Verification factor for draft and proposal of the law: Reasoning from the draft/proposal law contains explanations how the instructions stated under remarks and recommendations of the corruption risk analysis are incorporated into the draft/proposal text

This activity was not implemented in compliance with the indicator, given that the previous conditioning activity was not fulfilled.

* Third activity was not due for implementation until the end of 2016.

Alike for the previous measure, the Ministry of Economy in its report on the Strategy states that this activity was implemented by the adoption of the Law on Privatisation in August 2014, and through its amendments in 2015.⁶⁵

It cannot be said that the legal framework was amended through these legislative activities in a way to eliminate risks of corruption, as provided for under the measure. The Law on Privatisation was amended in May and December 2015, but these amendments did not cover certain issues of importance for the elimination of corruption risks in the privatisation area, the Agency had pointed out in several occasions in its previous opinions. The main consequence of the amendments to the Law of December 2015, is that the Agency for Privatisation ceased to operate, which competences in the privatisation affairs were transferred to the Ministry of Economy.

Despite the EC concern from the Report on Serbia's progress for 2014 that this Law was adopted "under the urgent procedure" with limited possibilities for the parliamentary debate⁶⁶, in both occasions in 2015 the Law on Privatisation was amended under the urgent procedure.⁶⁷

In the course of 2016, no amendments were made to the Law on Privatisation, and the Report of the Government on the Strategy states that there is a need for the proponent to submit a Draft Law for the governmental procedure.⁶⁸

Measure 3.3.1.3. To amend the Law on Bankruptcy ("Official Gazette of RS", nos. 104/09 and 83/14) and the Law on Bankruptcy Supervision Agency ("Official Gazette of RS", nos. 84/04, 104/09, 18/05 – other law and 89/15), so as to eliminate all weaknesses allowing for corruption

The first activity provides for the **Ministry of Economy** to develop and submit to the Government draft laws on the amendments to the laws, in line with the analysis **by December 31, 2016.**

The activity contains a remark that the manner of forming lines of creditors, expertise in appraising the estate (with or without encumbrance) should be specified; bankruptcy administrator must have statutory obligation to analyse business operations of bankruptcy

⁶⁵ Ministry of Economy, *Report on the implementation of the Strategy for 2016, January 2017.*

⁶⁶ European Commission, Republic of Serbia, 2014, Report on the progress, October 2014, p. 9, available at: http://www.seio.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/Izvestaj_o_napretku_dec_14.pdf.

⁶⁷ Please see: Anti-Corruption Agency, *Report on the implementation of the Strategy and Action Plan for 2015*, p. 36.

⁶⁸ Government of the Republic of Serbia, *Report on the Implementation of the Strategy for 2016*, January 2017.

debtor before filing a petition for bankruptcy, to determine the causes that led to the bankruptcy and to inform the creditors by filing a detailed report; to erase the exception that a bankruptcy judge may appoint a bankruptcy administrator and specify broader authorisations of creditors to dismiss a bankruptcy administrator.

Indicator: Draft laws on the amendments to the laws which are by their content in line with the instructions provided for under the remarks and recommendations of the corruption risk analysis are submitted to the National Assembly.

Verification factor for draft and proposal of the law: Reasoning from the draft/proposal laws contain explanations how the instructions stated under the remarks and recommendations of the corruption risk analysis are incorporated into the draft/proposal text

This activity was not implemented in compliance with the indicator.

* The second and third activity were not due for the implementation until the end of 2016.

The Report of the Ministry of Economy on the Strategy states that the working group of the Ministry of Economy elaborated the Draft Law on the Amendments to the Law on Bankruptcy in the fourth quarter of 2016.⁶⁹ In the second half of 2016, public debate in regard to this text was organised. As it is stated under the explanation to the Draft “the draft law still retains all regulations which objective is to prevent misuses, i.e., to eliminate any possibility of corruption. In addition, these provisions were additionally improved in the Draft Law, and at the same time, new rules were introduced, thus reaffirming the readiness to fight against corruption and prevent misuses”.⁷⁰

The Report of the Ministry of Economy does not state whether this Draft was submitted to the Government for its adoption, or whether it resulted from some previous analysis, so as to, in line with the measure, eliminate all deficiencies that allow for corruption. Likewise, the report does not mention any work on the amendments to the Law on Bankruptcy Supervision Agency.

Activities from the measures 3.3.1.4, 3.3.1.5. and 3.3.1.6. were not due for the implementation until the end of 2016.

Objective 3.3.2. To establish a system for efficient application and control of the implementation of applicable regulation in the area of privatisation, restructuring and bankruptcy

The Revised Action Plan formulated one measure for the fulfilment of this objective.

Measure 3.3.2.1. To establish a system of permanent and mandatory coordination among the ministry in charge of economy affairs and adequate state authorities and bodies with the view to establish a proactive approach in the prevention of corruption risks in this area

The first activity provides for the **Ministry of Economy** to organise semi-annual meetings in respect to the memorandum* signing **every six months**.

The activity contains a remark that the ministry in charge of the internal affairs, Republic Public

⁶⁹ Ministry of Economy, *Report on the implementation of the Strategy for 2016, January 2017*.

⁷⁰ See: <http://www.priivreda.gov.rs/javna-rasprava-o-nactu-zakona-o-izmenama-i-dopunama-zakona-o-stecaju/>.

Prosecutors, HCC, ministry in charge of economy affairs and the Council should take part in these meetings.

Indicator: Report on the organised meetings, for each year of the Strategy validity

The Agency has not been able to assess the implementation of this activity.

The second activity provides for the **Ministry of Economy** to develop a manual of good practice examples and ways to act in this area **by September 30, 2016**.

The activity contains a remark that the cooperation with the MoI, RPPO, SCC and the Council is mandatory.

Indicator: The manual is published and is available at the webpage of the ministry in charge of the economy affairs

The Agency is not able to assess the implementation of this activity.

* It concerns the memorandum on cooperation signed on November 3, 2014, among the Agency for Privatisation, MoI, RPPO, HCC, Anti-Corruption Agency and Anti-Corruption Council.

The Ministry of Economy, in its Report on the Strategy, did not reflect on the activities within this measure. The Agency, being one of the signatory parties to the Memorandum on the basis of which the meetings had been organised, had attended all meetings the Agency for Privatisation organised, and in the course of 2016 it did not get any invitation to attend these meetings and has no information whether these meetings were organised at all.

Objective 3.3.3. To eliminate corruption risks in the area of public-private partnership and concessions and its consistent application

The Revised Action Plan formulated six measures for fulfilment of this objective.

Measure 3.3.3.1. To conduct analysis of corruption risks of the Law on Public-Private Partnership and Concession (“Official Gazette of RS”, nos. 88/11 and 15/16) and level of harmonization with the other laws

The sole activity provides for the **Ministry of Economy** to make analysis of corruption risks and level of harmonization with the other laws **by December 31, 2016**.

Indicator: Report on the conducted analysis is submitted

The Agency is not able to assess the implementation of this activity.

The Ministry of Economy in its Report on the Strategy states that the Law on Public-Private Partnership (PPP) and Concession was amended on December 22, 2016.⁷¹ Later on, the reasons for the adoption of these amendments were stated, and that the amendments to this Law would be made in line with the negotiation Chapter 5 „Public Procurement“ in the fourth quarter of 2017 so as to enable full harmonization of this legislation with the *EU acquis*.⁷²

However, the report does not state whether the analysis of corruption risks and level of

⁷¹ “Official Gazette of RS”, nos. 88/11, 15/16 and 104/16.

⁷² Ministry of Economy, *Report on the implementation of the Strategy for 2016, January 2017*.

harmonization of the Law on PPP and Concession with the other laws was conducted, as envisaged by the indicator, nor was the report on the conducted analysis ever submitted.

Alike in the case of the measures **3.3.1.1, 3.3.1.2. and 3.3.1.3**, in the area of PPP, there is overlapping with the AP 23, not mitigated by review of the Action Plan. Namely, AP 23 envisages the analysis of risks of corruption *in application* of the valid Law on PPP and its amendments in line with the results of this analysis (*activity 2.2.9.2.*). Therefore, the Agency, in its opinion on the Draft Revised Action Plan, proposed that these measures, envisaging analysis, alike **measure 3.3.3.2**, envisaging amendment to the Law in line with the analysis until the end of 2017, be erased, so as to avoid that substantially same measures, with non-harmonized deadlines, exist in these two valid documents.

As per the analysis of corruption risks in the Law on PPP and Concessions, the findings from the last year report that the Agency and the civil sector dealt with it, but that there were no data whether the public entity responsible to conduct analysis in line with the Action Plan, actually had conducted the analysis.⁷³ In July 2014, the Agency prepared the Report on the legal framework and corruption risks in the area of public-private partnership and concessions with the recommendations issued to the MoF, Government, National Assembly and the Commission for PPP.⁷⁴

Measure 3.3.3.6. To establish mechanisms for control and transparency of the work of the Commission for PPP

The sole activity provides for the **Ministry of Economy** to publish and update **continuously** data on appropriateness of the PPP and concessions on its webpage.

Indicator: Data on the appropriateness of the PPP are available on the webpage and are regularly updated

This activity was not implemented in compliance with the indicator for the reporting period.

The Report of the Ministry of Economy on the Strategy states that the webpage of the Commission for PPP contains all necessary data on the Commission's activities, its report, legal framework, i.e., regulations applied in this area, as well as "other necessary information for the appropriateness of the public-private partnership and concessions". Ministry of Economy stressed that the Commission's work is transparent, since representatives of the project proponents whose initiatives, i.e. project proposals are being deliberated upon, attend each of its meetings.⁷⁵

The webpage of the Commission, besides general data on the Commission, legal framework and section "News", contains: list of PPP project proposals with or without concession elements that obtained positive opinion of the Commission for PPP, report on the Commission's past activities,

⁷³ For more details, please see: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2015*, pp. 152-155.

⁷⁴ Available at: http://www.acas.rs/wp-content/uploads/2012/12/Izvestaj_o_JPP_-_final.pdf.

⁷⁵ Ministry of Economy, *Report on the Implementation of the Strategy for 2016, January 2017*.

published on November 8, 2016, with the list of organised sessions and remarks regarding the subjects of their deliberation, several professional publications in English language and document with the methodology for the analysis of the obtained value against the invested funds (value-for-money) in the PPP and concessions. However, neither opinions or data on the projects are available, nor are the data on the appropriateness of the PPP and concessions (particularly not in a certain systematic manner, on the basis of which it could be easily determined whether they are available or not), as envisaged under the activity and indicator, with the view to establish a mechanism for control and transparency of the Commission's work, as envisaged by the measure. Therefore, the Agency's assessment remains the same as the last year, i.e., that this activity was not implemented in compliance with the indicator for the reporting period.

3.4. JUDICIARY

Nine objectives are formulated within the fourth area of the Strategy:

1. To achieve full judicial independence, i.e., autonomy and transparency in budgetary authorisations (**objective 3.4.1.**);
2. To establish selection process, promotion and accountabilities of holders of judicial office on clear, objective, transparent and pre-defined criteria (**objective 3.4.2.**);
3. To have developed efficient and proactive acting in discovering and criminal prosecution of corrupt offences (**objective 3.4.3.**);
4. To improve substantive criminal legislation with the international standards (**objective 3.4.4.**);
5. To establish efficient horizontal and vertical cooperation and exchange of information among police, prosecutor's office, courts, other state authorities and institutions, regulatory and oversight bodies, and European and international institutions and organisations (**objective 3.4.5.**);
6. To establish consolidated records (electronic registry) for criminal offences with corrupt elements, in line with the law regulating personal data protection (**objective 3.4.6.**);
7. To strengthen mechanism for prevention of conflict of interest in judicial occupations (**objective 3.4.7.**);
8. To secure adequate resources for the public prosecutor's office and court acting in the cases of corruption (capacity strengthening) (**objective 3.4.8.**);
9. To adopt long-term strategy to regulate in a comprehensive manner the issue of financial investigation (**objective 3.4.9.**).

For achievement of these nine objectives, 16 measures and 33 activities were foreseen, out of which 30 were subjected to examination. According to the Agency's assessment, out of the 30 activities examined:

- 4 were implemented in compliance with the indicator and in the way envisaged under the Revised Action Plan. All four activities are of a permanent nature;
- 3 activities were not implemented in compliance with the indicator;

- As per 23 activities, the Agency was not able to assess their implementation.

Acting in compliance with the Strategy and Revised Action Plan

Objective 3.4.1.1. To achieve full judicial independence, i.e., autonomy and transparency in budgetary authorisations

The Revised Action Plan envisages two measures for fulfilment of this objective.

Measure 3.4.1.1. To include training and development programme of the employees in the Administrative Offices of the HCC and SPC in the Judicial Academy training curricula

The first activity provides for the **Judicial Academy** to develop a training curricula in line with the needs analysis **by September 30, 2016**.

The activity contains a remark that High Court Council and State Prosecutorial Council should be consulted.

Indicator: Training curricula for the employees is developed in line with the needs analysis

The Agency is not able to assess the implementation of this activity.

The second activity provides for the **Judicial Academy** to organise training sessions **in the third and the fourth quarter of 2016**.

Indicator: Report on the implemented curricula is submitted

The Agency is not able to assess the implementation of this activity.

The third activity provides for the **Judicial Academy** to organise annual evaluation of trainings, **once a year**, starting from the fourth quarter of 2016.

Indicator: Report on the evaluation of the training curricula per year of Strategy validity is submitted

The Agency is not able to assess the implementation of this activity.

Judicial Academy did not comment on this measure in its Report on the Strategy. “The Continuous Training Programme for 2016” is available at the webpage of the Judicial Academy and it contains a part titled “Education of the employees of the Administrative Office of the High Court Council”, which covers 12 different topics for all employees in this office. The following topics are among them: preparation, planning and execution of the budget, encompassing two-day training sessions for 10 employees of the Administrative Office, application of the Public Procurement Law, encompassing three-day training sessions for 8 employees and application of by-laws in relation with the budget, encompassing one-day training for 10 employees.⁷⁶ There is no special part in this document focusing on the trainings of the administrative employees of the SPC. The EC Report on Serbia’s progress for 2016 states that the HCC and SPC share the responsibility for courts and prosecutor’s offices budget with the Ministry of Justice, responsible for court employees, professional associates, infrastructure and investments, and that this division is jeopardizing efficiency of the

⁷⁶ See: Judicial Academy, “The Continuous Training Programme for 2016”, pp. 105, 103 and 108, available at: <http://www.pars.rs/sekcija/78/stalna-obuka.php>.

financial management and opens the space for additional political influence.⁷⁷

Measure 3.4.1.2. To ensure transparency of the data on HCC and SPC funding

The sole activity provides for the **HCC and SPC** to publish, **once a year**, their annual financial statements of their webpages.

Indicator: Statements are published on the webpages of HCC/SPCT

This activity was implemented in compliance with the indicator for the reporting period in the part referring to the HCC.

According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

This activity was implemented in compliance with the indicator for the reporting period in the part referring to the SPC.

According to the data available to the Agency, this activity was implemented in the manner stipulated in the Revised Action Plan.

Annual reports on activities from 2009 till 2015 are available at the webpage of the HCC. The chapter titled “Resources for operations and review of the budget execution for 2015“ is an integral part of the Report on the HCC activities for 2015, and thereby the indicator for this activity, in the part related to the HCC, was compiled with.⁷⁸

Annual reports on activities from 2013 till 2015 are available at the webpage of the SPC, alike the Report on activities covering the period from 2009 till July 2012. As a part of the Report on SPC activities for 2015, the execution of the budget was presented covering all four quarters of 2015, and thereby the indicator for this activity, in the part related to SPC, was complied with.⁷⁹ In the previous two reports, this measure was assessed as complied with for the reporting period, and the presumption was that this year it would also be assessed positively. As stated, all annual reports on activities of the SPC are published on its webpage, whereas within all published SPC reports, the data on financing of this institution were covered by the reports for 2014 and 2015. According to the data collected for the needs of the Report on the Strategy for 2014, in January 2014, the annual Financial Statement of the SPC was published in the Information Booklet, whereas the homepage of its webpage contains a special part with published financial statements, which makes these data available.⁸⁰ However, only statements referring to 2015 are currently in this part.

Since the Budget System Law prescribes that all PFBs shall on their webpage publish their financial plans for the subsequent year, information booklets, balance sheets and financial statements (Article 8, paragraph 3), and that a large number of public authorities shall publish their annual reports on activities, with financial statements being their integral part, on their webpages,

⁷⁷ European Commission, Report on Serbia’s progress for 2016, p. 14.

⁷⁸ High Court Council, “Annual Report on the activities, 2015“, March 2016, pp. 14-18, available at <http://vss.sud.rs/sr/izvestaj-o-radu>

⁷⁹ State Prosecutorial Council, “Report on the SPC activities for 2015“, February 2015, pp. 15-17, available at: <http://www.dvt.jt.rs/izvestaji/>.

⁸⁰ Anti-Corruption Agency, Report on the implementation of the Strategy and Action Plan for 2014, p. 97, available at: <http://www.acas.rs/wp-content/uploads/2011/03/Izvestaj-o-sprovođenju-nacionalne-strategije-i-akcionog-plana-20141.pdf>.

the question is now raised whether it is necessary to have this activity as an integral part of the Revised Action Plan. Namely, the fact is that its implementation does not produce anything new within the anti-corruption system and that there is no impact in this area. On the other hand, the question is raised whether these reports provide sufficient insight on how these institutions are financed, i.e., whether this way, in line with the measure, higher transparency of data on financing of HCC and SPC are provided, and whether the author of the anti-corruption strategic documents had something else in mind so as to improve transparency of these data. However, if that is the case, it is necessary to provide these bodies with adequate instructions in terms how they are supposed to fulfil this measure, and the objective urging for higher transparency of the judiciary in its budgetary powers. On the contrary, monitoring of this measure as a part of the supervision of the Strategy and Revised Action Plan comes down to mere supervision over the implementation of one provision of the Budget System Law.

Objective 3.4.2. To establish selection process, promotion and accountabilities of holders of judicial office on clear, objective, transparent and pre-defined criteria

The Revised Action Plan provides for four measures for fulfilment of the objective.

Measure 3.4.2.1. To amend the Rulebook on the content and way of taking the entry exam for the Judicial Academy, with the view of higher enrolment transparency

The first activity provides for the **Judicial Academy** to form a working group for drafting the Rulebook within **a month time** from the beginning of the implementation of the Law on the Judicial Academy harmonizing this law with the decision of the Constitutional Court of March 21, 2014.

Indicator: Decision on the establishment of the working group

This activity was not implemented in compliance with the indicator.

The second activity provides for the **Judicial Academy**, to draft and adopt this Rulebook within **a two-month time** as of the date of the establishment of the working group for drafting the Rulebook.

Indicator: The Rulebook on the content and way of taking the entry exam is in line with the instructions given under this measure

This activity was not implemented in compliance with the indicator.

The Report of the Judicial Academy on the Strategy states that this measure was fully implemented, and that the document is available on the webpage of this institution.⁸¹ The Rulebook on the content and way of taking the entry exam adopted on August 5, 2010 is on the webpage.⁸² Since the Rulebook was adopted well before the adoption of the Strategy and the Action Plan, it cannot in any way be connected with this activity. Therefore, the Agency assesses this activity as non-implemented. On the other hand, the Agency in its Report on the Strategy for 2014 presented the data from the report of the Judicial Academy on the Strategy which stated that in the middle of

⁸¹ Judicial Academy, *Report on the implementation of the Strategy*, February 2017.

⁸² See: <http://www.pars.rs/tekst/1281/pravilnici.php>.

December 2013, the Management Board of the Judicial Academy deliberated upon the amendments to the Rulebook and set the direction of amendments, and that by the end of December 2013, a working group for amendments to the Rulebook was formed. A questionnaire was also developed, i.e., a survey for the fourth-generation Judicial Academy students. However, the Alternative Report of the Belgrade Centre for Security Policy (BCSP) and Association of the public prosecutors and deputy public prosecutors of Serbia (APS) on the implementation of the Strategy for 2014 repeated the question whether this measure was necessary since the list of candidates was published on the webpage of the Judicial Academy, and that all parts of the entry exam were in line with the best practices and meeting required criteria – written exam was taken using a code, oral exam was recorded, questions for written exams were drawn of the exam day. Therefore, Alternative report of the BCSP and APS recommended to reconsider the need for this measure and to harmonize it with the recommendations of the Working group for reform and development of the Judicial Academy.⁸³

Measure 3.4.2.2. To promote initial and continuous training at the Judicial Academy among law students, judicial and prosecutorial assistants and interns

The first activity provides for the **Judicial Academy** to prepare by **September 30, 2016** a curriculum for informative seminars and develop informative materials.

Indicator: Curriculum and informative materials are prepared

The Agency is not able to assess the implementation of the activity.

The second activity provides for the **Judicial Academy** to implement, **continuously, starting from the third quarter of 2016**, the curriculum for informative seminars and disseminate the informative materials.

Indicator: Report on the completion of the curriculum for informative seminars and dissemination of the informative materials is submitted, per each year of Strategy validity

The Agency is not able to assess the implementation of the activity.

In its report on the Strategy, the Judicial Academy states for this measure only that it was implemented, followed by the references to Belgrade on May 10th 2016 and Novi Sad on May 17th 2016,⁸⁴ so the assumption is that these were events promoting the trainings at the Judicial Academy, as specified by the measure. However, due to such a deficient reporting, the Agency is not able to assess the implementation of these two activities.

The report of the Judicial Academy for 2015 indicates that the working group, which will deal with this topic, will be formed in the first quarter of 2016, and that a total of 8 promotions are planned: 4 at universities in Niš, Belgrade, Novi Sad and Kragujevac, and 4 at courts and public prosecutor's offices per jurisdictions of four appellate courts. According to the report of the implementing entity, these promotions were supposed to be organised in the the third and fourth quarter of 2016 with the financial support of a USAID project for strengthening the capacity of the Judicial Academy.⁸⁵

⁸³ Anti-Corruption Agency, *Report on the implementation of the Strategy for 2014*, pp. 99-100.

⁸⁴ Judicial Academy, *Report on the implementation of the Strategy for 2016*, February 2017.

⁸⁵ See: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2015*, p. 164.

On the other hand, the question is what impact the implementation of this measure has on the fight against corruption and, therefrom the question why it is included in such a document. Probably it would have been more reasonable for it to be an integral part of a strategic document dealing with the judiciary.

The EC Report on Serbia's progress for 2016 states that further reform of Judicial Academy is needed with the aim of improving its professional, financial and administrative capacities to become the independent and mandatory point of entry into the judicial profession. In addition, the EC finding states that the quality control mechanism for assessment of judicial training efficiency is still to be established.⁸⁶

The EC Report also stresses the need for fundamental and comprehensive judicial education and amendments to the constitutional provision about the system for selection and career management in line with the European standards of judicial system independence. These points should contribute to more transparent and predictable judicial career system.⁸⁷

The activities under **measure 3.4.2.3** were not due for implementation until the end of 2016.

Measure 3.4.2.4. To establish a procedure for regular publishing of statistics and practices of disciplinary authorities of HCC and SPC pertaining to the number of applications, type of violations, type and number of decisions, timeframe for resolving the matter

The sole activity provides for **the HCC and SPC to continuously, every six months**, publish the statistics on their websites.

Indicator: Semi-annual reports containing statistical data stated in the measure are published on the webpage of HCC/SPC

The Agency is not able to assess the implementation of the activity in the part related to the HCC.

The Agency is not able to assess the implementation of the activity in the part related to the SPC.

According to the HCC Report on the Strategy, Disciplinary Prosecutor and HCC Disciplinary Committee Performance Report submitted to this body, contain statistics about their work.⁸⁸ As part of the HCC Annual Report, available on its webpage, there is a chapter titled „4.11. Disciplinary procedures - proceedings of the High Court Council as a second instance authority in a disciplinary procedure“.⁸⁹ However, these data do not refer to the practice of the HCC disciplinary bodies proceedings, as stated in the measure, nor can these data be found on the HCC webpage. AP 23 provides for developing and publishing on the HCC website a brochure for judges to raise awareness of the rules on ethics, which will contain examples of inadequate conduct of judges, as well as the practice of disciplinary bodies proceedings in a disciplinary procedure. HCC states that the brochure is currently in the drafting stage, and is drafted in cooperation with OSCE.⁹⁰ However, production of this brochure cannot be associated with the

⁸⁶ European Commission, *Progress report for Serbia for 2016*, p. 15.

⁸⁷ *Ibid*, p. 65.

⁸⁸ HCC, *Report on the implementation of the Strategy for 2016*, January 2017

⁸⁹ See: <http://vss.sud.rs/sites/default/files/attachments/Izvestaj%20o%20radu%20VSS%202015.pdf>, p. 35.

⁹⁰ HCC, *Report on the implementation of the Strategy for 2016*, January 2017.

measure, which requires regular publication of statistics and practices, rather than one-off publication. HCC states in the report that Reports on the activities of disciplinary prosecutor and Disciplinary Committee, submitted to the HCC in February 2016, are posted on its webpage, and that they contain statistics about their work.⁹¹ Yet, by reviewing the HCC webpage, the Agency could not locate these reports, therefore the recommendation to the implementing entity would be to indicate in future reports the link where the reports can be found.

With regards to the part which refers to the frequency of publication of these data, we stress that Revised Action Plan provides for the statistics to be published semi-annually on the website, which is not the case currently, based on the HCC Report on Strategy and the insight into the website of this body. As per the type of data required to be published under the measure, the HCC Report for 2015 contains the data on the actions on appeals against the decisions of the Disciplinary Committee, therefore there is no indication of the number of applications, only the number of appeals (13). Also, disciplinary offence structure is stated, i.e. type of violation, as well as the type and number of decisions, but without the timeframe within which the cases were resolved. In any case, it is obvious that the measure required statistics from first instance disciplinary procedures, which presumably provides a better insight into this area.

On the other hand, SPC webpage contains three overviews of statistics about SPC disciplinary bodies proceedings,⁹² the last one referring to the period from January 1 to November 30, 2015, although the SPC Report states that the Annual Report on the activities of the Disciplinary Prosecutor from January 1 to December 31, 2016, filed on January 12, 2017, is posted on the SPC webpage.⁹³ Similar to the situation with HCC, by reviewing the SPC website the Agency could not locate the Report, therefore the recommendation to the implementing entity would be to indicate in future reports the link where the report can be found.

With regards to the frequency of publication of the data, it is also not performed semi-annually, but rather on annual basis, and as far as the type of data is concerned, these reviews contain the data on: number of applications, type of violations (stating Articles of the Law violated by the offence, not the title of the offence), type and number of the decisions and data on the length of each disciplinary proceedings, or the timeframe in which the case was resolved.

In the context of the SPC Report on the Strategy for the first quarter of 2016, the "Analysis of the effects of the implementation of the Rules on disciplinary procedure and disciplinary liability of public prosecutors and deputy public prosecutors of the Republic of Serbia" dated March 10, 2016, developed by the Disciplinary Prosecutor, incorporating statistical data about its proceedings in 2015 was submitted to the Agency.

The analysis "Law and practice of disciplinary accountability of judges in Serbia", published in May 2016 with support of OSCE in Serbia, is available on the HCC webpage. The analysis notes that the legal framework for disciplinary liability of judges in Serbia complies with the international standards, except concerning the composition of the second instance disciplinary

⁹¹ HCC, *Report on the implementation of the Strategy for 2016*, April 2016.

⁹² These reports cover the following periods: 20.05.2013. to 31.12.2013; 01.01.2014. to 06.10.2014; 01.01.2015. to 30.11.2015, and are available at: <http://www.dvt.jt.rs/izvestaji/>.

⁹³ SPC, *Report on the implementation of the Strategy for 2016, January 2017*.

authority. The 1998 European Charter for judges requires that disciplinary authorities are mainly composed of judges, as is the case with HCC, bearing in mind that 7 out of 11 members are judges. It is recommendable that beside the judges these authorities also comprise other legal professionals and law professors, which is fulfilled in the case of the Republic of Serbia, considering that there are one lawyer and one law professor in the HCC. However, latest developments in international area even moved one step further, and the UN Special Rapporteur concluded in 2014 that political representatives should not be involved in the authorities deciding on disciplinary liability of judges, which is not complied with in the case of HCC, as a second instance disciplinary body, considering that it comprises representatives of both legislative (President of the competent Board of the National Assembly) and executive (Minister of Justice) power.

The analysis recommends several other amendments to the legal framework for disciplinary liability of judges, which would contribute to its consistency and coherence: 1) introducing in the Law on Judges explicit provisions on disciplinary liability of court presidents and consideration of introducing a special disciplinary offense for these public officials; 2) modification of the unclear provision on the existence of severe disciplinary offense (Article 90. paragraph 2) which interpretation caused many problems in practice; 3) introducing amendments to the new Disciplinary Rulebook of 2015, to correct certain incoherent solutions; 4) introducing in Disciplinary Rulebook provisions governing the procedures for decision making of the Disciplinary Committee.

The analysis notes that since the establishment of disciplinary bodies in 2011 there is a constant exponential growth of a number of disciplinary proceedings against judges. The most common disciplinary offenses for which disciplinary liability was validly established are unjustified obstruction of the proceedings, delay in decisions drafting and lack of scheduling trials or hearings, which in turn highlights the endemic problems in the efficiency of the judiciary in Serbia.

The analysis concludes that disciplinary authorities comply with procedural guarantees in disciplinary proceedings, while in practice it was even observed that besides complying with the textual interpretations of the Rulebook, they also rightfully applied targeted interpretation of other legal provisions. On the other hand, the analysis recommends that the Disciplinary Committee and the HCC in the future in each particular case precisely identify the specific provision of the Code of Ethics violated by the particular negligent action of the judge, and then provide thorough explanation why in certain cases the Code of Ethics was violated “to a higher extent”.

The analysis indicates as a problem the fact that HCC does not consider statute of limitations of the cases (even criminal ones) as a qualifying circumstance (legal qualification), but it rather requires proving that it produced one of the legally prescribed consequences. It is obvious that each statute of limitations does not produce the same effect, but it seems that the statute of limitations which occurs due to negligence in a judge’s work in itself constitutes a serious disturbance in the exercise of judicial power and performance of the tasks in the court, and therefore the disciplinary authorities and particularly the HCC, should develop their practice in that direction. It is also noted that the disciplinary authorities, in particular the Disciplinary Committee, do not pay enough attention to the separation of the various consequences that should occur in order for the qualified form to take place, but they consider all the cases under the

umbrella consequence “severe damage to the reputation and public confidence in the judiciary”.

Concerning the penal policy in the period from the end of 2013 to the beginning of 2016, a progress was observed, because it is no longer based on "two opposite poles", as was the case in the period from 2011 to 2014. Now in most cases a “half way” penalty is imposed - a salary reduction, while notable imposing of disproportionate sanctions or pronouncement of essentially opposing sanctions in the same or similar cases was not observed in the analysed decisions. Moreover, the disciplinary authorities have in practice tended to specify both the mitigating and aggravating circumstances relevant for weighting sanctions. However, it can be noticed sometimes that relevant circumstances are only listed, without putting them in the context of a specific case, which, for now, was not done to the detriment of judges to whom the sanction was imposed, nor was there a negative impact on the penal policy, but it does affect the quality of disciplinary authority decisions. It is therefore important that the disciplinary authorities continue their efforts in the direction of closer determination of the criteria for weighting sanctions and their objectification.

In terms of the quality of Disciplinary Committee and HCC decisions, the analysis shows that disciplinary authorities are working on improving the methodology of decision writing.⁹⁴

Objective 3.4.3. To develop effective and proactive actions in the detection and criminal prosecution of corrupt criminal offenses

The Revised Action Plan provides for five measures to meet this objective.

Measure 3.4.3.1. To create a multidisciplinary training program for conducting proactive investigations for the police, Military Security Agency, public prosecutor’s offices and courts

The sole activity provides for the **Judicial Academy** to **continuously** implement training sessions and disseminate manuals with instructions.

Indicator: Report on the completion of the training curriculum and reports on dissemination of manuals are submitted

The Agency is not able to assess the implementation of activities.

Judicial Academy did not mention the realization of this measure in its Report on the Strategy.

Measure 3.4.3.2. To implement and develop process of proactive investigations

The first activity provides for **the MoI and RPPO** to form **by September 30, 2016** statistics about initiated proactive investigations (use of special techniques and procedures based on the initiative of the police and prosecutors).

Indicator: Statistics on initiated proactive investigations are formed. Increased number of initiated proactive investigations in relation to the previous year

This activity was implemented in accordance with the indicator, in the part referring to the RPPO.

⁹⁴ Prof. Tatjana Papić, „Law and practice in disciplinary accountability of judges in Serbia“, OSCE, May 2016, pgs. 40-43, available at: <http://vss.sud.rs/sites/default/files/attachments/Analiza%20prava%20i%20prakse%20disciplinske%20odgovornosti.pdf>.

According to the data available to the Agency, the activity was implemented in the manner and within the timeframe stipulated in the Revised Action Plan.

The Agency is not able to assess the implementation of the activities in the part that refers to the MoI.

The second activity provides for the **MoI and RPPO** to keep records **continuously** on proactive proceeding in corruption related criminal offenses.

Indicator: Records are set up

This activity was implemented in compliance with the indicator for the reporting period in the part that refers to the RPPO.

According to the data available to the Agency, the activity was implemented in the manner stipulated in the Revised Action Plan.

The Agency is not able to assess the implementation of the activities in the part that refers to the MoI.

The RPPO Report on the Strategy states that the Republic Public Prosecutor on November 20, 2013 issued an instructive directive for all public prosecutor's offices, A no. 587/13, on managing records about proactive proceeding in corruption related criminal offenses, and keeping statistics about proactive investigations. These cases were assigned with a special code "Proactive investigation". In order for this measure to be implemented, an instructive directive A no. 23/14 was issued on January 20, 2014, providing for the introduction of new sections in the forms for RPPO statistical report on the actions of public prosecutors' offices.

Proactive investigations in cases with corruption element were initiated against 54 persons in 2014,⁹⁵ and in 2015 against 69 persons,⁹⁶ which means that, in accordance with the indicator, number of proactive investigations in 2015 increased compared to the previous year.

In compliance with the mentioned instructive directive A no. 587/13 of November 20, 2013, which stipulates keeping separate records on proactive proceeding in corruptive criminal offenses, all public prosecutor's offices keep statistics about proactive investigations, which is presented in the RPPO statistical report.⁹⁷

MoI in its Strategy Report has not commented on the implementation of this measure.

Measure 3.4.3.3. To strengthen capacities of judicial authorities for conducting proactive investigation

A single activity provides for the **Judicial Academy** to implement **continuously** the specialization plan.

⁹⁵ RPP, "Activities of public prosecutor's offices on combating crime and protecting constitutionality and legality in 2014", February 2015, p. 225, available at <http://rjt.gov.rs/docs/RADJAVNIHTUZILASTAVA-3.pdf>.

⁹⁶ RPPO, "Activities of public prosecutor's offices on combating crime and protecting constitutionality and legality in 2014", February 2016, p. 207, available at <http://rjt.gov.rs/docs/RAD%20JAVNIH%20TUZILASTVA%202015.pdf>; RPP, *Report on the Implementation of the Strategy for 2016*, February 2017.

⁹⁷ RPP, *Report on the implementation of the Strategy for 2016*, February 2017.

Indicator: Report on the implementation of the specialization plan is submitted, per year of Strategy validity

The Agency is not able to assess the implementation of the activities for the reporting period.

The Judicial Academy Report on the Strategy only states that in the context of this measure four workshops were held - two in Belgrade (September 23 and 30, 2016) and two in Novi Sad (September 30 and October 7, 2016). The report does not specify anything else, neither the topics covered in the workshops, nor the structure and number of participants. Because of this, the Agency is not able to assess the implementation of this activity, or measure.

Measure 3.4.3.4. Continuous training of judges and prosecutors in the field of financial investigation

The first activity provides for the **Judicial Academy** to prepare the training manual **by December 31, 2016**.

The activity contains a remark that the HCC and SPC should be involved in developing curriculum and manual.

Indicator: Training curriculum and training manual are developed

The Agency is not able to assess the implementation of the activity.

The second activity provides for the **SPC and HCC** to prescribe **each year** mandatory number of training days for judges and prosecutors.

Indicator: Enactment which provides for the mandatory training days is adopted

The Agency is not able to assess the implementation of the activities in the part that refers to the HCC.

The Agency is not able to assess the implementation of the activities in the part that refers to the SPC.

The third activity provides for the **Judicial Academy** to **continuously** implement the training plan and disseminate training manuals.

Indicator: General note no. 7

The Agency is not able to assess the implementation of the activity.

Judicial Academy did not comment on this measure in its Report on the Strategy.

Similar to the previous year, the HCC Report on the Strategy states that this body on March 15, 2016 gave approval for the program of continuous training of the Judicial Academy for the 2016. For the part of the training program for judges of criminal departments, deputy public prosecutors, judicial and prosecutorial assistants with the topic "Specialized training on the implementation of the investigation", one-day or two-day seminars are planned, with the possibility of modifications, if necessary, to the topic of financial investigations.⁹⁸ However, the report does not specify whether the HCC prescribed required number of days of training for judges, i.e., as the indicator stipulates, adopted an enactment thereon. The SPC Report on the Strategy states that this body once a year gives approval to the continuous training programme of Judicial Academy, which also specifies the number of

⁹⁸ HCC, *Report on the implementation of the Strategy for 2016*, January 2017.

training days in the field of financial investigations, for public prosecution office holders.⁹⁹ In the report for the second quarter of 2016, SPC states that in the coming period it will decide on the mandatory number of training days in the field of financial investigation.¹⁰⁰ However, SPC did not in the subsequent report submit the information whether this decision was made.

The EC Progress Report for Serbia for 2016 states that Serbia is still not in a condition to hold complex financial investigations, including the investigations regarding money laundering, alongside with criminal investigations, which was confirmed by the evaluation report on Serbia by the Committee of the Council of Europe *MONEYVAL*, adopted in April 2016. The concept of financial investigations is usually limited to the seizure and confiscation of assets of individuals, proceeds of criminal act, but rarely is focused on tracking cash flows. The report adds that precautionary freezing of the funds is rarely applied in investigations, and therefore the assets often disappear, thus the seizure of assets derived from criminal acts after a final judgment has bad results.¹⁰¹

Measure 3.4.3.5. To reconcile the records of the judicial deposits with the balance of the CDC cases (*Corpus Delicti* cases), especially regarding narcotics and money

The sole activity provides for the **presidents of basic and higher courts** to update and reconcile records and status of CDC cases in judicial deposits **semi-annually, starting from the fourth quarter of 2016**.

Indicator: The records of the judicial deposits show the true status of the CDC cases

The Agency is not able to assess the implementation of the activity.

Out of 91 basic and higher courts, 32 courts submitted reports on the implementation of the Strategy for the fourth quarter of 2016. From their report it can be concluded that proper records are kept in this area, status of CDC cases in criminal cases that are in progress is continuously monitored, as well as the finalized criminal cases, and the Accounting Departments of the courts continuously monitor the cash deposits.

The Agency reiterates the recommendation set forth in the Reports on the Implementation of the Strategy for 2014 and 2015, as well as in the opinion on the Draft Revised Action Plan of March 2016 and proposes to the ministry in charge of the judiciary to consider appropriate modifications of this measure, in order to change the implementing entity to exert control of whether the courts really comply with this measure. The agency has neither jurisdiction, nor the capacity, to verify whether this activity is in accordance with the indicator, or whether the records in court repository really show true state of the CDC cases. The Agency proposed in the opinion that if the measure and activity remain in this form, the implementing entity should be the public authority competent to exert the control over the courts in this field, and to inspect the state of the court repository. The same authority could report to the Agency whether this reconciliation is regularly carried out in all courts.

Measure 3.4.4.1. To conduct a campaign for informing the public about the application

⁹⁹ SPC, *Report on the implementation of the Strategy for 2016*, January 2017.

¹⁰⁰ SPC, *Report on the implementation of the Strategy for 2016*, June 2016.

¹⁰¹ European Commission, *Report on Serbia's progress for 2016*, p. 19.

of the new provisions of the Criminal Code ("Official Gazette of RS", nos. 85/05, 88/05, 107/05, 72/09, 111/09, 121/12, 104/13 and 108/14)

The first activity provides for the **Ministry of Justice** to prepare the campaign program and plan **by 31 December 2016**.

This activity contains a remark that the deadlines are calculated from the adoption of the amendments to the Criminal Code.**

Indicator: Campaign program and plan are prepared

The Agency is not able to assess the implementation of the activity.

* The second activity was not due for implementation until the end of 2016.

** This note is meaningless since the expiry date of the deadline is stated.

Until the end of February 2017, the Ministry of Justice has not submitted to the Agency the Report on the implementation of the Strategy for 2016.

Measure 3.4.7.1. To set up an efficient control mechanism for the work of court expert witnesses

The second activity provides for the **Judicial Academy** to implement **continuously** the training curriculum.

Indicator: Report on implemented training curriculum is submitted

The Agency is not able to assess the implementation of the activity.

* The first activity was not due for implementation until the end of 2016.

Judicial Academy did not comment on this measure in its Report on the Strategy.

Measure 3.4.8.1. To strengthen capacities of judicial authorities for conducting criminal proceedings

The first activity provides for the **HCC and SPC** to develop needs analysis **by September 30, 2016**.

Indicator: Report on conducted needs analysis is submitted

The Agency is not able to assess the implementation of the activity in the part that refers to the HCC.

The Agency is not able to assess the implementation of the activity in the part that refers to the SPC.

The third activity provides for the **RPP and SPC** to form special departments for suppression of corruption in the higher public prosecutor's offices in Belgrade, Novi Sad, Kragujevac and Niš **by September 30, 2016** in line with the Law on the organization and competence of the state authorities in combating organized crime and corruption.

Indicator: Special departments of the higher public prosecutor's offices for suppression of corruption are formed

This activity was not implemented in compliance with the indicator.

Fourth activity provides for the **Judicial Academy** to implement **continuously** the training curriculum for holders of judicial functions.

Indicator: Report on the implemented training curriculum validity is submitted, per year of Strategy

The Agency is not able to assess the implementation of the activity.

* The second and fifth activity were not due for implementation until the end of 2016.

Both third and fourth HCC Quarterly Reports on the Strategy state only that the deadline for this activity is the third quarter of 2016.¹⁰²

As opposed to the HCC, this activity in the part related to the SPC, was evaluated in 2014 as implemented in the manner and within the deadline stipulated in the Action Plan,¹⁰³ so it is not clear why it appears again in the Revised Action Plan.

The SPC Report on the Strategy states that, on introducing specialization in Public Prosecutor's Offices, the SPC issued its opinion on the draft Law on organization and competence of the state authorities in combating organized crime, terrorism and corruption. This Law was adopted on November 23, 2016, the beginning of the application provided for March 1, 2018.¹⁰⁴ Thereupon, special departments for suppression of corruption in higher public prosecutor's offices in Belgrade, Novi Sad, Kragujevac and Niš will start working. RPPO and the Ministry of Justice have undertaken in this respect extensive organizational and technical preparations for the establishment of these departments.¹⁰⁵ Supply of equipment to public prosecutor's offices continued in accordance with the established needs analysis, and within the framework of the IPA 2012 Project "Implementation of the new Criminal Procedure Code".¹⁰⁶

Judicial Academy Report on the Strategy states that in the context of continuous training for criminal judges regarding the Criminal Procedure Code in 2016, 7 workshops were held, two in Belgrade, Niš and Novi Sad and one in Kragujevac (September 23 and 30, and October 7, 21 and 28, 2016). Workshops were attended by 163 participants.¹⁰⁷

Concerning the matching dates and cities where they were held, it is likely that those were the same workshops as those listed in the context of **Measure 3.4.3.3**, although it refers to the strengthening of capacities of judicial authorities for the implementation of proactive investigations, while this measure is more general and focused on strengthening capacities of judicial authorities to conduct criminal proceedings. However, the Judicial Academy Report does not state the topics of workshops nor the structure of participants, so it is not possible to distinguish the implementation of these two measures. Due to the sparse coverage, in case of both measures it is not possible to conclude whether the activity was implemented or not, i.e., whether these trainings aimed precisely at the implementation of the corresponding obligations from the Revised Action Plan. However, since the trainings organized by the Judicial Academy are certainly aimed at raising the capacity of the judicial authorities for the implementation of procedures under their jurisdiction, it cannot be said that this institution has not implemented the relevant activity. "Continuous Training Curriculum for 2016" is available on the Judicial Academy webpage, containing also the part titled "Continuous Training Curriculum for criminal department judges and judicial assistants for 2016", which says that the purpose of this training is informing participants about new legal regulations in the field of

¹⁰² HCC, *Report on the implementation of the Strategy for 2016*, November 2016, January 2017.

¹⁰³ See: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2014*, p. 119.

¹⁰⁴ „Official Gazette of RS“, No. 94/16.

¹⁰⁵ RPP, *Report on the implementation of the Strategy for 2016*, February 2017.

¹⁰⁶ SPC, *Report on the implementation of the Strategy for 2016*, January 2017.

¹⁰⁷ Judicial Academy, *Report on the implementation of the Strategy for 2016*, February 2017.

criminal procedural and criminal substantive law and for that purpose one-day seminars are held as a rule, with the possibility of changes if needed.¹⁰⁸

Measure 3.4.9.1. To train holders of judicial offices and members of Police and Military Security Agency in the solutions of the Financial Crime Investigation Strategy

The first activity provides for the **Judicial Academy** to prepare the training curriculum by **September 30, 2016**.

Indicator: Training curriculum is prepared

The Agency is not able to assess the implementation of the activity.

The third activity provides for the **Judicial Academy** to implement the training curriculum **continuously, starting from the fourth quarter of 2016**.

Indicator: Report on implemented training curriculum is submitted, per year of Strategy validity

The Agency is not able to assess the implementation of the activity for the reporting period.

* The second activity was not due for implementation until the end of 2016.

Judicial Academy did not comment on this measure in its Report on the Strategy.

3.5. POLICE

The following two objectives are formulated under the fifth area of the Strategy – Police:

1. To strengthen police capacity for conducting investigations of criminal offenses with elements of corruption (**objective 3.5.1.**);
2. To strengthen integrity and internal control mechanisms for suppressing corruption in the police sector (**objective 3.5.2.**).

For achievement of these two objectives, 6 measures and 19 activities were foreseen, out of which 7 were subjected to examination. According to the Agency assessment, out of 7 examined activities:

- 1 activity was implemented in compliance with the indicator, and in the manner provided for by the Revised Action Plan. It is the activity of permanent nature;
- 2 activities were not implemented in compliance with the indicator;
- for 4 activities the Agency was not able to assess the implementation.

Acting in compliance with the Strategy and the Revised Action Plan

Objective 3.5.1. Strengthened police capacity for conducting investigations of criminal offenses with elements of corruption

¹⁰⁸ See: Judicial Academy, “Continuous Training Curriculum for 2016”, p. 4, available at: <http://www.pars.rs/sekcija/78/stalna-obuka.php>.

The Revised Action Plan provides for three measures for fulfilment of this objective.

Measure 3.5.1.1. To establish mechanisms for basic, specialized and continuous education of police officers engaged in the anti-corruption activities

The first activity provides for the **MoI (Directorate for Vocational Education)** to **continuously** conduct training sessions for police officers under the training curriculum for police officers engaged in the anti-corruption activities.

Indicator: General note no. 7

The Agency is not able to assess the implementation of the activity.

The second activity provides for the **MoI (Directorate for Vocational Education)** to conduct **annual** evaluation of the impact of implemented trainings.

Indicator: Annual evaluation is performed; the results of the annual testing

The Agency is not able to assess the implementation of the activity.

MoI did not comment on the implementation of the activity under this measure in its Report on the Strategy. Activities under **measures 3.5.1.2.** and **3.5.1.3.** were not due for implementation until the end of 2016.

Objective 3.5.2. To strengthen integrity and internal control mechanisms for suppressing corruption in the police sector

The Revised Action Plan provides for three measures for fulfilment of this objective.

Activities under **measure 3.5.1.2.** were not due for implementation until the end of 2016.

Measure 3.5.2.2. To strengthen capacities for conducting internal control by developing control and instructive activities

The first activity provides for the **MoI** to adopt the instructions on the methods and forms of performing internal controls **within 7 months of the adoption* of the Law on Police** ("Official Gazette of RS", no. 6/16).

Indicator: Instructions are published and entered into force

This activity was not implemented in compliance with the indicator.

The second activity provides for the **MoI** to adopt the Instructions on collecting, processing and analysing data on corruption **within 7 months of the adoption* of the Law on Police**, for the purpose of risk analysis and state of affairs assessment.

Indicator: Instructions on collecting, processing and analysing data on corruption for the purpose of risk analysis and state of affairs assessment are developed by the ministry in charge of internal affairs

This activity was not implemented in compliance with the indicator.

* Law on Police was adopted on January 26, published on January 28, and entered into force on February 5, 2016.

** The third and fourth activity were not due for implementation until the end of 2016.

MoI Report on the Strategy states that the Human Resource Management Service (HRMS), in line with Article 225 Paragraph 3 of the Law on Police,¹⁰⁹ prepared a draft Rulebook on the methods and forms of performing internal control and in November 2016 submitted it to the Secretariat of the Ministry of Interior for the review. The report stresses that the preparation of the final version of the Rulebook is underway, and that the Law on Police stipulates that by-laws should be adopted within a year of its entry into force.¹¹⁰

MoI Report on Strategy states that HRMS, in accordance with Article 230 of the Law on Police prepared a draft of the Instructions on the implementation of the corruption risk analysis in the Ministry of Interior. The text of the instructions was submitted to the Secretariat of the Ministry of Interior for the review in late 2016, and there it is also stressed that the Law on Police stipulates that by-laws should be adopted within a year of its entry into force. By the end of 2015, under the project of the Council of Europe and the EU "Strengthening the capacities of law enforcement and judiciary in the fight against corruption in Serbia" (PACS), an expert opinion was obtained about text of the Instructions from Romanian experts from the General Directorate for the Fight against Corruption of the Ministry of Interior of Romania. Also, at the initiative of HRMS, under the same project, Guidelines were prepared for the corruption risk analysis and that it was conducted in the Border Police Directorate.¹¹¹

The Agency notes that the deadlines for the activities within this measure are not adequately formulated, since the Law on Police itself provides for a longer deadline for the adoption of the aforementioned instructions.

Measure 3.5.2.3. To develop mechanisms to strengthen the integrity of police officers

The fourth activity provides for the **MoI to continuously** implement measures to strengthen the integrity of employees in positions particularly prone to corruption risk.

This activity contains a remark that the analysis and expert advice are needed in terms of best practices, as well as the adoption of the Rulebook on the income and assets declaration and control of changes to income and assets declaration status of the employees in the ministry in charge of internal affairs.

Indicator: Number of implemented measures

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, the activity was implemented in the manner stipulated by the Revised Action Plan.

The sixth activity provides for the **MoI (Internal Control Sector)** to ensure **once a year** monitoring of the implementation of the Police Code of Ethics and sanctioning of its

¹⁰⁹ „Official Gazette of RS“, No. 6/16.

¹¹⁰ MoI, *Report on the implementation of the Strategy for 2016*, February 2017.

¹¹¹ *Ibid.*

violation.

This activity contains a remark that the Report on the monitoring of the implementation should indicate whether the violation of the Code is sanctioned.

Indicator: Report on monitoring the implementation of the Code is prepared

The Agency is not able to assess the implementation of the activity.

The seventh activity provides for the **MoI** to disclose publicly **quarterly** reports about the results of the fight against corruption, achieved by the ministry competent for internal affairs.

Indicator: Reports are quarterly published on the website of the ministry competent for internal affairs

The Agency is not able to assess the implementation of the activity.

* First, second, third and fifth activity were not due for implementation until the end of 2016.

MoI Report on Strategy states that HRMS conducted four preventive controls in the MoI police administrations during 2016. Subsequently, and on the basis of established negligence, HRMS pressed 8 criminal charges, and proposed imposition of disciplinary liability measure for 136 police officers. In addition, HRMS proposed, based on the perceived irregularities and omissions, undertaking measures aimed at eliminating irregularities, clarification or establishing new procedures, with the aim of building clear and uniform system of proceedings.

MoI Report further states that HRMS representatives participated in two events related to this matter. One was regional round table "Development of the curriculum and strategies for training in the area of police integrity", held in October 2016 in Podgorica, where a representative of HRMS participated at the invitation of the Geneva Center for Control of Armed Forces - *DCAF*. The round table was organized in order to exchange experiences of the countries in the region related to strengthening police officers' integrity and the improvement of education in this field. The other event was International Conference "Police integrity - a holistic approach", held in November 2016, organized by the Ministry of Interior, ICITAP Office, OSCE Mission and *DCAF*. The aim of the conference was to present the best standards, practices and challenges in the process of building the police integrity, management of human resources and the role of training in the field of police integrity, as well as the identification of organizational elements as a support to the system of accountability in the police.

In the beginning of 2016, MoI prepared the corruption risk analysis for the Border Police in order to implement the activity in the context of the Chapter 24, which provides for the assessment of the risk related to the employees of the relevant institutions involved in UIG (activity 4.4.1.), on the basis of corruption risk analysis prepared by Romanian experts within the PACS project.

HRMS, in accordance with Article 230 of the Law on Police prepared a draft Rulebook on the income and assets declaration and changes in the assets declaration status of the MoI employees, and during 2016 the opinion of the Anti-Corruption Agency was obtained and contact with the Agency was established in order to exchange experiences with procedures for control of changes in the income and asset status and learn about the database for keeping records of income and

assets declarations of public officials. Specific activities were agreed upon, related to the networking, and linking HRMS with the database used by the Agency for keeping records of income and assets declarations of public officials and further improvement of cooperation in accordance with the signed Agreement on business and technical cooperation between the Agency and the Ministry of Interior.¹¹²

MoI did not comment on the implementation of the sixth and seventh activity under this measure in its Report on the Strategy.

3.6. SPATIAL PLANNING AND CONSTRUCTION

The four following objectives are formulated under the sixth area of the Strategy – Spatial planning and Construction:

1. To enter all real estate in the Republic of Serbia and real estate related data registered in the public electronic Real Estate Cadastre (**objective 3.6.1.**);
2. To reduce number of procedures and introduce "one stop shop system" for issuing construction and other types of permits and approvals (**objective 3.6.2.**);
3. To provide for the transparent criteria and involvement of the public in the process of review, modification and adoption of the spatial and urbanistic plans at all levels of government (**objective 3.6.3.**);
4. To have efficient internal and external control in the procedure of issuing construction and other types of permits and approvals in the urban planning area (**objective 3.6.4.**).

For achievement of these four objectives, 10 measures and 19 activities have been foreseen, out of which 17 activities have been subjected to examination. According to the Agency assessment, out of 17 examined activities:

- 2 were implemented in compliance with the indicator, and both in the manner provided for by the Revised Action Plan. One activity is of permanent nature, while the other, one-off activity, was implemented in due time;
- 2 activities were not implemented in compliance with the indicator;
- for 13 activities the Agency was not able to assess the implementation.

Acting in compliance with the Strategy and the Revised Action Plan

Objective 3.6.1. To enter all real estate in the Republic of Serbia and real estate related data in the public electronic Real Estate Cadastre

The Revised Action Plan provides for three measures for fulfilment of this objective.

¹¹² MoI, *Report on the implementation of the Strategy for 2016*, February 2017.

The sole activity under the **measure 3.6.1.1.** was not due for implementation until the end of 2016.

Measure 3.6.1.2. To strengthen the capacities of organizational units of the Real Estate Cadastre services, as well as the internal control in the Sector for Professional and Administrative Oversight of the Republic Geodetic Authority (RGA)

The second activity provides for the **RGA** to create and **continuously** implement the training curriculum for the employees in accordance with the recommendations of the needs analysis.

Indicator: The training curriculum is created, and it corresponds to the recommendations of the needs analysis; Report on implemented training curriculum is submitted, per each year of the Strategy validity;

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, the activity was implemented in the manner stipulated by the Revised Action Plan.

* First activity was not due for implementation until the end of 2016.

RGA stated in the Report on the Strategy that it constantly conducted training of employees. From January 1, 2016, the RGA is implementing a training program for employees to work in electronic registry, which became operational and introduced a simple mechanism for tracking the cases, which, as the report states, prevents corruption. New electronic registry, the application *Terra Soft modul eKatastar*, provides information on the status of the case regarding the applications recorded after March 11, 2016 in the registry office of the RGA seat, and the *online* access to information on the status of second instance cases formed on the basis of the appeals against the first instance decisions or initiated administrative dispute. RGA also introduced the internet service for submitting applications. Earlier the party had to come to the Real Estate Cadastre Office window several times in order to realize its demand. The Real Estate Cadastre Office in Belgrade, for example, daily receives more than 1,000 applications. The introduced internet service for submitting applications automated part of the activities in this process, increased efficiency in the processing of requests and reduced the number of visits of service beneficiaries. Beneficiaries will have access to entire correspondence history, electronic exchange of messages and documentation, submitted and processed requests, and the current status of data processing. RGA improved the info centre services as well, due to the great interest of the citizens for the status of the pending cadastral cases in the second instance. Training of the employees was conducted, via e-cadastre they are enabled to access the electronic registry information in the RGA seat, and thus the beneficiaries obtain information about the status of second instance cases more easily and more quickly.

Based on the results of the pilot project of rotation of civil servants with legal background, which has shown that certain corporate measures from the economy can successfully be applied in the state institutions as well, the RGA Director made a decision on the rotation of the Heads of Real Estate Cadastre Offices. From September 26, 2016 the Heads of the Real Estate Cadastre Office with geodetic background assumed new working positions. Rotation was introduced in order to make changes in the established operational trends of the real estate cadastre offices, to increase work efficiency and trust of citizens in the reliability and quality of cadastral data. In that way the heads who have exchanged the positions transferred to their new working environment their

knowledge and experience and thus contributed to achieving uniformity in the proceedings and application of cadastral practices. The results of the pilot project of rotation of employees with legal background showed that even in the RGA certain models of corporate governance can be applied, after the Cadastres in the UK and Netherlands. Such development direction is supported by the World Bank through a project for technical, technological and institutional development of RGA, with the emphasis on the development of customer-oriented services.¹¹³

RGA adopted the Directive on the procedure for eliminating the identified irregularities in the work of civil servants and state employees in the RGA, which establishes the procedure for resolving all identified irregularities and mistakes, preventing their repetition, and removal of potential implications by using 8D methodology. This methodology is team work addressing irregularities in 8 stages, which involves defining the problem, determining the reason for which the process takes place outside of the target frameworks, proposing a mechanism for identifying the causes of the problem and using adequate short-term and long-term measures.¹¹⁴

Although the implementing entity did not submit to the Agency its training curriculum, nor the report on its implementation, from the contents of the Report on the Strategy it is evident that the RGA conducts training of employees for a series of new measures applies in their work, which contribute to the realization of the measure itself, the way it was formulated.

Measure 3.6.1.3. To adopt the Rulebook which harmonizes the manner of issuance of cadastral certificate so that it has a form of an electronic document and contains an electronic signature

The first activity provides for the **RGA** to develop and adopt **by December 31, 2016** the Rulebook to comply with the Law on Electronic Signature ("Official Gazette RS", no. 135/04) and the Law on Electronic Documents ("Official Gazette", no. 51/09).

Indicator: Rulebook which harmonizes the manner of issuance of cadastral certificate so that it has a form of an electronic document and contains an electronic signature is adopted

This activity was not implemented in compliance with the indicator.

The second activity provides for the **RGA** to modify the database of electronic cadastre **by December 31, 2016**, in accordance with the adopted Rulebook.

Indicator: Cadastral certificate has a form of electronic document, containing electronic signature

This activity was not implemented in compliance with the Indicator.

MPALSG established on March 3, 2016 a special working group to prepare the text of the Draft Law on E-Government, which will stipulate the manner in which the authorities shall set up and keep the registers, electronically manage data and documents, issue certificates, post and use portals and webpages, provide information in electronic form and take other actions electronically. The Draft Law envisages that within six months of the date of entry into force the MPALSG shall pass by-laws for law enforcement, so all these regulations shall uniformly regulate electronic operations in the state administration bodies. After this, as the RGA Report states, the conditions

¹¹³ RGA, *Report on the implementation of the Strategy for 2016*, October 2016.

¹¹⁴ RGA, *Report on the implementation of the Strategy for 2016*, January 2017.

shall be met for the RGA to adopt the Rulebook to further regulate the procedure for issuing and archiving electronic documents in accordance with the aforementioned acts.¹¹⁵

Objective 3.6.2. To reduce number of procedures and introduce “one stop shop system” for issuing construction and other types of permits and approvals

The Revised Action Plan provides for one measure for fulfilment of this objective.

Measure 3.6.2.1. To conduct professional training of employees on the new solutions of the Law on Planning and Construction ("Official Gazette of RS", nos. 72/09, 81/09, 64/10 - CC, 24/11, 121/12, 42/13 - US, 50/13 - US, 98/13 - US, 132/14 and 145/14) until the Law comes into effect

The sole activity provides for the **ministry in charge of construction** to prepare and disseminate to the employees manuals with instructions by September 30, 2016.

The activity contains a remark that, if necessary, professional training should be carried out even after the start of the implementation of the Law.

Indicator: Manual is published on the webpage of the ministry competent for construction activities; Report on the distribution of manuals is submitted

This activity was implemented in compliance with the indicator.

According to data available to the Agency, the activity was implemented in the manner and within the timeframe stipulated by the Revised Action Plan.

The World Bank in its latest ranking of *Doing Business* for 2017, ranked Serbia among the ten countries in the world that mostly advanced in this list.¹¹⁶ In relation to the previous year (had a ranking of 59) Serbia moved up 12 places, and now it has a ranking of 47 among the total of 190 countries, according to the conditions for business operations. For this jump on the list, the largest credit is attributed to the introduction of electronic construction permits. Only two years ago, in the ranking for 2015, Serbia had a ranking of 186 in the area of issuing construction permits,¹¹⁷ while in the latest rankings in this field it has a ranking of 36. The Report on the Strategy of the Ministry of Construction, Transport and Infrastructure (MCTI) states that all employees are informed in an appropriate manner about the new legal mechanisms and trained to perform duties in accordance with the new procedures. Namely, the report states that meetings, trainings and workshops were held, in coordination with the *USAID*, *NALED* and *GIZ* and indicates the internet link with the evidence of realized activity.¹¹⁸ However, the report itself does not mention the development and distribution of manuals from the activity, nor does the above-mentioned link contain publication that could be considered a manual for professional training of the employees about the new solutions of the Law on planning and construction. On the other hand, at a special webpage of

¹¹⁵ RGA, *Report on the implementation of the Strategy for 2016*, October 2016.

¹¹⁶ See: <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB17-Report.pdf>.

¹¹⁷ See: <http://www.naled-serbia.org/upload/CKEditor/untitled%20folder/untitled%20folder%20copy%201/Doing%20business%202015.pdf>.

¹¹⁸ See: <http://www.urbanlandmanagement.rs/sr/publications/>; MCTI, *Report on the implementation of the Strategy for 2016*, February 2017.

MGSI for the implementation of the Law on planning and construction¹¹⁹ there is a “Guide to Construction Permits: From Idea to Usage” published in the framework of the USAID business enabling project and with the support of the SCTM and Swiss Development and Cooperation Agency (SDC).¹²⁰

Although the MCTI report itself does not indicate specifically on this manual, nor are the data on the distribution of manual presented, the fact is that it is posted on a special webpage of MCTI, thus the assumption is that the employees are somehow informed about it, or that it is accessible to them.

Objective 3.6.3. To provide for the transparent criteria and involvement of the public in the process of review, modification and adoption of the spatial and urbanistic plans at all levels of government

The Revised Action Plan provides for one measure for fulfilment of this objective.

Measure 3.6.3.1. To conduct information campaigns for citizens about the importance of early inspection and public debate about spatial and urban plans

The first activity provides for the **ministry in charge of construction** to develop a campaign plan and a manual about modalities of citizens’ early participation in the development of plans **by September 30, 2016**.

Indicator: Campaign programme and plan are developed; Manual about modalities of citizens’ early participation in the development of plans is developed and published on the webpage of the ministry in charge of construction activities

The Agency is not able to assess the implementation of the activity.

The second activity provides for **the ministry in charge of construction activities** to conduct the campaign according to the plan and programme in local self-government units **by September 30, 2016**.

Indicator: Report on the conducted campaign is submitted

The Agency is not able to assess the implementation of the activity.

MCTI Report on the Strategy states that presentations, trainings and workshops were held in coordination with *USAID*, *NALED* and *GIZ* in the authorities of local self-government units and the seats of administrative districts, and it indicates the internet link where the evidence for the realized activity can be found.¹²¹ Continuation of the organization of the events is planned for 2017, in cooperation with SCTM, among other things, conducting the campaign in the local self-government units. Manuals and publications were produced within the framework of the project for improving the land management in the Republic of Serbia and have been published on the official webpage of the project (still not on the ministry's webpage, but there is a link to the project webpage).¹²² However, there are no publications that could be considered as manual about

¹¹⁹ See: <http://gradjevinskedozvole.rs/>.

¹²⁰ Available at: <http://gradjevinskedozvole.rs/Files/00283/Vodic-kroz-dozvole-za-izgradnju.pdf>.

¹²¹ See: <http://www.urbanlandmanagement.rs/sr/publications/>.

¹²² MCTI, *Report on the implementation of the Strategy for 2016*, February 2017.

modalities of citizens' early participation in the development of spatial and urban plans on the webpage to which the report is directing.

Objective 3.6.4. To have efficient internal and external control in the procedure of issuing construction and other types of permits and approvals in the urban planning area

The Revised Action Plan provides for five measures for fulfilment of this objective.

Measure 3.6.4.1. To allow citizens access to the web portal for case flow follow-up

The first activity provides for the **ministry in charge of construction activities** to draft by **September 30, 2016** a feasibility study for setting up a web portal for case flow follow-up.

The activity contains a remark that the portal should be similar to a court portal for case flow follow-up.

Indicator: The report on the drafted feasibility study is submitted; Report on the study

The Agency is not able to assess the implementation of the activity.

The second activity provides for the **ministry in charge of construction activities** to amend the regulations by **December 31, 2016** in order to introduce legal basis.

Indicator: Amendments to the regulations are adopted, in order to introduce legal basis.

The Agency is not able to assess the implementation of the activity.

The third activity provides for the **ministry in charge of construction activities** to purchase equipment and develop software by **December 31, 2016**.

Indicator: Report on the purchased equipment and developed software is submitted

The Agency is not able to assess the implementation of the activity.

MCTI did not comment on the activities under this measure in its Report on the Strategy.

There is on the special MGSI webpage for the implementation of the Law on Planning and Construction a user's manual stating that the user can access the following information about a case: the registration number of the case in the competent authority, filing number of the case (internal number of the competent authority registry), the type of application, the date of submission of the application, the date of completion (if the case is processed) and the current status of the case.¹²³

In this way, although the competent entity has not reported thereof, and since it is not clear whether the activities under this measure were implemented, the Agency concludes that the measure providing for public access to the web portal for case flow follow-up was implemented and therefore it should be deleted from the Revised Action Plan.

Measure 3.6.4.2. To conduct professional training of the employees

The first activity provides for the **ministry in charge of construction activities** to draft

¹²³ "User's Manual – Applicant", p. 31, available at: <http://gradjevinskedozvole.rs/Files/00302/Korisnicko-uputstvo-podnosilac-zahteva.pdf>.

professional training curriculum and develop manuals with instructions **by December 31, 2016.**

Indicator: Professional training curriculum is developed; Manuals with instructions are published on the webpage of the ministry in charge of construction activities

The Agency is not able to assess the implementation of the activity.

The second activity provides for the **ministry in charge of construction activities** to implement professional training curriculum and distribute manuals with instructions **until the start of the functioning of the portal.**

Indicator: Report about conducted training curriculum and the report on the distribution of manuals are submitted

The Agency is not able to assess the implementation of the activity.

MCTI did not comment on the activities under this measure in its Report on the Strategy.

Measure 3.6.4.3. To conduct a campaign to inform citizens about the web portal for case flow follow-up

The first activity provides for **the ministry in charge of construction** to draft **by December 31, 2016** the plan and program of the campaign.

Indicator: Plan and program of the campaign are developed.

The Agency is not able to assess the implementation of the activity.

The second activity provides for **the ministry in charge of construction** to implement **by December 31, 2016** the campaign according to the plan and program.

Indicator: Report on the conducted campaign is submitted

The Agency is not able to assess the implementation of the activity.

MCTI did not comment on the activities under this measure in its Report on the Strategy.

Measure 3.6.4.4. To strengthen capacities of the inspection services

The first activity provides for **the ministry in charge of construction** to conduct the needs analysis **by September 30, 2016.**

The activity contains a remark that the measure should be implemented in cooperation with the ministry responsible for state administration and local self-government.

Indicator: Needs analysis is conducted

The Agency is not able to assess the implementation of the activity.

The second activity provides for **the ministry in charge of construction** to modify systematization **by September 30, 2016** so that it corresponds to the recommendations of the needs analysis and recruit personnel in accordance with the amended systematization act.

The activity contains a remark that the measure should be implemented in cooperation with the ministry responsible for state administration and local self-government.

Indicator: Systematization enactment corresponding to the recommendations of the needs analysis is adopted; Number and structure of employed personnel corresponds to the amended act on systematization.

The Agency is not able to assess the implementation of the activity.

The third activity provides for the **ministry in charge of construction** to develop and **continuously** implement professional training curriculum for the employees in accordance with the recommendations of the needs analysis.

The activity contains a remark that the measure should be implemented in cooperation with the ministry responsible for state administration and local self-government.

Indicator: Training curriculum which corresponds to the recommendations of the needs analysis is developed; Report on the implemented training curriculum is submitted, for each year of Strategy validity;

The Agency is not able to assess the implementation of the activity.

MCTI did not comment on the activities under this measure in its Report on the Strategy.

SCTM has formed a Network of building inspectors, whose first meeting took place on September 14, 2016, in Belgrade. The network was formed after the initiative of SCTM members, based on the positive experience with networking experts from local administrations in other areas, particularly in the field of urban planning, and with the aim of improving the implementation of regulations in the field of inspection supervision over the construction of facilities. It will represent a platform for the exchange of expertise and mutual support for more accurate and more efficient implementation of regulations that are governing the construction, with special emphasis on the area of supervision in this field, which represents entrusted jurisdiction of local governments.¹²⁴

Measure 3.6.4.5. To improve the proactive approach of inspection services by envisaging a larger number of inspections in the annual plan

The sole activity provides for the **ministry in charge of construction** to **continuously** include a larger number of inspections in the annual plan of inspection services.

The activity contains a remark that the measure should be implemented in cooperation with the ministry responsible for state administration and local self-government.

Indicator: Performance reports of the ministry in charge of construction activities include information on the number of planned inspections; The number of planned inspections increased in relation to the number of planned controls from the previous year

The Agency is not able to assess the implementation of the activity.

MCTI did not comment on this measure in its Report on the Strategy.

3.7. HEALTHCARE SYSTEM

¹²⁴ See: <http://www.skgo.org/reports/details/1833>.

The three following objectives are formulated under the seventh area of the Strategy – Healthcare System:

1. to identify and eliminate all deficiencies in the legal framework that are conducive to corruption, and ensure their full implementation (**objective 3.7.1.**);
2. to establish efficient mechanisms for the integrity, accountability and transparency in the adoption and implementation of decisions (**objective 3.7.2.**);
3. to provide a transparent information system in the healthcare system and participation of the public in the control of work of healthcare institutions, in accordance with the legal protection of personal data (**objective 3.7.3.**).

For achievement of these three objectives, 6 measures and 14 activities were foreseen, out of which 1 activity was subjected to examination. According to the Agency assessment, this activity was implemented in compliance with the indicator for the reporting period, in the manner provided for by the Revised Action Plan.

Acting in compliance with the Strategy and the Revised Action Plan

Objective 3.7.1. To identify and eliminate all deficiencies in the legal framework that are conducive to corruption, and ensure their full implementation

The Revised Action Plan provides for two measures for fulfilment of this objective, but none of the activities within the framework of the measures was due for implementation until the end of 2016.

Objective 3.7.2. To establish efficient mechanisms for the integrity, accountability and transparency in the adoption and implementation of decisions

The Revised Action Plan provides for three measures for fulfilment of this objective.

The activities under **measures 3.7.2.1.** and **3.7.2.2.** were not due for implementation until the end of 2016.

Measure 3.7.2.3. To ensure transparency of public procurement carried out by healthcare institutions

The sole activity provides for **the ministry in charge of healthcare** to publish **continuously** reports on public procurements carried out by healthcare institutions.

The activity contains a remark that the measure refers to each healthcare institution.

Indicator: Reports on public procurements carried out by healthcare institutions are published on the webpage of the ministry in charge of healthcare, and are updated quarterly

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, the activity was implemented in the manner and

within the timeframe stipulated by the Revised Action Plan.

In its Report on the Strategy, Ministry of Health states that healthcare institutions provide their reports on conducted public procurements, which the Ministry publishes quarterly on its webpage.¹²⁵ After examining the webpage of the Ministry, it was found that the reports of healthcare institutions on conducted public procurements are updated on quarterly basis.

Objective 3.7.3. To provide a transparent information system in the healthcare system and participation of the public in the control of work of healthcare institutions, in accordance with the legal protection of personal data

The Revised Action Plan provides for one measure for fulfilment of this objective, but none of the activities within the framework of the measure was due for implementation until the end of 2016.

3.8. EDUCATION AND SPORTS

The five following objectives are formulated under the eighth area of the Strategy – Education and Sports:

1. to amend the legal framework relating to the appointment, position and powers of directors of primary and secondary schools, and the deans of faculties (**objective 3.8.1.**);
2. to adopt regulations governing educational inspections (**objective 3.8.2.**);
3. to ensure the transparency of the procedures for enrolment, examination, grading and evaluation of knowledge in all educational institutions (**objective 3.8.3.**);
4. to ensure that the process of accreditation and subsequent control of the fulfilment of conditions for work of public and private educational institutions is based on clear, objective, transparent and pre-determined criteria (**objective 3.8.4.**);
5. to ensure the transparency of sports financing and the ownership structure of sports clubs and federations (**objective 3.8.5.**).

For achievement of these five objectives, 10 measures and 23 activities were foreseen, out of which 10 activities were subjected to examination. According to the Agency assessment, out of the 10 examined activities:

- 7 activities were not implemented in compliance with the indicator, 2 of them due to the fact that a previous conditioning activity was not implemented;
- for 3 activities the Agency was not able to assess the implementation.

Acting in compliance with the Strategy and the Revised Action Plan

¹²⁵ See: <http://www.zdravlje.gov.rs/showpage.php?id=317>; Ministry of Health, *Report on the implementation of the Strategy for 2016*, February 2017.

Objective 3.8.1. To amend the legal framework relating to the appointment, position and powers of directors of primary and secondary schools, and the deans of faculties

The Revised Action Plan provides for one measure for fulfilment of this objective.

Measure 3.8.1.1. To amend the Law on the Foundations of Education System ("Official Gazette of RS", Nos. 72/09, 52/11, 55/13 and 68/15) and the Law on Higher Education ("Official Gazette of RS", Nos. 76/05, 97/08, 44/10, 93/12, 89/13, 99/14 and 68/15), so as to introduce a legal obligation of appointment, periodic evaluation of the performance of directors, deans and teaching staff in all educational institutions, based on objective, clear, precise and pre-determined criteria

The first activity provides for the **ministry in charge of education** to prepare and submit to the Government draft laws on amendments to the law **by September 30, 2016**.

The activity contains a remark that discretionary powers of the directors, deans and teaching staff should be limited to the greatest extent possible by the objective, precise, clear and pre-determined criteria; that their discretionary decisions must be reasoned and transparent; that the commissions for the selection of candidates for employment should include the school director and the staff.

Indicator: The draft laws on amendments to the law that by their content correspond to the instructions of the measures and notes are submitted to the Government

Verification factor: Reasoning from the draft/proposal law containing the explanation of the manner in which the instructions from the measures and notes were inserted in the text of the draft/proposal

This activity was not implemented in compliance with the indicator.

The second activity provides for the **Government** to submit to the National Assembly **by December 31, 2016** proposals of the law on amendments to the law.

The activity contains the same remark as the first activity.

Indicator: Proposals of the law on amendments to the law, corresponding by their content to the instructions of the measures and remarks, are submitted to the National Assembly

Verification factor: Reasoning from the draft/proposal law containing the explanation of the manner in which the instructions from the measures and notes were inserted in the text of the draft/proposal

This activity was not implemented in compliance with the indicator, since the previous conditioning activity was not fulfilled.

The Report on the Strategy of the Ministry of Education and Science (MES) states that the Draft Law on the Foundations of the Education System stipulates that one of the requirements for a certain individual to be a director of an institution is to pass the exam for directors based on the prescribed training program, thus acquiring a license to work as a director, or a license for a director. If a director was elected without passing this test, there is a period to do so within two years from the entry into the office. In case this requirement is not complied with, the director's duty shall be terminated. All issues related to this procedure shall be prescribed by a Minister.

It also states that director of the institution is elected at public competition announced by the authority managing the institution, and that he/she is appointed to duty by a Minister for a period of four years, on the basis of a special contract, without entering into employment contract. During the appointment period, director's employment contract for the work place where he/she is appointed from is suspended.¹²⁶

So, from the report of the implementing entity is not visible whether all the novelties provided for in the content of the measure and the content of the remark to the activity were incorporated in the Draft Law. Also, the report refers only to the Law on the Foundations of the Education System, but not to the Law on Higher Education, as envisaged by the measure.

In relation to the Action Plan of 2013, some instructions from the notes are omitted from the Revised Action Plan, so there are no more instructions that the laws should contain that a director may not be elected more than twice to this function with effective suspension of employment contract at the work place from which he/she was elected during the mandate, while specifically this second instruction was integrated in the Draft, as seen from the report of the implementing entity. Also, the instruction that the Commission for the selection of candidates for employment, beside director and employees, who are still stated in the note, should be made up of the representatives of the school board and parents is missing. If it turns out that none of these instructions are entered in the corresponding draft law, the question will be raised about the significance of prescribing such measures, that have not been implemented for three years in a row.

During 2016, the Law on the Foundations of the Education System was not amended, while the Law on Higher Education was amended,¹²⁷ but in the area which is in no way related to the instructions set out in the Revised Action Plan. Government in the Report on the Strategy states that the reasons for the amendments to the law refer to improving the efficiency of the higher education system.¹²⁸

Objective 3.8.2. To adopt regulations governing educational inspections

The Revised Action Plan provides for two measures for fulfilment of this objective.

Measure 3.8.2.1. To adopt a Code of Conduct for teachers of pre-university education institutions and monitor its implementation

The first activity provides for the **ministry in charge of education** to draft and adopt the Code **by September 30, 2016**.

The activity contains a remark that the determination of the existence of the Code of Conduct, or the rules of conduct in the institution (under the Law on the Foundations of the Education System) is performed by regular inspection supervision. Each institution is under the obligation to adopt this act.

Indicator: Code is published on the webpage of the ministry in charge of education; Report on the

¹²⁶ MES, *Report on the implementation of the Strategy for 2016*, January 2017.

¹²⁷ "Official Gazette of RS", No. 87/16.

¹²⁸ Government of the Republic of Serbia, *Report on the implementation of the Strategy for 2016*, January 2017.

inspection supervision, containing information about the performed controls, is submitted

This activity was not implemented in compliance with the indicator.

The second activity provides for the **ministry in charge of education** to inform teachers and pupils about the Code rules **by December 31, 2016**.

The activity contains the same remark as the first activity.

Indicator: Code is published on the webpage of the ministry in charge of education; Report on the inspection supervision, containing information about the performed controls, is submitted

This activity was not implemented in compliance with the indicator.

MES Report on the Strategy states that this measure has not been implemented. It also states that in order to implement *activity 2.2.10.14.* of the AP 23,¹²⁹ Proposal of an action plan to fight against corruption in education was drafted, harmonized with the OECD Recommendations to strengthen integrity and fight against corruption in education and the Strategy for Development of Education in Serbia until 2020.¹³⁰ The Proposal envisages that by the end of September 2017, guidelines for drafting a code of conduct for each institution should be developed, which will include the behaviour of employees of the institution, pupils, and students and parents.¹³¹

Measure 3.8.2.2. To improve the mechanism for petitions, requests and complaints in the ministry in charge of education

The sole activity in the context of the measure provides for the **ministry in charge of education** to introduce **continuously** the obligation of informing citizens about the procedures for petitions, requests and complaints via the webpage of the line ministry, as well as the obligation to inform each applicant about the measures taken after the petition.

Indicator: Notice about the procedures for petitions and requests is published on the webpage of the line ministry; Enactment establishing the obligation to inform each applicant about the measures taken after the petition is adopted

The Agency is not able to assess the implementation of the activity.

MES Report on the Strategy states that the mechanism for petitions, requests and complaints in MES is posted on its webpage,¹³² titled "Contact Us". The sectoral representatives are responsible for monitoring the messages arriving at the e-mail address that is opened after clicking on the said banner. They respond to these questions no later than within 72 hours. MES in its report further indicates in which manner, via the webpage, contact persons in the sector can be accessed and, and that the additional forms for contact can be found on MES social networks (*Facebook* and *Twitter*).

On the basis of the inspection of MES webpage, it is evident that the mechanism for the realization of contact between the public and MES exists, that direct contact with individual sectors is enabled, and that a lot of space is devoted to information about the tasks of each sector. A notice

¹²⁹ This activity provides for the ministry in charge of education to develop by the end of June 2016 an action plan to comply with the recommendations of the OECD report "Strengthening the integrity and fight against corruption in education" of 2012.

¹³⁰ "Official Gazette of RS", No. 107/12.

¹³¹ MES, *Report on the implementation of the Strategy for 2016*, January 2017.

¹³² See: <http://www.mpn.gov.rs/>.

that MES Twitter and Facebook pages represent a space for the exchange of ideas, thoughts, suggestions and practices, and that via these social networks anyone can ask MES a question or make a comment, and get the answer in a few minutes. However, the implementing entity did not comment in the report whether the notice about the procedures for petitions and requests was published on the MES webpage, nor whether the enactment establishing the obligation of informing the applicant's about measures taken after it was adopted, nor did the search of the webpage reveal any notice or enactment. These two demands are part of the activity indicator on the basis of which a score would be rendered whether it was realized in line with the indicator, while the measure itself provides for the improvement of the mechanism for petitions, requests and complaints in the MES. Due to this, the Agency provided a recommendation to the implementing entity to refer to the exact link to these documents in the next report, and to explain in which way the mentioned mechanism was promoted.

This activity is problematic also because it refers to the "introduction" of something, which is by itself a one-off activity, and therefore the term "continuous" is not appropriate. The Agency stressed this in the opinion about the Draft Revised Action Plan dated March 2016, but this suggestion was not adopted. Recommendation of the Agency to the Ministry competent for judiciary is to appropriately change the term in the Revised Action Plan.

Objective 3.8.3. To ensure the transparency of the procedures for enrolment, examination, grading and evaluation of knowledge in all educational institutions

The Revised Action Plan provides for one measure for fulfilment of this objective.

Measure 3.8.3.1. To provide conditions for putting in full function a uniform information system in the education system and publish redacted information from the uniform information system in the education system („open data”)

The first activity provides for the **ministry in charge of education to continuously** modernize the uniform information system of education system and link it to the information systems of other state institutions, and to consolidate the existing data collection and information systems, and eliminate overlaps.

The activity contains the same remark that the system should be constantly upgraded, and the data updated.

Indicator: The report with data about modernization of information system software, adding new registers and data, their updating and defining protocols for the exchange of information between the information systems is submitted

This activity was not implemented in compliance with the indicator.

* Second activity was not due for implementation until the end of 2016.

MES Report on the Strategy states that the education information system is functioning, as well as printing of certain data from the information system in the open data format, which can be accessed.¹³³ It also states that direct linking of the information system to the systems of other state bodies has not been done, but that the printouts of data are available on the open data portal in such

¹³³ See: <http://opendata.mpn.gov.rs/>.

a form that other government bodies can download them as the input data.¹³⁴

However, the activity envisages that the software should be modernized, and to determine that it is necessary that the MES submit the report of indicator that contains information about modernization, adding new registers and data, their updating and defining protocols for exchange of information with the information systems of other state institutions. Since such a report was not submitted and because the MES states that linking of the information system with systems of other state bodies has not been done, the Agency concludes that the activity is not implemented in compliance with the indicator.

Objective 3.8.4. To ensure that the process of accreditation and subsequent control of the fulfilment of conditions for work of public and private educational institutions is based on clear, objective, transparent and pre-determined criteria

The Revised Action Plan provides for one measure for fulfilment of this objective.

Measure 3.8.4.1. To enhance the work of the Commission for Accreditation and Quality Assurance (CAQA)

The first activity provides for the CAQA to publish **continuously** reports on the findings of reviewers and CAQC, which are relevant for making accreditation decisions.

Indicator: Reports relevant for making accreditation decisions are published at the CAQA webpage

The Agency is not able to assess the implementation of the activity.

The second activity provides for the CAQA to publish performance reports at least once a year.

Indicator: Performance reports are published on the webpage of the CAQA

The Agency is not able to assess the implementation of the activity.

The MES report on the Strategy states that the webpage of the Commission for Accreditation and Quality Assurance is not operational until further notice and that CAQA is not able to use it and publish the necessary information on it due to the unsuccessful execution of a public procurement of website maintenance services. It further states that, while the webpage was operational, it contained published complete list of reviewers participating in the process of accreditation, also the CAQA decisions on accreditation of institutions and their study programs were fully accessible and continuously published in line with the CAQA sessions. It was pointed out that the decision on accreditation or decision on refusal of accreditation included the review reports, reports on the visit to the higher education institution, reports of the sub-commission for specific scientific or artistic field. It is further stated that all minutes of the CAQA sessions for the period from 2012 to 2015 were available on the webpage, as well as for the current period, and the guide for students was published with information about accredited higher education institutions and study programs. In addition, it was stated that on the page were published all CAQA annual reports, including the report for the period from July 14, 2015 until April 22, 2016, which was approved by the National Council for Higher Education.¹³⁵

¹³⁴ MES, *Report on the implementation of the Strategy for 2016*, January 2017.

¹³⁵ *Ibid.*

Indicators for both activities are set so that they refer to the webpage of the CAQA, which is currently not operational. Due to that there is no possibility for the indicators to be applied, although it is noticeable from the MES report that these obligations are met, and that there are objective circumstances preventing the verification. However, these two activities were assessed in the last year's Report of the Agency on the Implementation of the Strategy as unrealized,¹³⁶ so the Agency is not able to assess the compliance in accordance with the data of the previous reporting period.

Objective 3.8.5. To ensure transparency of sports financing and the ownership structure of sports clubs and federations

The Revised Action Plan provides for five measures for fulfilment of this objective.

Measure 3.8.5.1. To regulate by a special law, in accordance with the law regulating the sports, determining the status of sports federations and associations, property ownership and financing from public funds at the national and local level

The first activity provides for the **ministry in charge of sports** to prepare and submit to the Government the draft law **by September 30, 2016**.

Indicator: The draft law corresponding in content to instructions from measure is submitted to the Government

Verification factor: Reasoning of the Draft law, which includes an explanation of how the instructions of the measure and notes were included in the text of the draft or why they were not

This activity was not implemented in compliance with the indicator.

The second activity provides for the **Government** to submit **by December 31, 2016** the Proposal of the Law to the National Assembly.

Indicator: Proposal of the Law on the Amendments to the Law so that it structurally corresponds to the instructions of the measure is submitted to the National Assembly

Verification factor: Reasoning of the Proposal of the Law, which includes an explanation of how the instructions of the measure and notes were included in the text of the Proposal or why they were not

This activity was not implemented in compliance with the indicator, since the previous conditional activity was not fulfilled.

* Third activity was not due for implementation until the end of 2016.

The Law on Sports of February 2016¹³⁷ foresees that local government units through the competent authorities closely regulate conditions, criteria and method and procedure for allocation of funds from the local government budget, or approval of the program to meet the needs of citizens in the area of sports in the territory of local government units and the manner of public disclosure of information about the proposed programs for financing, approved programs and the implementation of the approved programs (Article 138, Paragraph 2). Rulebook on the approval and financing of programs for realization of common interest in the area of sports

¹³⁶ See: Anti-corruption Agency, *Report on the implementation of the Strategy for 2015*, pp. 231-233.

¹³⁷ "Official Gazette of RS", no. 10/16.

entered into the force on July 12, 2016. The largest number of organizations in the area of sports (over 95%) is registered in the legal form of the association of citizens.

According to the Law on Sports, Ministry of Youth and Sport funds regular program activities of 87 national sports associations (all in the status of association of citizens), in accordance with the Rulebook on National Associations, through which the general interest in the area of sports in the Republic of Serbia is realized. The Law on sport stipulates that the privatization of property and capital, socially or publicly owned, in the organizations in the area of sport shall be regulated by a special law (Article 179, paragraph 1).¹³⁸ The Government Report on the Strategy states that the activity is not carried out, due to the fact that it is necessary for the proponent to submit the Draft Law to the Governmental procedure.¹³⁹

The measure, therefore, required that a special law regulated determining the status of sports federations and associations, property ownership and financing from public funds at the national and local level. From the report of the implementing entity it is not sufficiently clear whether the determination of the status of sports federations and associations is regulated to the extent required by the Revised Action Plan, funding of sports from public funds at national and local level is left to the by-laws, while the ownership of the asset, i.e. privatization of assets and capital in social or public ownership accessible to sports organizations, in accordance with the Law on Sports, will be regulated by a special law. Therefore, it can be concluded that the measure was not adequately formulated, or that clearer instructions are needed in respect of which Law needs to be adopted and which level of regulation is required that it can be considered as realized.

Activities of other measures in the context of this objective were not due for implementation until the end of 2016.

3.9. MEDIA

The one following objective is formulated under the ninth area of the Strategy – Media – transparent ownership, media funding and editorial policy (**objective 3.9.1.**).

For achievement of this objective, one measure and one activity was foreseen, for which the Agency was not able to assess the implementation.

Acting in compliance with the Strategy and Revised Action Plan

Measure 3.9.1.1. To establish, maintain and update the public databases/registry of the media (ownership structure)

The sole activity provides for the **Ministry of Culture and Information to continuously update and maintain the register.**

Indicator: All changes to the media register are available on the webpage of the Business

¹³⁸ Ministry of Youth and Sports, *Report on the implementation of the Strategy for 2016*, February 2017.

¹³⁹ Government of the Republic of Serbia, *Report on the implementation of the Strategy for 2016*, January 2017.

The Agency is not able to assess the implementation of the activity.

The Report on the Strategy of the Ministry of Culture and Information states that the Media Register is kept by the Serbian Business Registers Agency (SBRA), and that the entry of the media began on February 13, 2015, or six months from the day the Law on Public Information and Media entered into force.¹⁴⁰ On that day Register of Public Media, which was kept by the SBRA, ceased to be in force and all the data that had been registered in it were transferred to the new register. All registered media had a deadline until August 13, 2015 to deliver to the new registry information about media, which were not required as the subject of registration by the previously applicable regulations. Regarding the submitted registration applications, the Registrar shall issue a decision on their acceptance or rejection. These decisions are included in all other data related to a specific media. Registrar performs its tasks in accordance with the provisions of the Law on Business Registers Agency¹⁴¹ and the Law on Public Information and Media.

The Ministry also stated in the report that it indicated during the procedure of revision of the Action Plan that control over the work of the SBRA was under the jurisdiction of the Ministry of Economy, and therefore it was necessary to appoint as the implementing entity for this activity either that ministry or SBRA.¹⁴²

The Agency also recommended to the ministry in charge of judiciary to adequately alter the implementing entity for this measure.

In a view of the only objective in this area, which involves providing transparent ownership, funding and editorial policy of the media, it is important to emphasize that the assessment of the European Commission Progress Report for Serbia in 2016 indicates:

- that the package of laws in the media sector still needs to be entirely implemented;
- that the privatization of state-owned media has not led to greater transparency in the ownership or source of their funding, including funding by the state;
- that the co-financing of media content should be implemented in accordance with the legal framework, with the use of fair and transparent procedures and without the interference of state administration, especially at the local level;
- that Serbia should especially make the Regulatory body for electronic media fully operational, in order to provide support to the editorial independence of the media; and that it should also
- ensure adequate funding of public media outlets and editorial independence, in order to

¹⁴⁰ "Official Gazette of RS", Nos. 83/14, 58/15 and 12/16 – authentic interpretation.

¹⁴¹ "Official Gazette of RS", Nos. 55/04, 111/09 and 99/11.

¹⁴² Ministry of Culture and Information, *Report on the implementation of the Strategy for 2016*, February 2017.

support them in serving the public interest.¹⁴³

On the basis of all the above stated, it can be concluded that this objective is still not achieved, and the fact that in the context of this area only one measure remained, that relates to a mere maintenance of the register in SBRA, with inadequately specified implementing entity, indicates that this Strategy area is also left for implementation through some other documents, such as the AP 23, which envisages a series of measures in the field of media.

4. PREVENTION OF CORRUPTION

In the context of this chapter of the Strategy the objectives are formulated so as to refer both to the areas of priority action, and to all other areas where corruption may occur, namely ten goals:

1. to conduct a corruption risk analysis in the process of the drafting of legislation (**objective 4.1.**);
2. to implement a system of employment and advancement in public authorities on the basis of criteria and merits (**objective 4.2.**);
3. to provide transparency in the work of public authorities (**objective 4.3.**);
4. to conduct continuous education on corruption and methods to fight corruption (**objective 4.4.**);
5. to create conditions for more proactive participation of civil society organizations in the fight against corruption (**objective 4.5.**);
6. to create conditions for more proactive participation of the private sector in the fight against corruption (**objective 4.6.**);
7. National Assembly to monitor the implementation of the conclusions and recommendations adopted with regards to the reports of independent state authorities (**objective 4.7.**);
8. to expand and specify the competences and enhance human resource capacities and work conditions of the Anti-Corruption Agency, the Ombudsman, The Commissioner for Information of Public Importance and Personal Data Protection and the State Audit Institution (**objective 4.8.**);
9. to establish efficient and effective protection of whistle blowers (persons who report suspicions of corruption) (**objective 4.9.**);
10. to establish a system for prevention of the conflict of interest of public sector employees (**objective 4.10.**).

For achievement of these ten objectives, 16 measures and 34 activities were foreseen, out of which 17 activities were subjected to examination. According to the Agency assessment, out of 17 examined activities:

- 4 activities were implemented in compliance with the indicator, in the manner provided for by the Revised Action Plan. Two activities are of permanent nature, while the other two one-off activities were implemented in due time;

¹⁴³ European Commission, *Progress Report for Serbia for 2016*, p. 22.

- 8 activities were not implemented in compliance with the indicator, 2 of them due to the fact that a prior activity, they were dependent on, was not implemented;
- for 5 activities the Agency was not able to assess the implementation.

Acting in compliance with the Strategy and Revised Action Plan

Objective 4.1. To conduct a corruption risk analysis in the process of the drafting of legislation

The Revised Action Plan provides for two measures for fulfilment of this objective, but the deadlines for activities in their context are conditioned by the adoption of the new Law on the Anti-Corruption Agency, specifically by the activities that need to be implemented after its adoption. This law still has not been adopted.

Objective 4.2. To implement a system of employment and advancement in public authorities on the basis of criteria and merits

The Revised Action Plan provides for six measures for fulfilment of this objective.

Measure 4.2.1. To establish conditions and criteria for employment and promotion in the public administration (including nominated and appointed persons) in accordance with the principles of competitiveness and transparency

The first activity provides for **the ministry in charge of state administration** to conduct analysis of regulations that govern labour legal status of the public administration organs with recommendations **by September 30, 2016.**

The activity contains a remark that the deadline for this measure complies with the deadline of the measure 2.1.1. of the Action Plan for the implementation of the Strategy for Public Administration Reform.

Indicator: Report on conducted analysis is submitted

The Agency is not able to assess the implementation of the activity.

The second activity provides for **the ministry in charge of state administration** to prepare and submit to the Government the draft laws on amendments to the laws in line with the recommendations of the analysis **by December 31, 2016.**

Indicator: Drafts of the Law on Amendments to the Law which corresponds in its content to the recommendations of the analysis are submitted to the Government

Verification factor: Reasoning from the drafts of the laws containing the explanation of the manner in which the recommendations from the analysis were inserted in the text of the draft

This activity was not implemented in compliance with the indicator.

The third activity provides for the **Government** to submit to the National Assembly proposals of the laws on amendments to the laws **by December 31, 2016.**

Indicator: Proposals of the laws on amendments to the laws that by their content correspond to the recommendations of the analysis are submitted to the National Assembly

Verification factor: Reasoning from the proposals of the laws containing the explanation of the

manner in which the recommendations from the analysis were inserted in the text of the proposals

This activity was not implemented in compliance with the indicator, since the previous conditioning activity was not fulfilled.

The fourth activity provides for the **National Assembly** to adopt the laws on amendments to the laws **by December 31, 2016.**

Indicator: Laws on amendments to the laws are adopted

This activity was not implemented in compliance with the indicator, since the previous conditional activity was not fulfilled.

MPALSG Report on the Strategy states that the implementation of the measures is underway. According to the Report, based on the expert baseline a Draft Law on Amendments to the Law on Civil Servants is prepared, which provides for the strengthening of the competition process securing objectivity and impartiality, determining the length of duration of the “acting” status with the real needs of the procedure for filling the position, more precise defining of the deadline for the acting person to perform duties on the position, or when by force of the law the acting status terminates and establishing a more efficient, transparent and competitive method of filling the position by conducting either internal or public open competition, in order to fill all positions with persons selected after the implemented competitive procedure. Action plan for the implementation of the Strategy for reform of public administration in the Republic of Serbia for the period 2015-2017 provides for amendments to the Law on Civil Servants, in order to improve the legal framework of the civil service system based on merits and human resource management in the state administration. This improvement should be governed by principles of depoliticization, professionalism and merits. The introduction of measure to retain staff in the priority areas of the state civil service system is also needed and the introduction of the system of basic and functional competencies.

The MPALSG report further states that a document with basic guidelines and policy framework for the human resources management in the state administration is drafted. This document proposes the basic directions for further regulating the state civil service system. MPALSG indicates that in accordance with the above stated, it will prepare amendments to the Law on Civil Servants, which will, inter alia, regulate and establish the conditions and criteria for employment and advancement in accordance with the principles of competitiveness and transparency.

Amendments to the Law on Civil Servants, as the MPALSG report indicates, are not adopted due to the announcement of early parliamentary elections and the dissolution of the National Assembly of the Republic of Serbia. The adoption is expected by the end of the last quarter of 2017.¹⁴⁴

The Government Report on the Strategy states that the activity was not implemented because the proposer should submit the Draft Law on Amendments to the Law for governmental procedure,¹⁴⁵ while the National Assembly Report indicates that the activity was not implemented because the

¹⁴⁴ MPALSG, *Report on the implementation of the Strategy for 2016*, January 2017.

¹⁴⁵ Government of the Republic of Serbia, *Report on the implementation of the Strategy for 2016*, January 2017.

Proposal of the Law has not been submitted to the National Assembly by the authorized proposer.¹⁴⁶ At the end of 2016, MPALSG released the Draft Law on Amendments to the Law on Civil Servants. The subject of the draft are the amendments to the Law in part that refers to the adoption and implementation of the professional training programs. The Agency published an opinion on the corruption risks assessment in this text.¹⁴⁷

The Agency stresses that the deadline in the third and fourth activity is formulated so that it hardly leaves much space for the implementing entities to fulfil their obligations on time, since the same deadline (December 31, 2016) is stipulated for both the submission of the draft and submission of the proposal and adoption of the law. Therefore the recommendation for the ministry responsible for judiciary is to modify such method of determining the deadlines.

The EC Report on Serbia's progress for 2016 notes the limited progress in implementation and modification of the current civil services framework, in order to guarantee neutrality and continuity of public administration and to secure that the recruitment, promotion and dismissal are based on merits, and especially the elimination of exemptions and interim solutions in appointments. The report states that the principle of merits is questioned due to excessive discretion given to the political level for the final selection of candidates and the lack of clear criteria for organizing tests for the selection and composition of the commission for selection. Exemptions from the regular employment procedures are allowed for temporary employees (about 10%). The report concludes that the legal separation of working places between political appointment and work in the public administration is not clearly conducted, that political influence has a key role in filling the senior leadership positions, while more than 60% of senior civil servants were not appointed in accordance with the legal provisions. EC further states that the number of senior civil servants still remains an area to access with the special attention and that the legal framework leaves room for abuse on the occasion of dismissal. The law allows for the termination of duty on the basis of "serious disorder", but without any formal definition of this provision, and after the cancellation of the managerial position due to internal reorganization. The EC notes that a positive step represents the adoption of the Law on the employees of the autonomous provinces and local self-government units in March 2016, which extends the existing framework of civil servants to the local level and introduces a system of human resources management based on merits. Human resources management in the state administration is not well developed and mainly focuses on compliance with the law. The performance grading system remains inefficient, and MPALSG, which is competent for central coordination of human resources management, under the assessment of the EC, does not have capacities to coordinate and harmonize the work of the human resources units.¹⁴⁸

Measure 4.2.2. To standardize the payroll system and social rights in the public sector

¹⁴⁶ National Assembly, *Report on the Implementation of the Strategy for 2016*, January 2017.

¹⁴⁷ Anti-Corruption Agency, *Opinion on corruption risk assessment in the provisions of the Draft Law on Amendments to the Law on Civil Servants*, January 10, 2017, available at <http://www.acas.rs/wp-content/uploads/2012/12/Misljenje-%D0%BE-Nacrtu-zakona-o-izmenama-i-dopunama-zakona-o-drzavnim-sluzbenicima-final.pdf>.

¹⁴⁸ European Commission, *Progress Report for Serbia for 2016*, p. 12.

The first activity provides for **the ministry in charge of state administration and local self-government and the ministry in charge of labour, employment, veteran and social affairs** to conduct analysis of regulations that govern the system of wages and salaries and social rights in the public sector with the recommendations **by September 30, 2016**.

The activity contains a remark that the implementing entity for the social welfare system is ministry in charge of labour and social affairs, while the ministry in charge of state administration is the implementing entity for employment, wages and salaries in state services.

Indicator: Report on the conducted analysis is submitted

The Agency is not able to assess the implementation of the activity in the part that refers to the ministry in charge of state administration and local self-government.

This activity was not implemented in compliance with the indicator in the part that refers to the ministry in charge of labour, employment, veteran and social affairs.

* The second and third activity were not due for implementation until the end of 2016.

The MPALSG Report on the Strategy states that this activity is implemented through the adoption of the Law on the system of salaries in the public sector,¹⁴⁹ as a systemic law, which serves as a normative basis for preparation of specific legislation that is underway.¹⁵⁰ The Law entered into force on March 9, 2016, and shall be applied from January 1, 2018, i.e. from July 1, 2017, to the employees in the bodies and organizations of the autonomous province and of local self-government units (Article 40.).

This law provides for the transition to a system of single basis for the calculation and payment of salaries, in order to ensure maximum transparency and comparability of salaries of public sector employees. In this way, as the report states, it will be easier to compare the salaries in different parts of the system and simpler to control changes in individual subsystems. The implementing entity further stated that the first step after the adoption of the Law is the recalculation of the coefficients on a single basis, so there will be one basis and one range of coefficients, which corresponds to one basis. Moreover, the Law establishes ranges of salary groups and salary grades, the criteria for evaluating jobs and general descriptions of the salary groups against which classification of jobs, occupations and positions in the appropriate salary group and salary grade will be performed. Classification will be defined by a special law, which will regulate the level of the base salary for a specific work place, or occupation and position.

The Report stresses that Law still leaves room for independence and flexibility in determining the salary structure in order to recognize the specificity of certain sub-systems, such as the healthcare, education or state authorities, but within the parameters set under the systemic law. The law provides for the possibility to determine by special laws corrective coefficients, which are realized on the basis of fixed conditions for performing tasks or other permanent circumstances occurring during the tasks of the relevant work place, but which are not taken into account in the classification into salary groups and salary grades.

The report further notes that the whole system seems less rigid due to the fact that special regulations will be passed and harmonized with this law, related to salaries and other wages of employees in diverse categories of public authority bodies, which will enable the flexibility of the system in order to render particular specifics of each of the subsystems.

¹⁴⁹ "Official Gazette of RS" nos. 18/16 and 108/16.

¹⁵⁰ MPALSG, *Report on the implementation of the Strategy for 2016*, October 2016.

The law establishes general increase of salaries and their level, while special laws will enable to determine other salary increases, justified by the specific working conditions or other circumstances due to which the tasks are performed periodically, which were not taken into account when classifying into salary groups and salary grades, nor in determining the corrective coefficient.

The adoption of special laws and harmonization of the existing ones by July 1, 2017, i.e. by January 1, 2018, will complete the whole salary system. Employees will retain the salary found in the moment of the beginning of the application of the special law, and it will be reconciled with the salary level that the employee would achieve by applying the provisions of the new system, but that reconciliation must be gradual due to adjustments to budget constraints.¹⁵¹

Besides the detailed explanation of how the new system will work, MPALSG has not submitted in the report any information whether the adoption of this law was preceded by an analysis of regulations governing system of salaries and wages and social rights in the public sector with recommendations, nor the very analysis.

The report of the Ministry of Labour, Employment, Veteran and Social Affairs states that, in terms of the scope of the ministry jurisdiction, in the third and fourth quarter of 2016 there has not been any realization of the activities envisaged by the measures in the Action Plan.¹⁵²

In the Report on Serbia's progress for 2016, EC notes that the adoption of the new Law on the system of salaries in the public sector in February 2016, which is based on the principle of equal wages for equal work, is a positive step.¹⁵³

Measure 4.2.3. To develop a database on withholding agents and on paid contributions for mandatory social insurance per beneficiary, which is regularly updated

The first activity provides for the **CRMSI** to amend existing technical solutions of the Central Registry of Mandatory Social Insurance **by September 30, 2016**, in accordance with the recommendations of the analysis.

Indicator: Report on the method of modifying the technical solutions of the Central Registry of Mandatory Social Security in accordance with the recommendations of the analysis is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, this activity was implemented in the manner and within the timeframe stipulated by the Revised Action Plan.

The second activity provides for the **CRMSI** to establish a technical connection with the Tax Administration **by December 31, 2016**.

Indicator: Report on the method of establishing technical connection is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, this activity was implemented in the manner and within the timeframe stipulated by the Revised Action Plan.

In the course of 2015, in accordance with the implemented public procurement procedure and the concluded contract, redesigning of the CRMSI Information System was performed, in the part

¹⁵¹ MPALSG, *Report on the implementation of the Strategy for 2016*, July 2016.

¹⁵² Ministry for Labour, Employment, Veteran and Social Affairs, *Report on the Implementation of the Strategy for 2016*, February 2017.

¹⁵³ European Commission, *Progress Report for Serbia for 2016*, p. 12.

that is related to the development of the database on the withholding agents and the paid contributions for mandatory social insurance per individual, in accordance with the set objectives and measures. Full implementation and commissioning of the part of the CRMSI Portal, related to the connection with the Tax Administration, followed in January 2016. In the course of March and April 2016 the technical connection was established with the organizations of mandatory social insurance, the Republic Pension and Disability Insurance Fund (PDIF), the National Health Insurance Fund (NHIF) and the National Employment Service (NES), in the part that refers to the exchange of data on the paid contributions for mandatory social insurance.¹⁵⁴

Measure 4.2.4. To strengthen capacities of the Central Registry of Mandatory Social Insurance, to ensure efficient control of the calculation and collection of contributions for mandatory social insurance

The second activity provides for the **CRMSI** to develop and **continuously** implement the training curriculum of employees in line with the recommendations of the analysis.

Indicator: Training curriculum that corresponds to the recommendations of the needs analysis; Report on the implemented training curriculum is submitted per year of Strategy validity

The Agency is not able to assess the implementation of the activity.

The third activity provides for the **CRMSI** to purchase equipment in accordance with the needs analysis **by December 31, 2016.**

Indicator: Report on the purchased equipment is submitted

The Agency is not able to assess the implementation of the activity.

*The first activity was not due for implementation until the end of 2016.

The CRMSI Report on the Strategy states that the amendment of the Rulebook on the internal organization and systematization of jobs in CRMSI in accordance with the needs was not carried out. This, namely, was not possible due to lack of funds for the payment of wages if the amendments to the Rulebook entailed an increase in the number of employees in the IT sector.

Also legal constraints for increasing the number of employees are present (Decision on the maximum number of permanent employees in the system of state authorities, the system of public services, APV system and the system of local self-government for 2015¹⁵⁵). CRMSI conducts the training of employees with regard to the allocated funds in 2016, and the report notes that an aggravating circumstance represents the stance of the Human Resource Management Service that all of its free trainings are not available to CRMSI employees, since they do not have the status of civil servants, but the status of employees in the public service.¹⁵⁶

The CRMSI report further states that in 2016 sufficient resources were provided for the smooth functioning of the information system. Public procurement was conducted for software maintenance, renewal of licenses and information system support by December 31, 2016. At the time the report was sent (July 2016), second public procurement procedure was underway, for

¹⁵⁴ CRMSI, *Report on the implementation of the Strategy for 2016*, July 2016.

¹⁵⁵ "Official Gazette of RS", Nos. 101/15 and 114/15.

¹⁵⁶ CRMSI, *Report on the implementation of the Strategy for 2016*, July 2016.

obtaining server and storage for ETPM base, as well as the necessary related ancillary services of CRMSI information system optimisation.¹⁵⁷

The only activity in the context of the measure 4.2.5. was not due for implementation until the end of 2016, although CRMSI report notes that this measure is implemented bearing in mind that technical connection was established with the competent authorities and organizations (SBRA, Labor Inspection, PDIF, NHIF and NES).¹⁵⁸ Namely, the measure provides for the enhancement of the database on the submitted single electronic applications for mandatory social insurance, which is regularly updated, through the activity of establishing technical connection with the mentioned entities by the end of 2017, in cooperation with the Ministry of Health.

Measure 4.2.6. To conduct a campaign to inform the parties filing a single electronic application for mandatory social insurance, as well as the insured parties, on the importance and availability of the data and centralized database of the Central Registry of Mandatory Social Insurance

The sole activity in the context of the measures provides for **CRMSI** to conduct a campaign in accordance with the plan and program **by December 31, 2016**.

The activity contains a remark that it should be implemented in cooperation with the ministry in charge of labour and social policy.

Indicator: Report on conducted campaign and the method of providing cooperation with the subject from the remark is submitted

The Agency is not able to assess the implementation of the activity.

The CRMSI Report on the Strategy states that the employees of CRMSI, in the capacity of lecturers, attended numerous trainings for parties filing electronic application for mandatory social insurance. In 2016, CRMSI several times informed the public through media about the novelties offered to the insurance payers, insured persons and withholding agents. CRMSI Portal, where detailed electronic instructions are available, as the report states, represents a central place for informing parties filing electronic application. Also, CRMSI professional service in the daily work with parties, front office employees of mandatory social insurance organizations and other beneficiaries of the Centralized CRMSI database, provides technical and legal assistance by providing answers and guidance, by telephone or electronically.¹⁵⁹ However, the report does not mention conducting of a separate campaign focused on the method envisaged in the measure, nor the form of cooperation with the ministry responsible for labour and social policy in its implementation.

Objective 4.3. To provide transparency in the work of public authorities

All measures in the context of this objective are deleted from the Revised Action Plan, while two

¹⁵⁷ *Ibid.*

¹⁵⁸ *Ibid.*

¹⁵⁹ *Ibid.*

will continue to be monitored through the AP 23, one measure is deleted because it was achieved, and one is deleted without explanation (measure with a similar objective is provided in the AP 23 - Activity 2.2.5.5).

Objective 4.4. To conduct continuous education on corruption and methods to fight corruption

The Revised Action Plan provides for one measure for fulfilment of this objective, but the deadline for the sole activity in its context is conditioned by the adoption of the new Law on the Anti-Corruption Agency, which still has not been adopted.

Objective 4.5. To create conditions for more proactive participation of civil society organizations in the fight against corruption

The Revised Action Plan provides for three measures for the fulfilment of this objective.

Measure 4.5.1. To amend the Decree on funds for stimulating programmes or cost-share for financing the programmes of public interest implemented by associations, in order to introduce an obligation for all beneficiaries to enclose a statement, when applying for the allocation of public funds, on the absence of conflict of interest and an internal act on their anti-corruption policy

The sole activity in the context of the measure provides for the **Government** to adopt amendments to the Decree **by December 31, 2016**.

The activity contains a remark that the internal document implies all kinds of acts dealing with the anti-corruption policy, including the Code of Ethics.

Indicator: Decree whose content corresponds to the instructions of the measure and the remark is adopted

This activity was not implemented in compliance with the indicator.

The MPALSG Report on the Strategy states that this measure is not implemented, but that there are activities underway in the Ministry, related to the formation of a special working group to prepare Draft amendments to the Decree. As an explanation why the measure is not implemented in the stipulated timeframe, MPALSG indicates its several months long engagement in the activities on the implementation of parliamentary, provincial and local elections in the course of 2016. It adds that in the Government performance plan July 2017 is stipulated as the deadline for providing this act for review and decision making.¹⁶⁰

Measure 4.5.2. To amend the Decree on funds for stimulating programmes or cost-share for financing the programmes of public interest implemented by associations, in order to improve the framework referring to criteria, terms, scope, method and procedure for the allocation of funds

¹⁶⁰ MPALSG, *Report on the implementation of the Strategy for 2016*, January 2017.

The sole activity in the context of the measure provides for the **Government** to adopt amendments to the Decree **by December 31, 2016**.

The activity contains a remark that the amendments to the Decree should be formulated in cooperation with the Office for Cooperation with Civil Society; limit the discretionary rights of the Committee members who decide on the allocation of funds to associations, the selection of members, as well as to regulate the issue of accountability and control of executed appropriations.

Indicator: Amendments to the Decree whose content corresponds to the instructions of the measure and the remark, formulated in cooperation with the Office for Cooperation with Civil Society, are adopted

This activity was not implemented in compliance with the indicator.

The MPALSG Report on the Strategy quotes completely the same text, as for **measure 4.5.1**.¹⁶¹

Government Report on the Strategy states that on November 12, 2015 amendments to the Decree were adopted, enabling the realization of the principle of transparency in funding projects of public interest realized by associations.¹⁶²

The Agency Report on the implementation of the Strategy for 2015 assessed that the amendments to the Decree of 2015 did not relate to the subject matter of **measures 4.5.1. and 4.5.2**. Namely, the Office for Cooperation with Civil Society at the end of August 2015 referred to MPALSG initiative to amend the Decree so as to meet the requirements of the Action Plan for the implementation of the initiative of the Open Government Partnership in the Republic of Serbia for 2014 and 2015, relating to the promotion of the process of transparent funding of civil society organizations. Thus an opportunity was missed to amend the Decree and fulfil the requirements of the Action Plan on the basis of these two measures.¹⁶³

Government recommendation from the Report on the Strategy for 2014, cited in the Report on the implementation of the Strategy for 2014 and 2015, to appoint as implementing entity for these two measures MPALSG instead of it, was not adopted, so the Revised Action Plan still assumes that the Government is the implementing entity.

Measure 4.5.3. To set up a system of continuous consultations between the Anti-Corruption Agency and CSOs

The sole activity in the context of the measure provides for **the Agency** to organize **continuously** consultative meetings with civil society organizations.

Indicator: At least two consultative meetings are held per year of Strategy validity

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, the activity was implemented in the manner and

¹⁶¹ *Ibid.*

¹⁶² Government of the Republic of Serbia, *Report on the implementation of the Strategy for 2016*, January 2017.

¹⁶³ Anti-Corruption Agency, *Report on the implementation of the Strategy for 2015*, pp. 260 and 262-263.

within the timeframe stipulated by the Revised Action Plan.

During 2016, the Agency, in order to implement this measure, held two consultative meetings with civil society organizations. The most important potential of consultative meetings lies in the possibility of establishing a permanent dialogue between the Agency and civil society, exchange of opinions and ideas and empowerment for future joint initiatives and projects.

Continuing the established practice of holding at least one meeting per year with the representatives of civil society organizations outside the capital, the first consultative meeting was held in Niš. The meeting was attended by 11 representatives of civil society organizations from Niš, concerned with the prevention and fight against corruption. The focus of the dialogue was aimed at controlling public authority bodies and the experiences of civil society organizations in this field with special emphasis on the issue of conflict of interests of officials. Also, participants have analysed the causes and manifestations of corruption at the local level, and concluded that it was necessary to educate civil society representatives on this issue.

The second meeting was held in late 2016 in Belgrade, and it aimed at presenting the experiences of civil society organizations in the implementation of information and communication technologies in the projects dealing with the prevention of corruption. Functioning of two portals was presented at the meeting: „integrist.net“ and „budzeti.rs“ promoting partnerships with citizens, or their active involvement in the control and supervision over the work of public authorities. Participants concluded that the involvement of citizens and openness of institutions to exchange of information and data were crucial to the success of civic initiatives related to the prevention of corruption. The meeting was attended by 10 representatives of civil society organizations.

The EC Report on Serbia's progress for 2016 concludes that the civil society is struggling to influence the policy creation and is facing the obstacles set by certain parts of the state administration. The participation of civil society in the creation of policy is at most levels still largely *ad hoc*, indicating that full potential of this sector is not achieved.¹⁶⁴

Objective 4.6. To create conditions for more proactive participation of the private sector in the fight against corruption

The Revised Action Plan provides for two measures for the fulfilment of this objective.

Measure 4.6.1. To amend the Law regulating income tax of legal entities so that the fight against corruption is cited as one of the purposes/activities for which the companies providing financial support to the civil society may be granted with special tax relief

The first activity provides for **the ministry in charge of finance** to prepare and deliver the Draft Law on Amendments to the Law **by September 30, 2016**.

Indicator: The Draft Law on Amendments to the Law, which in its content corresponds to the

¹⁶⁴ European Commission, *Report on Serbia's progress for 2016*, p. 9.

instructions of the measure is submitted to the Government

Verification factor: Reasoning from the draft law containing the explanation of the manner in which the instructions from the measure were inserted in the text of the draft

This activity was not implemented in compliance with the indicator.

*The second and third activity were not due for implementation until the end of 2016.

The Alternative Report on the Implementation of the Strategy for 2015, produced by Transparency Serbia, states that the Ministry of Finance, in response to a request for access to information of public importance in connection with this measure, informed this organization of the following:

When amending the Law on Income Tax of Legal Entities in 2015, the possibility of the introduction of the stated tax relief was discussed, but it was concluded that at that moment it was not appropriate to introduce special tax reliefs for legal entities providing financial support to civil society organizations for the purpose/activity of fighting against the corruption, for the following reasons:

- lack of instruments for monitoring compliance with the legal requirements for granting tax reliefs, or the possibility of perceiving effects which could be achieved by introducing specific reliefs, due to which there was no possibility of monitoring the realization of the set objective after its introduction, which could lead to abuses in practice;
- increase of the administrative costs for monitoring implementation of reliefs;
- tax relief as a measure for achievement of this objective could affect only the provision of financial resources for the work of these organizations, due to which the MoF believed that another method for securing funds should be considered, that would be easier to monitor and analyse its effects;
- reduction of budget revenues, whose effect could not be perceived.¹⁶⁵

This text is set out in the opinion on the Draft of the Revised Action Plan, submitted by the Agency to the Ministry of Justice in March 2016, but the measure remained in the same form in the final version of the document. MoF in the Report on the Strategy notes that there are no changes in relation to the previously submitted report.¹⁶⁶

Measure 4.6.2. To recommend to the Serbian Chamber of Commerce to enact, publish and promote anti-corruption standards and practices such as: the Code of Business Ethics, the Code of Corporate Governance, promotion of ICC anti-corruption standards, rules of the Anti-Corruption Declaration of the Global Compact in Serbia, as well as the companies which adopted anti-corruption plans or integrity plans

The sole activity in the context of the measure provides for the **SCC** to **continuously** organize meetings and seminars in the field of anti-corruption in cooperation with institutions of the Republic of Serbia and promote companies' good practices in the field of anti-corruption.

¹⁶⁵ See: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2015*, pp. 177-178.

¹⁶⁶ Ministry of Finance, *Report on the implementation of the Strategy for 2016*, February 2017.

Indicator: Report on the number of organized meetings and seminar during the calendar year is submitted

This activity was implemented in compliance with the indicator for the reporting period. According to data available to the Agency, the activity was implemented in the manner stipulated by the Revised Action Plan.

During 2016, Serbian Chamber of Commerce (SCC) organized five events which indirectly or directly elaborated on the subject of company's anti-corruption:

- January 28 – Round table "Legal framework for the fight against corruption in the Anglo-Saxon countries - implications for business operations in Serbia" – organized by the SCC and the OSCE Mission in Serbia;
- March 23 – Round table "How to apply the law on the protection of whistleblowers - American and Serbian experience" – organized by the Portal Pištaljka , Global Compact in Serbia and SCC;
- June 6 – The fifth session of the Round table “Anti-Corruption - this is how we do it” organized by the SCC, in cooperation with the network of socially responsible companies Global Compact in Serbia, in order to exchange the experience of companies and organizations on the subject of internal anti-corruption rules and methods of fighting against corruption. Internal anti-corruption policies were presented by the companies: NIS a.d., *AIR Serbia and Philip Morris*;
- September 20 – Seminar "The importance of anti-corruption policies of the International Trade Chamber and their application in practice through the corporate responsibility of companies“ – organized by the SCC, in cooperation with the International Trade Chamber of Paris. Seminar was dedicated to the further development of the fight against corruption with practical advice for identifying corruption in the operations of the companies and the ways of fighting against it;
- November 20 – Round table "Introduction of the new *ISO* anti-corruption standard"– organized by the SCC and the OSCE Mission in Serbia.
- In September 2016, SCC conducted a survey on the implementation of the Law on the Protection of Whistleblowers, in order to analyse its implementation. The survey was sent to the e-mail addresses of 21 companies.¹⁶⁷

Objective 4.7. National Assembly to monitor the implementation of the conclusions and recommendations adopted with regard to the reports of independent state authorities

The Revised Action Plan provides for two measures for the fulfilment of this objective.

Measure 4.7.1. To amend the Law on the National Assembly ("Official Gazette of RS", no.

¹⁶⁷ SCC, *Report on the implementation of the Strategy for 2016*, April, July and September 2016, January 2017.

9/10), in order to introduce the obligation of the Government to submit to the National Assembly at least once a year a report on the implementation of the conclusions of the National Assembly adopted with regard to the deliberation upon the reports of independent state authorities, organizations and bodies, within six months of the adoption of the conclusions of the National Assembly, with the obligation to deliberate upon the report of the Government at the session of the National Assembly

The sole activity in the context of the measure provides for the **National Assembly** to draft and adopt by **December 31, 2016** the Law on Amendments to the Law.

Indicator: Law on Amendments to the Law which in its content corresponds to the instructions of the measure is adopted

This activity was not implemented in compliance with the indicator.

In its Report on the Strategy, the National Assembly states that this activity was realized, although the Law on the National Assembly has not been amended. As an example of this, the report indicates the quarterly reports of the MoI on undertaking measures in accordance with a Special Protocol for actions of police officers in cases of violence against women in the family and in partnerships, to the Committee for Human and Minority Rights and Gender Equality.¹⁶⁸ The report further states that the convocation of the National Assembly was constituted on 3 June 2016, and that the National Assembly started exercising its legislative activities intensively since the Second regular session initiated on October 4, 2016. The Committee for Human and Minority Rights deliberated upon the following reports of the independent state authorities:

- Report on the implementation of the Law on Free Access to Information of Public Importance and the Law on Personal Data Protection for 2015, at the session of the Committee held on September 19, 2016;
- Regular annual report of the Ombudsman for 2015, at the session of the Committee held on September 21, 2016; and
- Regular annual report of the Commissioner for Protection of Equality for 2015, at the session of the Committee held on September 22, 2016.

Proposals of the conclusions of the Committee regarding the deliberation upon these reports will be determined on a special session of the Committee and thereafter referred to the National Assembly for adoption.¹⁶⁹

The EC Progress report for Serbia for 2016 notes that the Government publishes annual reports on monitoring the implementation of key strategic documents, which provides public insight into its work, but these reports do not assess the results achieved in relation to established objectives. The National Assembly shall exercise control of the Government's work through its special Legislative Committees, but the implementation of laws and strategies is evaluated only to a certain extent.¹⁷⁰

Activities in the context of **measure 4.7.2.** were not due for implementation until the end of

¹⁶⁸ National Assembly, *Report on the implementation of the Strategy for 2016*, April 2016.

¹⁶⁹ National Assembly, *Report on the implementation of the Strategy for 2016*, January 2017.

¹⁷⁰ European Commission, *Report on Serbia's progress for 2016*, p. 11.

2016.

Objective 4.8. To expand and specify the competences and enhance human resource capacities and work conditions of the Anti-Corruption Agency, Ombudsman, Commissioner for Information of Public Importance and Personal Data Protection and the State Audit Institution

All measures in the context of this objective are omitted from the Revised Action Plan, and will continue to be monitored through appropriate activities of the AP 23.

Objective 4.9. To establish efficient and effective protection of whistleblowers (persons who report suspicions of corruption)

All measures in the context of this objective are deleted from the Revised Action Plan, and will continue to be monitored through appropriate activities of the AP 23.

Objective 4.10. To establish a system for prevention of conflict of interest of the public sector employees

All measures in the context of this objective are deleted from the Revised Action Plan, and will continue to be monitored through appropriate activities of the AP 23.

5. IMPLEMENTATION AND MONITORING OF THE IMPLEMENTATION OF THE STRATEGY

This chapter of the Strategy defines one objective: to establish a system for implementation, coordination and monitoring of the implementation of the Strategy (**objective 5.**).

All measures in the context of this objective are omitted from the Revised Action Plan, while three measures will continue to be monitored through appropriate activities of the AP 23, and two measures were deleted given that they have already been implemented.

Measure 5.5. which was deleted as achieved provided for the analysis of achieved results of application of the Strategy and Action Plan and possibly suggesting their amendments, and the sole, closely set activity provided for the Ministry of Justice to conduct an analysis and evaluation of the degree of fulfilment of the Strategy and Action Plan by March 2016, and possibly propose their amendments. A remark to the activity provided for its implementation in cooperation with the Agency, the Anti-Corruption Council and other implementing entities of the Action Plan.

In accordance with this measure, the Revised Action Plan was approved on June 30, 2016. The Agency has no information whether the process of review was preceded by the analysis of the achieved results of the implementation of the Strategy and Action Plan, as foreseen by the

measure. For more information about the review process, see the section: *On monitoring methodology, Review of the Action Plan.*

5. RECOMMENDATIONS

In addition to achieving the Strategy objectives, that impose appropriate commitments for realization, under the sole responsibility of the public authorities, the Strategy also provides certain recommendations, which refer both to the public authorities and to the private and civil sectors.

The recommendations are not binding, meaning that no responsibility of public authorities is prescribed for failure to comply with recommendations, in particular of the entities from the private and civil sector. Hence, the Strategy recommends: (1) to journalist associations to (a) enhance the Code of Ethics of Serbian Journalists, in the part which refers to gifts and conflict of interest, as well as the application of the Code and inform the journalists about its provisions; (b) improve the education of journalists in the field of anti-corruption, with a view to avoid journalistic sensationalism and further raise public awareness on the dangers and harmful effects of corruption, including the necessity of its prevention; (2) to media publishers and providers of audio and audio-visual media services, to adopt enactments which define procedures for handling gifts and issues of conflict of interest of journalists and editors; (3) promotion and support in anti-corruption activities, and within that (a) support of media and experts; (b) education in the field of anti-corruption; (c) introduction of an annual award for the fight against corruption “Verica Barać” in categories of citizen, civil servant, member of the profession, scientist, entrepreneur and journalist; (4) encouragement to initiate specialist academic or professional development studies, as well as doctoral studies, dealing with different aspects of the fight against corruption; and (5) encouraging proactive cooperation and partnerships between the holders of anti-corruption measures and civil society organizations through activities, such as the organization of round tables, printing of publications and promotion materials on the dangers and harmfulness of corruption, with anti-corruption measures.

Since the Strategy does not foresee any methodology for monitoring the implementation of these recommendations, as in last two reports, the Agency recommends to the ministry responsible for judiciary to precisely define who is the addressee for the third, fourth and fifth recommendation, and then to consider the possibility to make the line ministries commit to monitor these areas, in the scope of their obligation to supervise their respective sectors and inform the Agency thereof within the regular reporting on the implementation of the Strategy, in order to provide information on the compliance with the recommendations.

III ON MONITORING METHODOLOGY

Improving the supervision mechanism

In the process of supervision over the implementation of the Strategy there are still challenges present since the process of drafting the first Report on the implementation of the Strategy, although the situation has significantly improved in relation to the initial period. Therefore, the Agency provided support for two innovations in the supervision process within the framework of the project "Support to the strengthening of mechanisms for prevention of corruption and institutional development of the Anti-Corruption Agency" implemented in the period from 2014 to 2016, financed by the Ministry of Foreign Affairs of the Kingdom of Norway.

The first innovation pertains to the testing of a program for alternative reporting on the implementation of the Strategy by civil society organizations, selected at two public competitions organized by the Agency in 2014 and 2015. Their conclusions and recommendations were embedded in the Reports on the implementation of the Strategy for 2014 and 2015. Alternative reports of civil society organizations have significantly improved the quality of supervision over the implementation of the Strategy and the Action Plan and of the very reports, through higher volume and better quality of information on the implementation of these documents, as well as the critical and expert review of the majority of measures whose fulfilment was evaluated in the report. For a new cycle of alternative reporting in 2016 the Agency did not have secured funds.¹⁷¹

The other innovation relates to the introduction of application software for electronic reporting on the implementation of the Strategy, in order to facilitate reporting and supervision, prevent delays in submitting reports of implementing entities, at least partially solve the problems related to the uneven quality of their reports and, finally allow easier systematization and statistical and analytical data processing. In 2015, the Agency has established the infrastructure for electronic reporting, and during 2016 trainings were organized in 16 cities, with the presence of 244 participants from 186 implementing entities (71 courts, 82 local self-government units and 33 republic institutions). The application was first tested with users, i.e. implementing entities for the first time reported on their activities via the applications in the context of the reporting cycle for the third quarter of 2016. Difficulties in functioning of the application, observed during the testing, are continually eliminated.

Challenges in the field of supervision

By the end of February 2016, all republic implementing entities other than the Ministry of Justice, delivered their Reports on the Strategy for the fourth quarter of 2016.¹⁷² Reports were submitted by

¹⁷¹ More on alternative reporting see in: Anti-Corruption Agency, *Report on the implementation of the Strategy for 2014*, pp. 6-7 and *Report on the implementation of the Strategy for 2015*, pp. 7-8.

¹⁷² Reports for the fourth quarter of 2016 are provided by: the National Assembly, State Audit Institution, Government, Ministry of Internal Affairs, Ministry of Finance, Ministry of Economy, Ministry of Trade, Tourism and Telecommunications, Ministry of Construction, Transport and Infrastructure, Ministry of State Administration and Local Self-Government, Ministry of Education, Science and Technological Development (as part of which a Report on the obligations of the Commission for Accreditation and Quality Assurance is submitted), Ministry of Health, Ministry of Culture and Information, Ministry of Youth and Sports, Ministry of Labour, Employment, Veteran and Social Affairs, Tax

32 courts¹⁷³ (out of a total of 91, without the territory of Kosovo and Metohija) and 23 local self-government units¹⁷⁴ (out of a total of 145, without the territory of Kosovo and Metohija). Those are only the reports for the fourth quarter, while during the year other courts and local self-government units submitted their reports. Since none of the obligations of local self-government units was due in 2016, while basic and higher courts normally have only one obligation in the Revised Action Plan, failure to submit these reports has not affected the comprehensiveness of the Strategy implementation analysis in that part. In fact, most of the analysis refers to the activities of the republic implementing entities.

In the reporting periods of the third and fourth quarter of 2016, implementing entities received a reminder about the reporting obligation via the electronic application for reporting and a large number of them responded to this obligation. However, like in the previous years, deadlines for the submission of the reports are exceeded, while certain implementing entities needed to be further contacted, in order to fulfil this obligation. Such actions of the public authorities present a challenge for the Agency, since it has to comply with the mandatory deadline to submit its report to the National Assembly, and no delays are tolerated. Also, this trend indicates that implementing entities are still not ready to comply with this obligation at their own initiative.

Reports of implementing entities represent a starting basis for the exercise of supervision and provision of opinion about the implementation of the Strategy. Quality of the reports of the implementing entities is continuously improving, but it is still not at a satisfactory level, and significantly varies from one report to another. Some of them still do not address all measures or they just represent a mere specification of activities which are obviously not undertaken in order to implement the Strategy and the Revised Action Plan, but are regular activities of implementing entities that in some way can relate to the measure they report about. The reasons for such conduct of implementing entities mostly likely lie in a lack of understanding of the significance of supervision over the implementation of the Strategy and the Revised Action Plan, which is not

Administration, Public Procurement Administration, Republic Commission for the Protection of Rights in Public Procurement Procedures, the Judicial Academy, the High Court Council, State Prosecutorial Council, the Republic Public Prosecutor's Office, Republic Geodetic Institute, Central Registry of Mandatory Social Insurance and Serbian Chamber of Commerce. The report was not submitted by the Ministry of Justice.

¹⁷³ Reports for the fourth quarter of 2016 are provided by: the higher courts in Kragujevac, Kraljevo, Negotin, Pančevo, Pirot, Prokuplje, Sombor and Užice; basic courts in Aranđelovac, Bor, Bujanovac, Dimitrovgrad, Jagodina, Kikinda, Kraljevo, Negotin, Pančevo, Petrovac na Malvi, Pirot, Požega, Priboj, Prijepolje, Senta, Smederevo, Sombor, Subotica, Šabac, Užice, Vrbas and Zrenjanin, as well as the Second Basic Court and the Third Basic Court in Belgrade. The reports for other quarters were also submitted by: First Basic Court in Belgrade and basic courts in Vranje, Gornji Milanovac, Ivanjica, Niš, Prokuplje, Ruma, Stara Pazova and Šid and higher courts in Novi Sad, Čačak, Požarevac, Smederevo, Sremska Mitrovica and Šabac.

¹⁷⁴ Reports for the fourth quarter of 2016 are provided by: cities Gornji Milanovac, Kraljevo, Leskovac, Novi Sad, Pančevo, Požarevac, Smederevo, Vranje and Vršac and municipalities Babušnica, Bajina Bašta, Bela Palanka, Gadžin Han, Lajkovac, Novi Bečej, Opovo, Ražanj, Senta, Stara Pazova, Surdulica, Vrbas, Žabalj and Žabari. Although it is not among the authorized entities, report was submitted by the City municipality Zemun, as well. The reports for other quarters were submitted by the cities: Sremska Mitrovica and Čačak and the municipalities: Apatin, Alibunar, Bač, Bačka Topola, Beočin, Bosilegrad, Veliko Gradište, Gornji Milanovac, Kladovo, Kosjerić, Krupanj, Ljig, Medvedja, Priboj, Čičevac and Čajetina.

exhausted by indicating that a public authority body has not fulfilled an obligation. According to the opinion of the Agency, the basic and predominant purpose of supervision is to improve the quality of implementation of the Strategy and the Revised Action Plan, by its monitoring, by perceiving the problems early in order to be solved easier, recording and promoting good practice of public authorities and providing recommendations for more effective implementation of strategic documents. Unfortunately, the content of the reports of a certain number of implementing entities indicates that they do not perceive reporting in such a way, because they do not demonstrate a need to exchange well done tasks or challenges with others, but rather a need to present their regular activities as the implementation of the Strategy and the Revised Action Plan. Uneven quality of reports of implementing entities creates difficulties in the procedure of assessment of the achievement of the activities, in terms of maintaining consistency of methodology.

Although the amendments to the Law on Anti-Corruption Agency, which should improve the mechanism of supervision over the implementation of the Strategy, under the Action Plan of 2013 were supposed to be introduced in March 2014, almost three years later they still have not been adopted. This delay was not affected by the conclusion of the National Assembly from June 2014, adopting the Annual Report of the Agency and the Report on the Implementation of the Strategy for 2013, which states that the National Assembly is expecting the Government, in the shortest period of time, to propose amendments to the Law on the Agency to harmonize the legal framework for the work of the Agency with the needs identified in its previous work, as well as the supervisory role it should have over the implementation of the Strategy and the Action Plan. The adoption of the amendments to the Law on the Agency was not accelerated even by the adoption of AP 23, which planned the fulfilment of this obligation for the third quarter of 2016 (*activity 2.1.4.2.*), and this deadline was also exceeded.

Namely, a significant shift the Strategy for 2013 introduced compared to the Strategy for 2005, relates to the supervision mechanism and establishment of a basis for some kind of a system of liability for non-compliance with the obligations stemming from strategic documents. So, among other things, it provides for:

- introduction of misdemeanour accountability for implementing entities if they do not submit a Report on the implementation of the Strategy, evidence that the activities listed in the report are implemented, or if they do not respond to the invitation to the meeting, organized by the Agency due to concerns about the fulfilment of obligations, opened to the public;
- introduction of the obligation of the implementing entity to organize a discussion within 60 days related to the opinion of the Agency on the implementation of certain activities and obligation of notifying the Agency and the public about the conclusions of that discussion, whereas the Agency also submits the respective opinion to the public authority which selected, appointed or nominated a head of the implementing entity which the opinion relates

- to, and makes it accessible to the public; and
- submission of the Report on the Strategy and the National Assembly hearing about it, separately from the Annual Report of the Agency.

Another important process related to this competence of the Agency is the adoption process of the AP 23, whose last version was adopted in April 2016. According to Agency's estimate, 60 measures (27%) of the Action Plan of 2013 were fully or partially transferred to that document, and for a significant number of activities the deadline has been rescheduled, in some cases postponed for even more than a year. In this way, concerns were raised among certain number of implementing entities whether to implement activities in a shorter or a longer period of time, and for the Agency regarding what kind of attitude to take during the analysis and evaluation of compliance, if the implementing entities in their explanation indicate this fact as the reason for not implementing an activity within the stipulated timeframe. Agency's recommendation in the Annual Report for 2014 was that on the occasion of adoption of AP 23 its relation to the Action Plan should be clearly defined, along with the harmonization of the supervision mechanisms over these two documents. This recommendation, unfortunately, was not fulfilled.

The aforementioned uncertainty lasted for more than a year, as long as the process of writing the AP 23, and then it was followed by a situation in which the same or substantially similar responsibilities with different deadlines were envisaged by the two documents in force. That uncertainty was eliminated upon adoption of the Revised Action Plan for the Implementation of the Strategy on June 30, 2016.

Review of the Action Plan

The process of reviewing the Action Plan for the implementation of the Strategy began in September 2015, in which the Agency participated at the invitation of the Ministry of Justice. The review is envisaged as one of the obligations in the Action Plan, and it was conducted on the basis of Strategy compliance assessment in the previous Agency's reports, observed difficulties in the implementation and supervision of the Strategy implementation, and in accordance with the same or substantially similar obligations stemming from the AP 23, by mainly erasing them from the reviewed document.

On June 30, 2016, the Government of the Republic of Serbia adopted a Revised Action Plan for the implementation of the National Anti-Corruption Strategy in the Republic of Serbia for the period from 2013 to 2018.

The review of the Action Plan of 2013 helped improve this document, some of its elements were more precisely formulated, but there remains room for further improvement. Agency's suggestion submitted in the context of the opinion in March 2016 to the Ministry of Justice were not introduced into the final version of the document.

Major changes of the measures of the Action plan for the implementation of the Strategy made in the review process and the process of transferring into the AP 23, refer to the significant rescheduling of deadlines for their implementation, in comparison to those originally planned in the document adopted in 2013. Analysis of deadlines rescheduling, conducted by the Agency in relation to these activities, showed that all defined deadlines were extended, in average, for 22 months.

The deadline for implementation was extended for even 95% of the analysed activities, reduced for only 5%. However, those were the activities that were already provided with a long deadline for the implementation (from 36 to 47 months of the adoption of the Action Plan). The largest number of activities are extended for a period of one to two years (about 40%), but a significant number are extended even for a period of two to three years (about 35%). The deadline was postponed for six months for approximately 10% of the activities, between 6 and 12 months for about 7%, while the deadlines for about 8% of the activities were extended for more than three years.

The reasons for such a drastic postponement of anti-corruption measures in the strategic documents, not only by the length of the delay, but by the number of activities whose deadlines were extended (95%), may lie in over ambitious planning of the deadlines from the start. However, as shown by the process of writing of the AP 23, in several of its drafts deadlines were gradually moved in accordance with the time-lapse, and in anticipation of the adoption of the final version of the document, so they could not have been defined for the period which preceded the period of final document adoption. The same approach was taken when drafting the Revised Action Plan, so deadlines for the unimplemented activities were simply moved to the period after the adoption of this document, which lead to such a high percentage of delay, to which the analysis pointed out.

In case this was the only reason for postponement of deadlines, we would deem the planning quality of anti-corruption public policy in Serbia to be discouraging. "Planning" model, against which the measures from the anti-corruption Action Plan are taken and introduced into a new document, only due to the "convenient" overlapping of the subject matter, after which their deadlines are moved just because they have to precede the moment in which the adoption of a new document is expected, seems to fully lack systematic approach, thus raising serious concerns.

It is also not clear which method was used in deciding which deadline would be extended and for how long, thus having the activities that were extended for a period of less than one year, but also those that were extended for more than three years. However, it is important to emphasize that within the group of activities whose deadlines were moved for a period of up to one year, the largest number of them (71%) originally had a set deadline of three years or more.

On the other hand, some extremely long extensions of deadlines are unusual, because there is nothing in the content of the measure that speaks in favour of the fact that there is a valid reason for such a long extension.

Among such measures, for example, is the one that provides for the introduction of the TIN system. Namely, the deadline for the introduction of this system was first moved by AP 23 from January 2016, as initially planned, to December 2016, and afterwards, in the final version, to December

2018, i.e. for almost three years. As a result, the deadlines for the measures that are conditioned by the adoption of the laws introducing TIN in our legal system, were moved in the Revised Action Plan to the period after December 2018, which even extends beyond the Strategy validity period. Such a situation probably occurred due to the lack of consensus whether TIN should even be introduced in our tax system or not, as the Agency already concluded in the Report of 2015. That is also indicated by the fact that the Agency has not obtained any data on whether the discussion on the introduction of such a system was initiated, whether this issue was even considered, whether any analysis was conducted, whether comparative practices were consulted and in general whether, in the direction of fulfilling the relevant objective of the Strategy any kind of activity was undertaken since its adoption to date (objective 3.2.1.2. Established legal and institutional framework for the implementation of the TIN system for physical and legal persons). Due to the aforesaid, the Agency recommended in the Report for 2015 to initiate a public debate about the introduction of the TIN system, and to make public the data about this debate. It seems that it was not justified to delete the measure, but its relevance was postponed until further notice, in fact until the end of validity of the strategic documents, probably in the hope that in the meantime new circumstances would arise that would solve the dilemma or lead to consensus.

A similar situation, which implies the same reasoning, exists in connection with a measure which provides for the corresponding amendments to the Law on Donations and Humanitarian Aid. The Action Plan of 2013 entrusted the Ministry of Finance with drafting of this document by September 2014. This Ministry in the report for the 2014 did not address the measure, while in the report for 2015 it indicated that it is not competent for development of the said draft. The fact that despite its proclamation of incompetence, it is still in the Revised Action Plan indicated as the implementing entity (though, in cooperation with the Ministry of Health), as well as the fact that the deadline for drafting was moved to September 2018, therefore for 4 year, speaks in favour of the conclusion that, also in this case, there is no consensus about the competencies for the development of the draft or that there are some other challenges, due to which the implementation of the measure, which was not conditioned by anything, nor required any special preparatory activities, was moved to almost the very end of the Action Plan validity.

Methodology for drafting the Report on the implementation of the Strategy

One of the objectives for making the Report on the implementation of the Strategy is for it to contain, at one place, most of the available information on the fulfilment of the objectives formulated by the Strategy, as well as the measures and activities provided for by the Revised Action Plan. The strategic documents for the fight against corruption provide for the basis for supervision over their implementation and assessment of the fulfilment of the activities performed by the Agency, for coordination of implementation carried out by the ministry in charge of the judiciary, as well as for monitoring the results of implementation performed by the Anti-Corruption Council.

Methodology of data collecting. – The starting basis for writing of the Agency’s report represent the reports of implementing entities, which are submitted quarterly, in accordance with the Law on Anti-Corruption Agency. Besides, the Agency collects additional data from a variety of

reports, studies, analyses and other documents of domestic and international institutions and organizations.

Methodology of evaluation of compliance with the activities. - The Agency evaluates whether the activity was implemented in accordance with the indicator or not. This, technical assessment is supplemented by a qualitative assessment of the fulfilment of activities, or by the opinion of the Agency, based on the available data, whether the activity is implemented in the manner and within the timeframe stipulated in the Action Plan. Method of implementation of activities implies compliance with the instructions from the measure, activities and remarks to the activity, and the instruction, in some cases, refers also to the column "necessary resources". In addition to the technical and qualitative evaluation, the Agency shall, if necessary, render the opinion and recommendation in order to improve the implementation of certain activity from the Action Plan. Besides the recommendation of the Agency, the recommendation of the implementing entity is also stated, if presented in its report.

The report includes the following activities: (1) those due for implementation until the end of 2016; and (2) those for which the Revised Action Plan regarding their deadline states the time indication "continuous" and which are considered due each year, with certain exceptions. If the report of the implementing entity states that the implementation of activities is in progress, but it does not list the undertaken measures or it is obvious that listed measures are not taken in order to implement the activities of the Revised Action Plan, the Agency does not provide the information about those activities, believing that they unnecessarily burden the text without having any substantial contribution to the quality of the report. Also, certain parts of Revised Action Plan provide for the same activity to be implemented by two or more implementing entities, each in its field. When it is obvious that the activities are completely separate, or that each implementing entity should implement it itself, so that one does not need to participate in the activities of the other in any way, the Agency treats such activities as separate, i.e. as two or more activities depending on the number of implementing entities.

During the drafting of this report, the Agency applied the same methodology as when drafting the report for the previous three years. Detailed tabular overview of the methodology is enclosed at the end of this report.

With regard to the fact that implementing entities responsible for the implementation of specific trainings in the largest number of cases have not submitted to the Agency data from indicator provided for by the Revised Action Plan regarding the trainings (delivered report on the implemented training curriculum), while from the reports of the implementing entities in certain number of cases it could be seen that the trainings are actually implemented. The Agency in such cases, despite the lack of data from the stipulated indicator, provides assessment on the basis of the report content, i.e. the quantity and quality of data offered in it. It is possible that this situation, like other similar ones, does not point to a problem in the reporting, but the problem in implementation, which could be overcome, beside the intensive coordination, by adopting appropriate guidelines for the implementation of these documents and providing training on the implementation for the representatives of the implementing entities working on implementation of obligations under the Revised Action Plan.

One of the challenges in the implementation of the Strategy has been observed in the so called "capacity measures." The experience in the supervision over the implementation of these measures indicates that it is necessary to consider how they should be formulated in a different way. In fact, all the institutions with similar duties naturally tend towards increasing their capacities so that they could perform their jurisdiction and, for that purpose, conduct analysis, change systematization, recruit new staff, train their staff and obtain facilities and equipment necessary for work. The fact that such duties exist in the Revised Action Plan, or any such document, generally does not change their attitude towards these needs, but the impression is that it does not affect too much on the intensity of their dedication to the fulfilment. However, indicators for these activities, as they are set, do not leave room for evaluation whether in each individual case capacities were really strengthened and to what extent.

Tabular overview of the assessment methodology for implementation of individual requirements of the Revised Action Plan

Competence of the Agency	Activities that were due for implementation until the end of 2016, under the Revised Action Plan, and the activities whose deadline is indicated in the Revised Action Plan as “continuous”		
<p>Supervision over the implementation of the Strategy and the Action Plan (Article 5, line 1, of the Law on the Agency)</p> <p>Besides the reports, each implementing entity of the Action Plan shall submit evidence for statements in the reports, which are in compliance with the activity indicators from the Action Plan.</p> <p>During the supervision over the implementation of the Strategy, the Anti-Corruption Agency will use exclusively the activity fulfilment indicators. Documents and other materials referred to within these indicators, are submitted to the Anti-Corruption Agency as evidence of implemented activities (Action Plan, I. INTRODUCTION)</p> <p>Each quarterly report contains evidence of implemented activities, which</p>	Assessment of implementation	Assessment of implementation	Assessment of implementation
	Activity is implemented in compliance with the indicator	Activity is not implemented in compliance with the indicator	The Agency is not able to assess the implementation of the activity
	<p>If the indicator is formulated as material evidence, and the implementing entity delivers that evidence (for example, if the indicator is “report on needs analysis”, and the implementing entity has submitted the report to the Agency or has made reference to a publicly available location where the report can be found).</p> <p>If the indicator is formulated as an activity, and the report of the implementing entity unequivocally indicates that the activity is implemented (for example, if the indicator is “adopted Rulebook”, and the implementing entity quotes the number of the Official Gazette in which the Rulebook was published or makes a reference to the publicly available location where the Rulebook can be found).</p> <p>For the activities related to the organization of trainings, if the implementing entity has not delivered a report on the</p>	<p>If the report of the implementing entity concludes that the activity is not implemented. If objective circumstances are given as to the reason why the entity was not able to implement the activity, or the entity recommends that the activity be modified or deleted, due to the mentioned reasons, this is indicated in the remark.</p> <p>If the indicator is formulated as an activity, and the report of the implementing entity or other available and verifiable sources unequivocally suggest that the activity was not implemented (e.g. if the indicator is “campaign is implemented according to the plan and programme”, whereas the implementing entity indicates that informing of citizens is a continuous activity).</p> <p>If the activity is not implemented, given that the previous conditioning activity was not</p>	<p>If, from the report and submitted evidence of the implementing entity it cannot be unequivocally concluded whether the activity has been implemented or not.</p> <p>If the implementing entity has not submitted a report.</p> <p>If the implementing entity has not addressed the realization of the respective activity in its report.</p> <p>If for one of the previous two cases there are no additional credible sources of information on the basis of which the Agency would be able to assess the implementation of activities.</p>

<p>is in line with the indicator (Agency’s guidelines for reporting on implementation and supervision over the implementation of the Strategy and the Action Plan)</p>	<p>implemented trainings, but the Report on the Strategy contains sufficient elements for reasonable conclusion that the trainings are actually implemented, the Agency assesses that the activity is fulfilled for the reporting period.</p> <p>For “continuous” activities it is emphasized that the activity is implemented for the respective reporting period. The Agency considers that realization of these activities is due for a specific year of the Strategy validity, for which the report is being prepared.</p>	<p>implemented, this is emphasized in the assessment. This is particularly the case with activities, which foresee adoption of new laws or amendments to the existing ones, where neither the Government, nor the National Assembly are in a position to implement the activity until the line ministry develops the draft and submits it for the adoption procedure.</p>	
<p>Provision of opinion in relation to the implementation of the Strategy and the Action Plan (Article 5, line 7, Law on the Agency). In exceptional cases, the Agency can prepare an opinion that contains an assessment of the implementation of activities within the timeframe and in the manner defined in the Action Plan and recommendations for overcoming possible difficulties (Strategy, 5.4. Supervision over the implementation of the Strategy and Action Plan)</p>	<p>Opinion and recommendation of the Agency</p> <p>According to the data accessible to the Agency, the activity is realized in the manner and within the timeframe envisaged by the Action Plan (for instance, a draft law is developed in due time, and according to the Agency’s data, the content of the draft is in compliance with the measure, activity and instructions contained in the remark to the activity).</p> <p>According to the data accessible to the Agency, the activity is realized in the manner, but not within the timeframe envisaged by the Action Plan (for instance, according to the Agency’s data, the Memorandum on</p>	<p>Opinion and recommendation of the Agency</p> <p>If recommendations of the Agency are needed to overcome potential shortcomings stated in the report of the implementing entity or detected by the Agency.</p>	<p>Opinion and recommendation of the Agency</p> <p>If needed, recommendations of the Agency to overcome potential shortcomings stated in the report of the implementing entity or detected by the Agency.</p> <p>If needed, recommendations of the Agency for improvement of the reporting quality.</p>

	<p>Cooperation is contextually in line with the instructions from the measure, activities and remarks to activities, but it is not signed within the timeframe envisaged by the Action Plan).</p> <p>According to the data accessible to the Agency, the activity is realized within the timeframe but not in the manner envisaged by the Action Plan (for instance, if the indicator is “the budget funds are allocated” and the implementing entity has allocated the funds within the timeframe, but not in the amount which was foreseen by the instruction from the column “required resources”).</p> <p>According to the data accessible to the Agency, the activity is implemented neither in the manner nor within the timeframe envisaged by the Action Plan.</p> <p>The Agency has no data whether the activity is implemented in the manner or within the timeframe envisaged by the Action Plan.</p> <p>If necessary, recommendations of the Agency for overcoming potential shortcomings stated in the report of the implementing entity or detected by the Agency.</p>		
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ABBREVIATIONS

Agency – Anti-Corruption Agency

Action Plan – Action Plan for the implementation of the National Anti-Corruption Strategy of the Republic of Serbia, for the period from 2013. to 2018

AP 23 – Action Plan for Chapter 23

BRA – Business Registers Agency

AFCOS – Anti-Fraud Coordination Service

SCC – Supreme Court of Cassation

HCC – High Court Council

GIZ – German Agency for International Cooperation

GRECO – Group of the Council of Europe countries for the fight against corruption

SPC – State Prosecutorial Council

SAI – State Audit Institution

EC – European Commission

EU – European Union

Law on the Agency – Law on the Anti-Corruption Agency

The Report on the implementation of the Strategy for 2013 - the Anti-Corruption Agency, "Report on the implementation of the National Anti-Corruption Strategy of the Republic of Serbia for the period from 2013 to 2018 and the Action Plan for its implementation", March 2014

The Report on the implementation of the Strategy for 2014 - the Anti-Corruption Agency, "Report on the implementation of the National Anti-Corruption Strategy of the Republic of Serbia for the period from 2013 to 2018 and the Action Plan for its implementation", March 2015

The Report on the implementation of the Strategy for 2015 - the Anti-Corruption Agency, "Report on the implementation of the National Anti-Corruption Strategy of the Republic of Serbia for the period from 2013 to 2018 and the Action Plan for its implementation", March 2016

IPA – Instrument for pre-accession assistance

IFCPS – Internal financial control in the public sector

IA – Internal audit

TIN – Tax identification number

LSGU - Local self-government unit

PPP – Public-private partnership

CAQA – Commission for Accreditation and Quality Assurance

CPP – Republic Commission for Protection of Rights in Public Procurement Procedures

MCTI - Ministry of Construction, Transport and Infrastructure

MPALSG - Ministry of State Administration and Local Self-Government

MONEYVAL – Committee of experts for the evaluation of measures for prevention of money laundering and financing of terrorism

MES - Ministry of Education, Science and Technological Development

MoI – Ministry of Internal Affairs

MoF – Ministry of Finance

OSCE - Organization for Security and Co-operation in Europe

OLAF - European Anti-Fraud Office

CSOs - civil society organizations

SCC – Serbian Chamber of Commerce

RGA – Republic Geodetic Authority

Revised Action Plan - the Revised Action Plan for the implementation of the National Anti-Corruption Strategy of the Republic of Serbia for the period from 2013 to 2018

RPPO – Republican Public Prosecutor's Office

Council - Anti-Corruption Council

SCTM - Standing Conference of Towns and Municipalities

Strategy – National Anti-Corruption Strategy of the Republic of Serbia for the period from 2013 to 2018

ICS – Internal Control Sector

PPA – Public Procurement Administration

UNDP - United Nations Development Programme

USAID – US Agency for International Development

FMC – Financial management and control

CHU – Central harmonization unit