WeBER III
WESTERN BALKAN ENABLERS FOR REFORMING PUBLIC ADMINISTRATIONS

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PAR Monitor Report Serbia

PUBLIC FINANCIAL MANAGEMENT

2024/2025

EUROPEAN POLICY CENTRE

CONTENTS

AUTHORS 2

ABOUT WEBER 3.0 3

ACKNOWLEDGEMENTS 4

EXECUTIVE SUMMARY 5

LIST OF ABBREVIATIONS AND ACRONYMS 9

I. WEBER PAR MONITOR: WHAT WE MONITOR AND HOW? 10

I.1 WEBER'S APPROACH TO MONITORING PAR 10

I.2 WHY AND HOW WEBER MONITORS THE "PUBLIC FINANCIAL MANAGEMENT AREA" 12

II. TRANSPARENCY AND OPENNESS OF PUBLIC FINANCIAL MANAGEMENT 18

II.1 INCLUSIVENESS AND TRANSPARENCY OF THE BUDGET FORMULATION PROCESS 19

How does Serbia do in regional terms? 23

II.2 AVAILABILITY AND COMPREHENSIVENESS OF BUDGETARY DOCUMENTATION 24

How does Serbia do in regional terms? 31

II.3 TRANSPARENCY AND COMPETITIVENESS OF THE PUBLIC PROCUREMENT SYSTEM 32

How does Serbia do in regional terms? 39

II.4 OPENNESS AND TRANSPARENCY OF STATE AUDIT INSTITUTION'S WORK 40

How does Serbia do in regional terms? 43

Overall scores comparison in the Public Financial Management area 44

II.5 RECOMMENDATIONS FOR THE PUBLIC FINANCIAL MANAGEMENT AREA 45

II.5.1 Tracking recommendations from PAR Monitor 2021/2022 45

II.5.2 Recommendations from the 2024/2025 Monitor report 48

METHODOLOGY APPENDIX 51

LIST OF REFERENCED SOURCES IN THIS REPORT 58

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ABOUT WEBER 3.0

Building upon the achievements of its predecessors, the WeBER (2015 – 2018) and WeBER 2.0 (2019 – 2023) projects, the **Western Balkan Enablers for Reforming Public Administrations – WeBER 3.0** project is the third consecutive EU-funded grant of the largest civil society-led initiative for monitoring public administration reform (PAR) in the Western Balkans. Its implementation period is February 2023 – July 2026. Guided by the SIGMA/OECD Principles, the first two phases of the initiative laid the foundation for WeBER 3.0's ambition **to further empower civil society organisations (CSOs) to contribute to more transparent, open, accountable, citizen-centric and thus more EU-compliant administrations in the WB region**.

WeBER 3.0 continues to promote the crucial role of CSOs in PAR, while also advocating for broader citizen engagement in this process and inclusive reform measures which are user-tailored and thus lead to tangible improvements. By grounding actions in robust monitoring data and insights, WeBER 3.0 will empower civil society to more effectively influence the design and implementation of PAR. To foster collaborative policymaking and bridge the gap between aspirations and actionable solutions, the project will facilitate sustainable policy dialogue between governments and CSOs through the WeBER Platform and its National PAR Working Groups. Finally, through small grants for local CSOs, WeBER 3.0 bolsters local-level PAR engagement, amplifying the voices of citizens – the final beneficiaries of the public administrations' work.

WeBER 3.0 products and further information about them are available on the project's website at **www.par-monitor.org**.

WeBER 3.0 is implemented by the Think for Europe Network (TEN), composed of six EU policy-oriented think tanks in the Western Balkans:

By partnering with the Centre for Public Administration Research (KDZ) from Vienna, WeBER 3.0 has ensured EU-level visibility.

ACKNOWLEDGEMENTS

As in the case of the previous editions of the National PAR Monitor reports, published for 2017/2018, 2019/2020 and 2021/2022, special acknowledgements go to the members of the WeBER Platform and the National Working Group in Serbia, as well as the other stakeholders in Serbia that shared their experiences through interviews, thus immensely contributing to the quality of this report. They are not individually identified in this report to protect their anonymity.

The WeBER3.0 team would also like to thank its main partners and associates, who have supported the project in research and other activities. Most notably, these are the SIGMA/OECD (Support for Improvement in Governance and Management)[1], the ReSPA (Regional School of Public Administration), and the Ministry of Public Administration and Local Self-Government of Serbia, as a project associate.

1 A joint initiative of the European Union and the OECD.

EXECUTIVE SUMMARY

The assessment of the transparency and openness of public financial management focuses on four critical aspects - 1) inclusiveness and transparency of the budget formulation process, 2) availability and comprehensiveness of budgetary documentation, 3) transparency and competitiveness of the public procurement system, and 4) openness and transparency of supreme audit institutions' work. The first aspect examines the extent to which the budget formulation process is inclusive and transparent, ensuring timely access to information, formal participation opportunities, and proactive involvement of citizens and other external stakeholders by the relevant institution. The second aspect focuses on transparency and quality of budgetary documentation across all stages of the budget cycle, assessing whether medium-term projections, policy impacts, and detailed expenditure data are present, while also examining the timeliness of publishing and budgetary documents' accessibility. When it comes to the public procurement system, emphasis is placed on examining whether the policy, legal and institutional framework promotes open and fair procedures, if those procedures are applied in practice and if the procurements are competitive and regularly reported on. Finally, the last aspect is devoted to assessing whether the supreme audit institutions engage in active communication and cooperation with external stakeholders and ensure regular and accessible publication of activity and audit reports, in user-friendly and open formats. Findings of this report reflect the period since the publication of the PAR Monitor 2021/2022, starting from the second half of 2022, and until the end of 2024.[2]

Budget formulation process in Serbia continues to suffer from long-standing deficiencies in transparency and inclusiveness. The current PAR strategic framework does not include measures to address these shortcomings, which shows that inclusiveness of budget development does not represent a priority in the current PAR cycle. Legislative framework in Serbia provides for consultations and public debates when developing legal acts and while it does not exempt the Budget Law, the 2025 budget was prepared without engaging external stakeholders and without holding a public debate. A public hearing in the Parliament on the draft Law did not involve non-state actors and there is no publicly available evidence of stakeholder involvement at earlier stages either. Interviews with key informants confirm the actual practice. They describe the budget formulation process as insufficiently transparent and largely closed for

2 For 2022, only developments not captured by the PAR Monitor 2021/2022 are included.

public participation. Public hearings in the Parliament are seen as ineffective due to their timing and the practice of adopting budget laws alongside numerous other laws, which limits meaningful scrutiny. Public perception survey data further reinforce these concerns, as only 13% of citizens believe they have any influence over how state budget funds are allocated, pointing to a deeper structural disconnect between institutions and the public. In October 2025, the Ministry of Finance launched the Budget Portal, with the stated aim of increasing transparency and enabling active citizen participation, inviting visitors to submit proposals for the 2026 budget development.

The PAR strategic framework envisages steps to improve budget transparency, notably through planned reporting on capital projects; however, key outputs were not available at the time of writing this report. In practice, publicly available budget documentation is broad in scope, but it lacks essential elements - medium-term projections are absent from adopted budget laws, and narrative explanations of budgetary implications for priority policy areas are largely missing. The introduction of a Green Budget annex in 2025 is a new development, but its impact is limited by its placement outside the Budget Law and the lack of any reference to it in the Law. Budget execution reports, monthly, mid-year, and year-end, are produced regularly, yet their publication is delayed by several months, reducing their usefulness. In addition, they lack narrative analysis, information on capital investment progress, and explanations of deviations between planned and executed spending, limiting their analytical value. Reporting on public internal financial control stands out as comparatively better practice, since consolidated annual reports are published on time and easily accessible. On the other hand, citizen-oriented tools, such as the Citizens' Budget and selected features of the newly-announced Budget Portal, support better understanding of budget allocations. Yet, budget data openness remains underdeveloped, with no state budget datasets published on the Open Data Portal. Key informants emphasise that, despite formal availability, budget planning documents and execution reports are difficult to navigate and provide insufficient explanations of programme objectives and results. Public perceptions reflect this, with only 28% of citizens in Serbia believing that authorities publish information on how budget funds are spent.

In public procurement area, strategic and legal frameworks are in place to promote transparency and competitiveness. However, in parallel to the general public procurement regulatory framework, several *lex specialis*, adopted for large-scale or strategically important projects, introduce targeted exemptions from standard procurement rules. These special regimes diminish transparency and oversight, risking mismanagement of public funds. Institutionally, the Public Procurement Office (PPO) plays a central role in overseeing and reporting on public procurement system, in supporting participants, promoting transparency and managing the Public Procurement Portal. The Portal is assessed as largely

user-friendly, offering at the same time access to procedural documentation such as notices, tender specifications, and contracts, as well as access to annual procurement plans and reports of contracting authorities. While the Portal allows basic data extracts in open formats, the lack of up-to-date procurement-related datasets on the national open data portal limits full alignment with open data standards. Open procedures dominate in practice, accounting for nearly all procurements implemented annually which indicates alignment with competitiveness principle. Despite this, competition *de facto* remains weak: 51% of all implemented procedures in 2024 received only one bid, with some variations across procurement subjects (goods, works, or services). Interviewed key informants tend to agree that the existing public procurement system, as established by legislation, is transparent and competitive; however, they consider exceptions from the public procurement legislation inadequately regulated and confirm that, in practice, they are not limited to those regulated by the law.

Serbia's State Audit Institution (SAI) has established a clear strategic framework prioritising transparency, stakeholder engagement, and communication of audit results. The legal framework, aligned with INTOSAI standards, provides strong transparency guarantees and defines concrete publicity mechanisms, including reporting to the National Assembly, publication of key documents, and communication through press releases and authorised spokespersons. In practice, the SAI consistently meets publication requirements for annual activity reports and audit reports, ensuring both timeliness and accessibility. Audit reports are largely citizen-friendly: they are searchable by keywords, include summaries of key findings, and make regular use of visual and tabular data presentations. The SAI has also initiated open data publishing by releasing registers of persons with official auditors' titles and, more recently, a register of audit recommendations from 2023. However, no audit-related datasets are currently available through the national Open Data Portal. While the SAI meets core transparency standards and provides accessible audit outputs, its public communication remains limited in scope. Communication relies primarily on the institutional website and media appearances, with no social media activity and the lack of publicly organised events or press conferences, suggesting a more passive approach compared to previous PAR Monitor cycles. All interviewed key informants nevertheless agree that the SAI operates transparently and that its reports are easy to access.

Recommendations from this monitoring cycle focus on substantially enhancing the inclusiveness and transparency of the budget formulation process by involving the public from the earliest phases and organising public debates on draft budget laws. Furthermore, they are aimed at increasing the accessibility and usability of budgetary documentation, by providing narrative explanations of budget impacts across policy areas and creating a single access point for budget execution reports. In addition, they address data openness and competition

in public procurement, recommending better publication practices, user-friendly procurement tools, and measures to increase bidder participation. The recommendations also call for eliminating reliance on special procurement regimes. Finally, the State Audit Institution is recommended to expand its communication channels beyond the official website and pursue the open data opportunities to the fullest.

LIST OF ABBREVIATIONS AND ACRONYMS

CHU	Central Harmonisation Unit
CSO	Civil Society Organisation
IA	Internal Audit
MF	Ministry of Finance
PAR	Public Administration Reform
PIFC	Public Internal Financial Control
PPO	Public Procurement Office
ReSPA	Regional School of Public Administration
SAI	State Audit Institution
SIGMA	Support for Improvement in Governance and Management
WB	Western Balkan
WeBER 3.0	Western Balkan Enablers for Reforming Public Administrations

I. WeBER PAR Monitor: What we monitor and how

I.1 WeBER's approach to monitoring PAR

The Public Administration Reform (PAR) Monitor methodology was developed in 2015-2016, as part of the first Western Balkans Enabling Project for Civil Society Monitoring of Public Administration Reform (WeBER) project. Since the onset, WeBER has adopted a markedly evidence-based approach in its endeavour to increase the relevance, participation and capacity of civil society organisations (CSOs) in the Western Balkans to advocate for and influence the design and implementation of PAR. The PAR Monitor methodology is a cornerstone WeBER product, enabling civil society monitoring of PAR based on evidence and analysis.

In line with WeBER's focus on the region's EU accession process, once the SIGMA *Principles of Public Administration* were revised in 2023, the WeBER PAR Monitor methodology was also redesigned in 2024, building on the Principles,[3] and on SIGMA Methodology,[4] and complementing the monitoring by SIGMA by providing additional observations focused on transparency, inclusiveness, openness or other aspects of state administrations' work depending on PAR area in question. This revision helps maintain the focus of WeBER's recommendations on EU-compliant reforms, thus guiding the governments in the region towards successful EU accession and future membership. The main changes in the revised PAR Monitor methodology are briefly listed below.[5]

3 OECD (2023), *The Principles of Public Administration*, OECD Publishing, Paris, https://doi.org/10.1787/7f5ec453-en.

4 Available at: https://www.sigmaweb.org/en/publications/documents/2024/assessment-methodology-of-the-principles-of-public-administration.html.

5 For detailed information on the scope and process of methodology revision please visit https://www.par-monitor.org/par-monitor-methodology/.

Table 1: Main changes in the PAR Monitor methodology

STRUCTURE

In order to align with the new SIGMA methodological approach, the following structural changes are introduced:

- Introduction of single indicator per PAR area, divided into sub-indicators, further consisting of several sub-indicator elements (i.e. specific criteria assessed), in order to streamline the approach and emphasise the focus on transparency, inclusiveness and openness in each PAR area.
- Introduction of types of sub-indicator elements, ensuring that all following aspects of reform are covered:

  1) Strategy and Policy,
  2) Legislation,
  3) Institutional Setup,
  4) Practice in Implementation, and
  5) Outcomes and Impact.
- Introduction of a 100-point scale, for a more nuanced assessment of progress in each PAR area.

DATA SOURCES

- Introduction of interviews with "key informants", i.e. key non-state actors engaged and familiar with the processes. These interviews serve as a data source for the "Outcomes and Impact" elements instead of the formerly implemented survey of civil society organisations.
- More systematic use of public perception survey results as a data source for "Outcomes and Impact" elements and expanding the scope of the survey to complement the assessment in five PAR areas – all except "Strategy for PAR".
- Removal of the survey of civil servants as a data source due to persistent issues with ensuring adequate response rates across the region's administrations.

PAR MONITOR REPORTING

- Six national PAR Monitor reports, one per PAR area (36 in total for the entire PAR Monitor), in order to facilitate timely publication and advocacy for the monitoring results rather than publishing the results of 18 months of research at the end of the process.
- Six regional Western Balkan overview reports, one per PAR area (6 in total).

I.2 Why and how WeBER monitors the "Public Financial Management" area

The manner in which public resources are planned, allocated, spent, and reported on has a direct influence on the efficiency and integrity of public administration. Thus, transparent, accountable, and well-managed public finances reflect the government's commitment to serving citizens' needs and using resources responsibly. WeBER's focus on participatory budget formulation and transparent budget execution, therefore, aims to assess how open and accountable the management of public finances is in practice. The monitoring focus extends to the accessibility and user-friendliness of budget documentation, as they enable citizens and civil society to meaningfully participate and oversee the entire budget cycle. Additionally, WeBER looks into whether the legal and institutional framework for public procurement provides a sound ground for conducting transparent and competitive processes, and whether a transparent and competitive public procurement system exists in practice. Finally, equally important aspect of external oversight of public finances is observed through the transparency of work of supreme audit institutions and their practice of proactive engagement of the public. Weaknesses in transparency, inclusiveness, or accountability mechanisms risk fostering inefficiency and corruption, while strong and open PFM systems strengthen public trust, fiscal responsibility, and the overall credibility of public administration reform.

Monitoring in **the Public Financial Management area** is based on six SIGMA Principles in this area:

Principle 23: The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.

Principle 25: The government implements the budget in line with estimates and reports on it in a comprehensive and transparent manner, allowing for timely scrutiny.

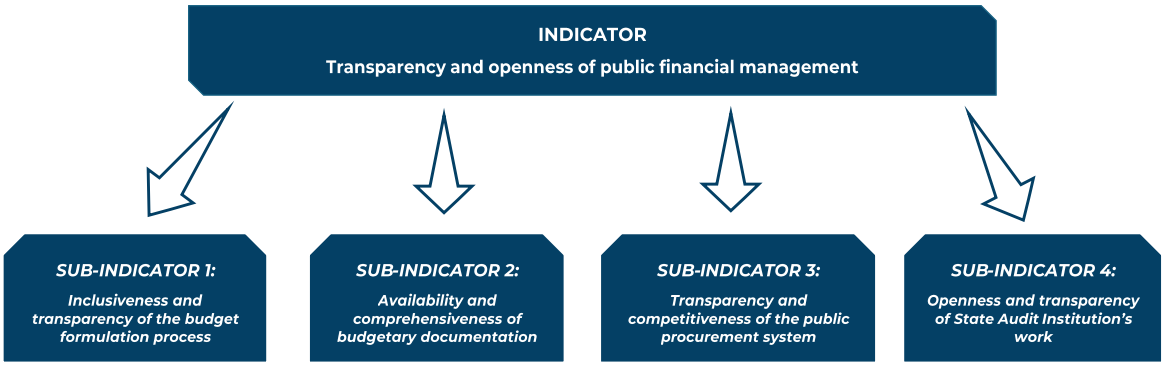
Principle 26: Public administration bodies manage resources in an effective and compliant manner to achieve their objectives.

Principle 28: Public procurement legislation, including public-private partnerships and concessions, is based on principles of equal treatment, non-discrimination, transparency, proportionality and competition, and supported by a sound governance framework.

Principle 29: Contracting authorities conduct public procurement operations, including public-private partnerships, efficiently and economically.

Principle 31: All public funds are effectively audited by an independent auditor that provides assurance on the use of public resources and helps improve the functioning of the public sector.

These Principles are assessed from the perspective of the availability and accessibility of all relevant information on the budget process, while also examining the extent to which open and competitive public procurement processes are present within the system. A focus on transparency and openness seeks to determine the extent to which relevant authorities publish information which helps the interested public gain insight into crucial aspects of the system – budget formulation and execution, and the audit of the use of public resources.



The monitoring period for the Public Financial Management covers developments since the last PAR Monitor cycle, which lasted from January until November 2022. Thus, this report focuses primarily on 2023 and 2024, as well as the end-of-2022 developments not covered in the previous cycle. Although this report provides a comparison of findings with previous PAR Monitor editions, country scores are incomparable to the previous monitoring due to methodological changes.

The **first sub-indicator** focuses on the existence of policy and legal frameworks that provide for an inclusive and transparent budget formulation process and envisage citizen involvement, while also examining if external stakeholders are engaged in practice. For the assessment of outcomes and impact, researchers conduct three key informant interviews with non-state actors who possess significant expertise in the area and/or experience participating in the analysed processes and use the public perception survey findings.

Table 2: Indicator elements under sub-indicator 1

Indicator element: number and title	Type
E 1.1 There is a strategic document in force that envisages the improvement of inclusivity and transparency of the budget formulation process as a goal	Strategy and policy
E 1.2 Regulations stipulate citizens' involvement in the budget formulation process	Legislation
E 1.3 External stakeholders are provided with complete information in advance, giving them sufficient time to prepare for consultations in the budget formulation process	Practice in implementation
E 1.4 Responsible government bodies are proactive in ensuring that a wide range of external stakeholders become involved in the budget formulation process	Practice in implementation
E 1.5 Key non-state actors consider the budget formulation process as inclusive and transparent	Outcomes and impact
E 1.6 Citizens' perception of inclusivity of the budget formulation process	Outcomes and impact

The **second sub-indicator** assesses the availability and comprehensiveness of budgetary documentation, while also looking into the accessibility of reports. Monitoring of strategy and policy and practice elements is performed by analysing strategic documents and official data publicly available on the websites of relevant institutions. Assessment of outcomes and impact is based on the findings obtained from three key informant interviews and the public perception survey.

Table 3: Indicator elements under sub-indicator 2

Indicator element: number and title	Type
E 2.1 There is a strategic document in force that envisages improvement of the transparency of budgetary documentation	Strategy and policy
E 2.2 Enacted annual budget includes a medium-term perspective illustrating how revenue and expenditure will develop beyond the next fiscal year	Practice in implementation
E 2.3 Budget documentation presents the budget implications on the priority policy areas	Practice in implementation
E 2.4 Citizen Budget is regularly published online	Practice in implementation

E 2.5 In-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.6 Mid-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.7 In-year and mid-year budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation
E 2.8 Year-end budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.9 Year-end budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation
E 2.10 Year-end budget execution reports or separate reports contain information on the significant impacts of the budget implementation on the priority policy areas	Practice in implementation
E 2.11 Year-end budget execution reports or separate reports contain information on capital investment	Practice in implementation
E 2.12 Consolidated annual reports on internal financial control and internal audit are timely published and easily accessible online	Practice in implementation
E 2.13 Budgetary data is published in open data format	Practice in implementation
E 2.14 Key non-state actors consider that the budgetary documentation is comprehensive and enables further research	Outcomes and impact
E 2.15 Citizens' perception of availability of budget execution information	Outcomes and impact

The **third sub-indicator** examines the openness and competitiveness of the public procurement system. Specifically, the assessment looks into the existence and public availability of procurement plans and reports, competitiveness and openness of procedures, and user-friendly characteristics of the public procurement portal.

Monitoring of strategy and policy, legislation and practice aspects is performed by combining various data sources to maximise reliability of results. It includes qualitative analysis of strategic documents, legal acts and official data that is publicly available or obtained from responsible institutions using FOI requests. The analysis of certain practice type elements under this sub-indicator is conducted on a sample of five contracting authorities with the highest contracted procurement values in the calendar year preceding the year of the monitoring. For the outcomes and impact assessment, researchers conduct three key informant interviews.

Table 4: Indicator elements under the sub-indicator 3

Indicator element: number and title	Type
E 3.1 There is a strategic document in force that envisages improvement in transparency and competitiveness of the public procurement system	Strategy and policy
E 3.2 Regulations stipulate transparency and competitiveness as the key principles of public procurement processes	Legislation
E 3.3 No special legislation creates exceptions from the general law on public procurement	Legislation
E 3.4 There is a designed central procurement body that supports transparency and competitiveness of public procurement processes	Institutional set-up
E 3.5 Central procurement body regularly reports to the public on the implementation of overall public procurement policy	Practice in implementation
E 3.6 Reporting on public procurement policy by the central procurement body is citizen-friendly	Practice in implementation
E 3.7 Central review body regularly reports to the public on procedures for the protection of the rights of bidders in public procurement	Practice in implementation
E 3.8 Public procurement portal is user-friendly	Practice in implementation
E 3.9 Central-level contracting authorities regularly publish up-to-date annual procurement plans that are easily accessible online	Practice in implementation
E 3.10 Central-level contracting authorities regularly publish annual procurement reports that are easily accessible online	Practice in implementation
E 3.11 Open procedures represent a standard public procurement method	Practice in implementation
E 3.12 Public procurement processes are competitive	Practice in implementation
E 3.13 Public procurement data is available in open format(s)	Practice in implementation
E 3.14 Key non-state actors consider public procurement system as competitive and transparent	Outcomes and impact
E 3.15 Key non-state actors consider exceptions from public procurement law as adequately regulated and applied in practice	Outcomes and impact

The **fourth sub-indicator** focuses on the regular communication and citizen-friendly presentation of supreme audit institutions' (SAI) activity and reports. Monitoring of this sub-indicator is based on the review of the strategic framework, regulations and SAI's website. For the assessment of outcomes and impact, researchers conduct key informant interviews.

Table 5: Indicator elements under the sub-indicator 4

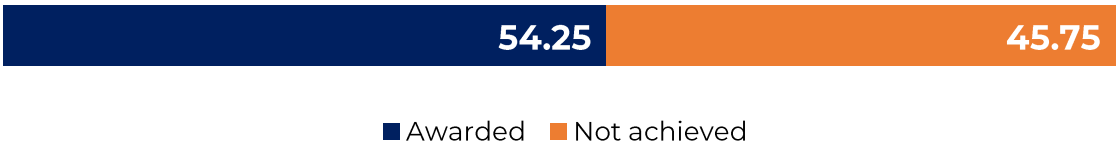
Indicator element: number and title	Type
E 4.1 There is a strategic document in force that envisages enhanced communication and cooperation of SAI with external stakeholders	Strategy and policy
E 4.2 Regulations stipulate the transparency of the SAI's work	Legislation
E 4.3 SAI's annual activity reports are regularly published and easily accessible online	Practice in implementation
E 4.4 SAI's audit reports are citizen-friendly and easily accessible online	Practice in implementation
E 4.5 Data contained in the external audit reports are available in open format(s)	Practice in implementation
E 4.6 SAI uses a variety of channels for external communication and promotion of its activities and reports	Practice in implementation
E 4.7 Key non-state actors consider SAI's work as transparent and SAI's reports as easily accessible	Outcomes and impact

II. TRANSPARENCY AND OPENNESS OF PUBLIC FINANCIAL MANAGEMENT

This section presents the assessment results for Serbia. Each sub-section presents the results for one sub-indicator (four in total), beginning with a brief overview of developments since the PAR Monitor 2021/2022. This is followed by a detailed assessment of the sub-indicator elements, starting with the policy, legislation and institutional framework, then moving to the practice in implementation, and ending with outcomes and impact. Each sub-indicator assessment concludes with the graph showing the awarded points.

The graph below displays the overall results for the Public Financial Management area in Serbia, measured on a scale from 0 to 100 points.

Transparency and openness of public financial management (score 0-100)



II.1 Inclusiveness and transparency of the budget formulation process

Principle 23: The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.

Awarded points per element in sub-indicator 1: Inclusiveness and transparency of the budget formulation process[6]

Indicator elements	Element type	Score
E 1.1 There is a strategic document in force that envisages the improvement of inclusivity and transparency of the budget formulation process as a goal	Strategy and policy	0/1
E 1.2 Regulations stipulate citizens' involvement in the budget formulation process	Legislation	1/1
E 1.3 External stakeholders are provided with complete information in advance, giving them sufficient time to prepare for consultations in the budget formulation process	Practice in implementation	0/2
E 1.4 Responsible government bodies are proactive in ensuring that a wide range of external stakeholders become involved in the budget formulation process	Practice in implementation	0/3.5
E 1.5 Key non-state actors consider the budget formulation process as inclusive and transparent	Outcomes and impact	0/3
E 1.6 Citizens' perception of inclusivity of the budget formulation process	Outcomes and impact	0/2
Total score for sub-indicator 1		**1/12.5**

6 The first sub-indicator focuses on the following SIGMA sub-principle: The government stimulates citizen engagement in the budgeting process by making a complete set of budget documentation publicly available, preparing a citizen budget and using open budgeting tools.

State of play

Budget formulation for 2024 and 2025 revealed significant shortcomings in inclusiveness and stakeholder engagement throughout the decision-making process. The 2024 and 2025 Budget Laws were adopted without undergoing a public debate. Although public hearings are regularly held on the draft budget laws in the Parliament, SIGMA noted that the parliamentary scrutiny remains weak due to the limited time available for the committee review.[7] Similarly, the European Commission noted that both public participation in the budget process and budget oversight by the legislature need to be improved, as the budgets for 2024 and 2025 were adopted with a very limited qualitative assessment and minimal debate among stakeholders.[8] The Ministry of Finance developed a Budget Portal, which allows citizens to provide their proposals during the ongoing budget cycle.[9] However, it remains to be seen whether this new tool will effectively increase the inclusiveness and transparency of the budget formulation process.

The current PAR strategic framework does not include activities to address the lacking transparency and inclusiveness of the budget formulation. Introducing such measures would help address the issue of the long-standing practice of excluding the interested public from this process. Several laws and bylaws in Serbia regulate the consultations with stakeholders and public debates, none of which exempt the Budget Law.[10] However, despite the absence of a formal exemption, the 2025 Budget Law was prepared without consultations with external stakeholders or a public debate.[11] A public hearing was held in

7 SIGMA/OECD, *Public Administration in Serbia 2024: Assessment against the Principles of Public Administration*, 2025, pp. 113. Available at: https://tinyurl.com/3f9ua2pt

8 European Commission, *Serbia Report 2024*, pp. 27. Available at: https://tinyurl.com/bd3mncwy. European Commission, Serbia Report 2025, pp. 27. Available at: https://tinyurl.com/5n84a6d4.

9 The Portal is available at: https://budzet.mfin.gov.rs/sr-cir/home

10 Specifically, Article 77 of the Law on Public Administration obliges public administration institutions to involve the public when developing legal acts within their jurisdiction and specifically to conduct public debates when those acts significantly change the legal arrangements in a certain area or when the act is of significant interest to the public. Although the Budget Law is not mentioned either as an exception or as a rule, the formulation of *significant interest to the public* certainly relates to the state budget. The Rules of Procedure of the Government in Article 41 prescribe the same two situations in which a public debate is mandatory (acts significantly change the legal arrangements in a certain area or when the act is of significant interest to the public). The Budget Law is exempted only from the obligation to undergo mandatory ex-ante impact assessment, according to Article 3 of the Decree on the Regulatory Impact Assessment. Finally, the Law on the Planning System provides an exception only for the planning documents related to the budget system in Article 50.

11 The draft Law, prepared by the Ministry of Finance, was primarily submitted to the Government to then be submitted to the Parliament, as envisaged by the Government's Rules of Procedure and the Constitution. Relevant Government committees adopted the draft law, after which it was submitted to the Parliament and formally adopted. The public was not involved in this process. Information on the timeline is available at: https://otvoreniparlament.rs/akt/5457. There is no information on consultations or public debate for the draft law on the eConsultations Portal, website of the Ministry of Finance, or within the accompanying materials submitted along with the draft law.

the Parliament, without the involvement of external stakeholders. Moreover, publicly available information does not indicate whether external stakeholders participated in the earlier stages, before the public hearing.

Views expressed by key informants reflect this practice, as they do not find the budget formulation process to be transparent or inclusive.[12] They emphasised that the participation of the public and interested parties in the process is highly limited or absent, while public hearings in the Parliament have little influence on the draft Law. The limited effectiveness of the public hearings stems both from their timing, as they come almost at the end of the adoption process, and the fact that the Budget Law is often adopted together with numerous other laws. On a more positive note, the interviewees acknowledged certain progress in the transparency of the entire process, due to the improved adherence to the prescribed budget calendar.[13] However, inclusiveness remains stagnant, keeping the process largely closed to the public.

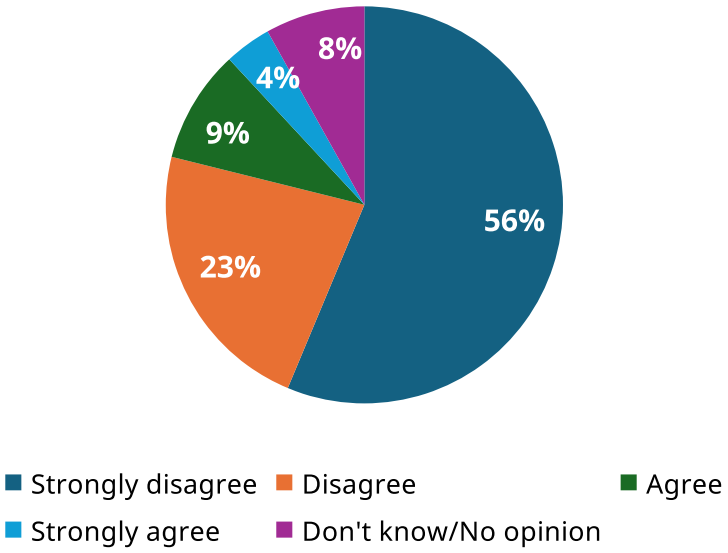
Citizens' perception reflects these findings, as only 13% consider that they have the opportunity to influence how the money from the state budget is spent (see Chart 1 below).[14] Such a highly negative perception is a signal of significant disconnection between the Government and the public, and that participatory mechanisms are either non-existent, poorly designed or not adequately communicated. Thus, it can be interpreted that the survey results do not indicate only current dissatisfaction, but a broader issue regarding the credibility and effectiveness of the budget decision-making process.

12 Researchers identified and interviewed relevant non-state actors with experience and knowledge in the field (key informants). Non-state actors are selected among representatives of civil society organisations, academia, professional organisations, media associations, investigative journalism outlets, or thematic experts. As a rule, three non-state actors were interviewed for all statements. Key informant interviews were held on July 23rd, July 24th and July 30th, 2025. Two key informants responded with tend to agree and one responded with tend to disagree to the statement "*The budget formulation process is transparent*.". Two key informants responded with fully disagree and one with tend to disagree to the statement "*The budget formulation process is inclusive*."

13 Introduced by the Article 31 of the Budget System Law.

14 Public perception survey in Serbia was conducted from the 15th of February until the 19th of February 2025. For more information on the sample and list of statements, please refer to the section Methodology Appendix.

Chart 1: Share of citizens' responses per agreement scale to the statement: "I have the opportunity to influence how money from the state budget is spent"



***Note**: All results are rounded to the nearest integer. Due to rounding, percentages may not always appear to add up to 100%. The base for these questions was N = 1006.*

However, some developments have been noted in the current budget formulation cycle. The Ministry of Finance (MF) introduced the Budget Portal, operational since October 1st, 2025, highlighting that it aims to provide citizens with deeper insight into budget preparation and opportunities for active engagement.[15] The Portal allows registered users to submit proposals, but only after completing a short knowledge quiz on public finances. While this tool has the potential to enhance inclusiveness, its design raises certain concerns. Primarily, the quiz appears to serve as a form of authentication, as it is necessary to pass it before submitting the proposal, possibly intended to encourage users to familiarise themselves with the topic. Still, with this requirement, the MF could limit participation and fail to address the broader inclusiveness gap.

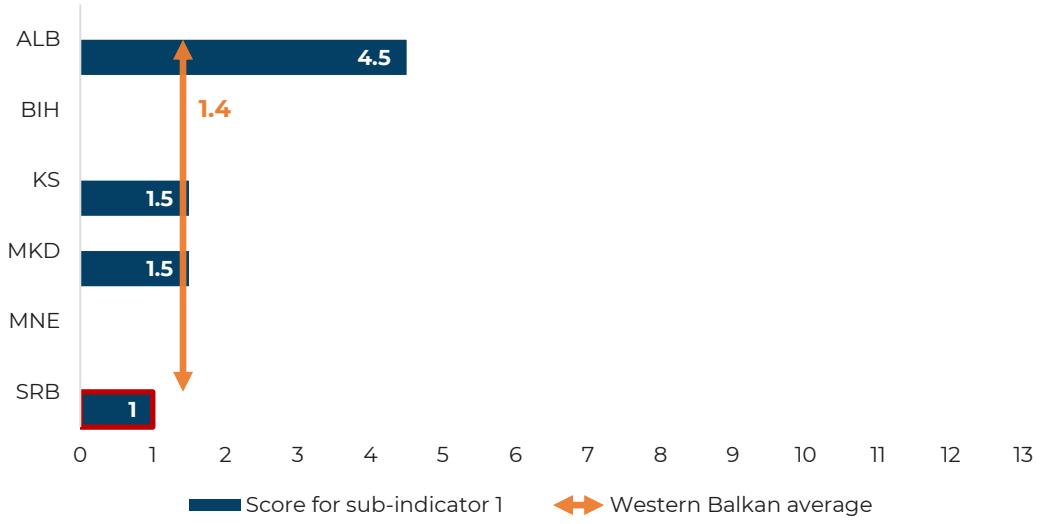
Finally, the MF has not clarified how citizens' submissions will be reviewed or incorporated. It remains unclear whether a specific type of report on the suggestions submitted through the Budget Portal, together with explanations on whether they were accepted or not, will become part of the accompanying documentation when the Proposal of the Law on the Budget for 2026 is submitted to the Parliament for adoption. In the event of a lack of such a report, the Portal risks providing only the appearance of participation, without meaningfully improving inclusiveness. Publishing institutional feedback would also help increase the transparency of the entire process, as it would show how the inputs were treated, in turn, helping address the accountability issue.

15 Available at: https://tinyurl.com/3dkxyj7y.

Currently, only selected inputs provided by the citizens are available on the Portal. The Ministry of Finance stated that a total of 37 inputs were received during the budget formulation process for 2026, but only those considered of significant interest to the wider public were listed on the Portal.[16] Although this can be considered a slight improvement compared to the previous practice, without fully disclosing participation details and publishing citizens' feedback, transparency and inclusiveness of the future process will remain questionable.

HOW DOES SERBIA DO IN REGIONAL TERMS?

Sub-indicator 1: Inclusiveness and transparency of the budget formulation process (maximum score 12.5)



16 Last checked on November 25th, 2025. Available at: https://budzet.mfin.gov.rs/sr-cir/selected-proposals/116

II.2 Availability and comprehensiveness of budgetary documentation

Principle 23: The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.

Principle 25: The government implements the budget in line with estimates and reports on it in a comprehensive and transparent manner, allowing for timely scrutiny.

Principle 26: Public administration bodies manage resources in an effective and compliant manner to achieve their objectives.

Awarded points per element in sub-indicator 2: Availability and comprehensiveness of budgetary documentation[17]

Indicator elements	Element type	Score
E 2.1 There is a strategic document in force that envisages improvement of the transparency of budgetary documentation	Strategy and policy	1/1
E 2.2 Enacted annual budget includes a medium-term perspective illustrating how revenue and expenditure will develop beyond the next fiscal year	Practice in implementation	0/3
E 2.3 Budget documentation presents the budget implications on the priority policy areas	Practice in implementation	0.25/2

17 The second sub-indicator focuses on the following SIGMA sub-principles: The government stimulates citizen engagement in the budgeting process by making a complete set of budget documentation publicly available, preparing a citizen budget and using open budgeting tools; The annual budget documentation is comprehensive and includes all public expenditures and revenues, fiscal risks, tax expenditures and multi-annual commitments; The budget is presented in administrative, economic, functional, and programmatic terms, and makes use of non-financial performance information. Expenditures related to policies such as green transition and gender equality are tracked to assess the impact of initiatives where there are relevant targets or goals; The ministry of finance monitors the execution of the budget throughout the financial year and regularly publishes budget execution information to enable effective decision-making and transparency; The government publishes its annual financial report no later than six months after the end of the financial year. The supreme audit institution audits the report, and the parliament discusses it before the next budget debate; The annual financial report of the government is comprehensive and based on an appropriate financial reporting framework, is in a format mirroring the format of the budget, explains variations from the budget figures, includes an analysis of state assets and liabilities, and contains non-financial performance information comparing results with performance targets; The government, in its annual financial report or a separate report, provides information on the significant economic, social and environmental impacts of its policies, procurements and operations; The government provides information on capital investment in its annual financial report or a separate report; A single ministry co-ordinates implementation of internal control, reviews progress and reports annually to the government on the development of internal control in the public sector.

E 2.4 Citizen Budget is regularly published online	Practice in implementation	2/2
E 2.5 In-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	1.5/3
E 2.6 Mid-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	1.5/3
E 2.7 In-year and mid-year budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation	2/3
E 2.8 Year-end budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	2.25/3
E 2.9 Year-end budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation	4/4
E 2.10 Year-end budget execution reports or separate reports contain information on the significant impacts of the budget implementation on the priority policy areas	Practice in implementation	0/2
E 2.11 Year-end budget execution reports or separate reports contain information on capital investment	Practice in implementation	0/3
E 2.12 Consolidated annual reports on internal financial control and internal audit are timely published and easily accessible online	Practice in implementation	2/2
E 2.13 Budgetary data is published in open data format	Practice in implementation	0/2
E 2.14 Key non-state actors consider that the budgetary documentation is comprehensive and enables further research	Outcomes and impact	0/3
E 2.15 Citizens' perception of availability of budget execution information	Outcomes and impact	0.5/2
Total score for sub-indicator 2		**17/38**

State of play

Since the previous WeBER monitoring cycle, there have been no significant improvements regarding the availability and comprehensiveness of budgetary documentation. In-year, mid-year and year-end reports on the budget execution are generally published regularly, but not always in a timely manner. The European Commission notes that budget execution reports contain only basic elements. Furthermore, it has been observed that the Ministry of Finance does not publish the budget execution profile at the beginning of the year, thus preventing the analysis of any divergence from allocated resources. On the other hand, the latest Commission's report highlights that the green tagging methodology has been integrated into the budget planning procedure for the first time in 2024.[18]

The strategic framework for PAR envisages certain steps towards increased transparency of the budgetary documentation. Specifically, the Action Plan of the Public Financial Management Reform Programme for 2021-2025 outlines the production of a report "for the public" on the status of capital projects that are monitored by the MF.[19] Although no other activities were defined, reporting on the implementation of capital projects is an important step towards increased transparency, given the high monetary value and public significance of such projects. This activity, assigned to the MF, was planned for the last quarter of 2025, but no such report is available yet on the Ministry's official website.[20]

When it comes to the comprehensiveness of the laws on the budget, there were no significant improvements in the presentation of allocated resources. Availability of medium-term projections and budgetary implications for priority policy areas are not fully present. The Budget Laws for 2024 and for 2025 contain expenditure limits for the two years ahead of the fiscal year at the state level, but there is no information on revenues and the same applies for projections segregated per budget user or programme. An overview of planned capital expenditures per budget user is available for both laws, however, there is no information on the revenues here either.

Furthermore, the budget documentation lacks a narrative presentation of the implications of the budget on priority policy areas: private sector development and business environment, green and digital transition, human capital and

18 European Commission, *Serbia Report 2025*, pp. 27. Available at: https://tinyurl.com/5n84a6d4.

19 Action Plan for the Public Financial Management Reform Programme for the period 2021-2025 (specific objective 1 - Improved capacities for budget planning and public investment management; measure 1.4 - Improving the setting for efficient capital investment management; activity 1.4.3 - Producing reports for the public on the status of capital projects that are being followed in line with the methodology), pp. 105. Available at: https://tinyurl.com/yc6emtcv

20 The report was not available during the monitoring window and during the process of producing this report, i.e., until December 2025.

fundamental rights and rule of law.[21] However, some developments were recorded with the adoption of the Budget Law for 2025, since the MF published as a separate document an Annex to the Law titled *Green Budget*. It contains a narrative explanation of certain activities that have an impact on green transition and a list of all the green projects planned for the fiscal year.[22] This Annex represents a guide for the interested parties seeking to understand how allocated resources will influence the area. It is currently produced based on the information provided by individual ministries, i.e., their assessment of the environmental impact of projects they will implement during the fiscal year. However, the Green Budget did not represent an overview of the environmental impact for all projects planned in this area under the 2025 budget as only four ministries marked their relevant projects as green but with no sufficient elaboration of budget implications on the environment. To effectively increase transparency of information on planned public spending, it would be necessary to outline the key points and provide explanations on the wider planned budget execution results in all priority policy areas, green transition included.

As observed in the previous monitoring cycles, the Citizen Budget, produced for each budget cycle, contains citizen-friendly presentations and explanations on the allocated funds, with examples of funded activities within different policy areas.[23] The abovementioned Budget Portal also provides some citizen-friendly tools, such as graphic presentations of different budget items and components as well as Guidebook for Budget Literacy to support citizens in better understanding of the public finances. Furthermore, one of the novelties introduced through the Portal is the Citizens' Guide through the budget proposal for 2026.[24] Finally, the Portal contains a virtual assistant, designed to answer questions regarding the public finance management system.

When it comes to budget execution reports, three types are produced – in-year, mid-year and year-end. However, they are either not easily accessible, or they are not timely published, limiting their usability for tracking how budget funds are spent. Primarily, the MF prepares *Public Finance Bulletins* with each edition covering one month of budget execution. These are often published three months after the month they cover,[25] which represents a significant delay. Still, they are available and easily accessible at a dedicated section on the

21 Listed policy priorities are set by the Reform Agendas of the Western Balkan administrations, developed in response to the EU Reform and Growth Facility, part of the New Growth Plan for the Western Balkans. More information at: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5421.

22 Available at: https://tinyurl.com/337za53c

23 Available at: https://tinyurl.com/288bxvw8.

24 Available at: https://budzet.mfin.gov.rs/sr-cir/documents.

25 For the purpose of the assessment, in-year budget execution reports are considered timely if they are published one month after the month they cover.

MF's website.[26] The situation is opposite in the case of mid-year reports. Their publication is timely – they become available on the National Assembly's website as soon as the MF forwards them for adoption. However, accessibility remains an issue, given that they are merely listed among many other acts adopted by the Assembly and are not sorted by topic.[27] Publishing of mid-year reports on the MF's website, as part of the official budget execution documentation, would allow easier and timely access and scrutiny by external stakeholders.

Similar issues exist with year-end budget execution reports. The Budget System Law does not prescribe a deadline for the adoption of laws on final account of the budget, it only states that the Government must submit the draft to the Assembly by July 15th each year.[28] Thus, due to budget calendar and procedural requirements, i.e. year-end budget execution reports have to be adopted by the National Assembly as part of the Law on Final Account, these reports are frequently published in the last quarter of the calendar year, as was the case for the observed 2022 and 2023. Furthermore, on the MF's website, they are published along with all other regulations for which the MF is the authorised proposer.[29] Although the website offers a search function, year-end execution reports, i.e., laws on the final account, cannot be considered fully accessible since they are listed among various other laws and not located within a separate section related to budget execution.[30] In that regard, improving the visibility of year-end reports would represent an important step toward greater transparency and accountability in budget execution.

Structurally, budget execution reports largely mirror the formal budget classification. Mid-year and year-end reports follow the budget structure and present execution data by administrative, economic, functional and programmatic categories. Monthly execution data, however, is limited to the economic classification, making it less comprehensive than mid-year and annual reporting. Overall, this close alignment with the budget structure ensures consistency, but it also constrains the depth of analysis: execution reports lack qualitative performance information and provide little insight into how budget implementation affects priority policy areas.

26 Available at: https://www.mfin.gov.rs/aktivnosti/bilten-javnih-finansija.

27 For the purpose of this assessment, reports for 2024 and 2025 were analysed, since the report for 2025 was not available during the monitoring window. Specifically, mid-year reports for January-June 2023 and for January-September 2024 were observed. They are available at: https://tinyurl.com/4u3f3287 and https://tinyurl.com/4w2e9e5b.

28 Article 78, Budget System Law, Official Gazette No. 94/2024. Available at: https://tinyurl.com/bdfaj4h5. It should also be noted that both Laws on the Final Account observed within the assessment – laws for 2022 and for 2023 – were submitted to the National Assembly after the prescribed deadline. The Law for 2022 was submitted in September 2023, while the Law for 2024 was submitted in November 2024. The information on the timeline for both laws is available at: https://otvoreniparlament.rs/akt/5165 and https://otvoreniparlament.rs/akt/5441.

29 Available at: https://www.mfin.gov.rs/propisi/zakoni

30 During the monitoring window, the year-end report for 2023 was assessed as accessible, since it was available only three clicks away from the home page.

Furthermore, budget execution reports also lack citizen-friendly sections and provide no information on the progress of major investment projects. While they present data on planned and executed amounts for all budget items, they do not explain deviations in capital investment spending. This absence of narrative significantly weakens their analytical value and limits any assessment of how execution aligns with policy objectives. Given the high financial weight of investment projects, the lack of information on their implementation and deviations constitutes a major transparency gap in budget execution.

The state of public internal financial control is regularly reported on through consolidated annual reports, which encompass financial management and control and internal audit. The Central Harmonisation Unit of the MF prepares the consolidated report by combining individual annual reports submitted by individual bodies. Although there are no prescribed deadlines, they are generally timely published – consolidated reports for 2024 and 2025 were published in July 2023 and 2024, respectively. Furthermore, they are easily accessible through a dedicated section of the MF's website.[31]

By contrast, there have been no notable improvements in the availability of open budget data. While the Open Data Portal hosts multiple datasets for local self-governments, no state-level budget or budget execution data are published there. Some datasets are available on the Ministry of Finance website in Excel format, including budget allocations under Article 8 of the Budget Law for 2024 and 2025 (allocations per administrative unit/institution)[32] and macro-fiscal time series covering revenues, expenditures, consolidated budgets, and public debt.[33] However, these datasets are scattered across the Ministry's website and are not organised within a dedicated open data sections. This fragmented approach indicates the absence of a coherent policy for publishing budget data in open and reusable formats.

Key informants do not consider that the budget and annual budget execution reports are comprehensive or produced in a way that provides adequate information for research and analysis.[34] The interviewees pointed out that

31 Available at: https://mfin.gov.rs/o-ministarstvu/konsolidovani-godinji-izvetaj

32 Available at: https://tinyurl.com/yc6hbtct and https://tinyurl.com/34kpvzhv

33 Available at: https://mfin.gov.rs/dokumenti2/makroekonomski-i-fiskalni-podaci

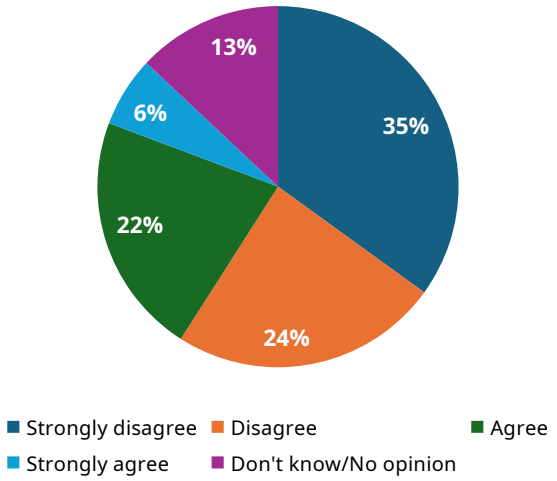
34 Researchers identified and interviewed relevant non-state actors with experience and knowledge in the field (key informants). Non-state actors are selected among representatives of civil society organisations, academia, professional organisations, media associations, investigative journalism outlets, or thematic experts. As a rule, three non-state actors were interviewed for all statements. Key informant interviews were held on July 23rd, July 24th and July 30th, 2025. The ratio of responses on the agreement scale per statement was the following:

1. "Available annual budgets are comprehensive enough." – two key informants tend to agree; one tends to disagree;
2. "Available annual budgets provide adequate information for the purpose of research, analysis and policy monitoring." – two key informants tend to disagree, one tends to agree;
3. "Available budget execution reports are comprehensive enough." two key informants tend to disagree; one tends to agree;
4. "Available budget execution reports provide adequate information for the purpose of research, analysis and policy monitoring." – two key informants tend to disagree, one fully disagrees

both the budget and the reports can easily be found and are available online. However, the issue lies in the format of the documentation, which does not support easy understanding and fails to provide the information needed for further analysis. One key informant pointed out that information on the programme budget is insufficient to understand what should be achieved in a broader sense, and especially for comprehending what was achieved and why deviations from the plan occurred. Another key informant highlighted a similar point – detailed explanations for individual items are not available, making it harder to understand and analyse the content even for those with prior experience, which, once again, points to the need for more user-friendly explanatory tools.

Finally, citizens' perception of the availability of budget execution information is very low, as only 28% consider that the state authorities publish information about how money from the state budget is spent (see Chart 2 below).[35] This perception is not necessarily linked to the mere existence of reports and the availability of information. As emphasised by key informants, the format and structure of the documentation are not suitable for those who do not possess at least some prior knowledge. Thus, perception results suggest that citizens cannot easily inform themselves on how the state budget is executed despite the available reports. This calls for the state authorities to publish detailed but citizen-friendly presentations of the budget execution. The new Budget Portal could also be leveraged to increase the availability and user-friendliness of the execution data.

Chart 2: Share of citizens' responses per agreement scale to the statement: "State authorities publish information about how money from the state budget funds is spent"

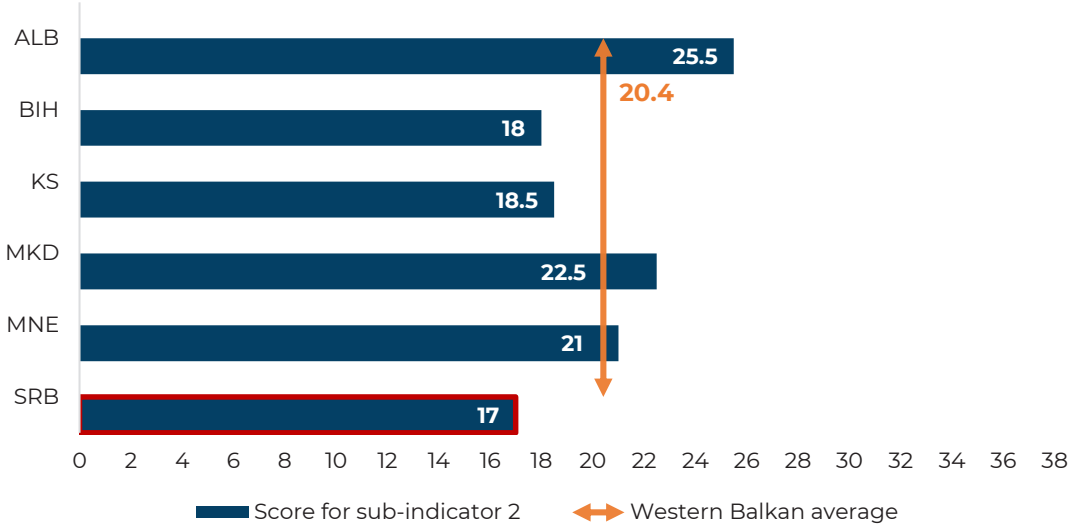


***Note**: All results are rounded to the nearest integer. Due to rounding, percentages may not always appear to add up to 100%. The base for these questions was N = 1006.*

35 Public perception survey in Serbia was conducted from the 15th of February until the 19th of February 2025. For more information on the sample and list of statements, please refer to the section Methodology Appendix.

HOW DOES SERBIA DO IN REGIONAL TERMS?

Sub-indicator 2: Availability and comprehensiveness of budgetary documentation (maximum score 38)



II.3 Transparency and competitiveness of the public procurement system

Principle 28: Public procurement legislation, including public-private partnerships and concessions, is based on principles of equal treatment, non-discrimination, transparency, proportionality and competition, and supported by a sound governance framework.

Principle 29: Contracting authorities conduct public procurement operations, including public-private partnerships, efficiently and economically.

Awarded points per element in sub-indicator 3: Transparency and competitiveness of the public procurement system[36]

Indicator elements	Element type	Score
E 3.1 There is a strategic document in force that envisages improvement in transparency and competitiveness of the public procurement system	Strategy and policy	1/1
E 3.2 Regulations stipulate transparency and competitiveness as the key principles of public procurement processes	Legislation	1/1
E 3.3 No special legislation creates exceptions from the general law on public procurement	Legislation	0/1.5
E 3.4 There is a designed central procurement body that supports transparency and competitiveness of public procurement processes	Institutional set-up	2/2

36 The third sub-indicator focuses on the following SIGMA sub-principles: The public administration has clear and comprehensive policies in place for the longer-term development of the public procurement system, including PPPs and concessions; Public procurement legislation, including public-private partnerships (PPPs) and concessions, reflects internationally recognised principles, such as value for money, free competition, transparency, non-discrimination, equal treatment, mutual recognition and proportionality; A body with a clear political and legal mandate at central level is entrusted with a policy-making function to steer and manage public procurement reform. The key functions and responsibilities to implement the public procurement system are clearly distributed among central procurement institutions, which have the necessary authority and resources; A central procurement body monitors, oversees and evaluates the procurement system and identifies possible improvements. It provides public access to consolidated data on public procurement operations (including both contract award and performance); Contracting authorities widely use e-procurement, which covers all stages of the procurement process; The public procurement market is competitive and attracts interest of domestic and international economic operators, especially small and- medium-sized enterprises; Contracting authorities develop annual or multi-annual procurement plans, aligned with budget planning, and publish them on time. A thorough needs analysis and market research guide the preparation of individual procurement, including definition of desired outcomes; Competitive procedures are standard procurement methods, and contracting authorities use other procedures only in duly justified exceptional circumstances.

E 3.5 Central procurement body regularly reports to the public on the implementation of overall public procurement policy	Practice in implementation	2/2
E 3.6 Reporting on public procurement policy by the central procurement body is citizen-friendly	Practice in implementation	1/1.5
E 3.7 Central review body regularly reports to the public on procedures for the protection of the rights of bidders in public procurement	Practice in implementation	1.25/2.5
E 3.8 Public procurement portal is user-friendly	Practice in implementation	2.5/3
E 3.9 Central-level contracting authorities regularly publish up-to-date annual procurement plans that are easily accessible online	Practice in implementation	3/3
E 3.10 Central-level contracting authorities regularly publish annual procurement reports that are easily accessible online	Practice in implementation	3/3
E 3.11 Open procedures represent a standard public procurement method	Practice in implementation	2/2
E 3.12 Public procurement processes are competitive	Practice in implementation	0/2
E 3.13 Public procurement data is available in open format(s)	Practice in implementation	1/2
E 3.14 Key non-state actors consider public procurement system as competitive and transparent	Outcomes and impact	1.5/3
E 3.15 Key non-state actors consider exceptions from public procurement law as adequately regulated and applied in practice	Outcomes and impact	0/3
Total score for sub-indicator 3		**21.25/32.5**

State of play

Compared to the previous WeBER PAR Monitoring cycle, the state of the public procurement system has remained mostly unchanged; only progress has been made in the publication of annual public procurement reports by contracting authorities. These reports are now consistently available on the Public Procurement Portal and are easily accessible to the public. However, despite the formal alignment of the legal framework with the EU acquis, the practice of circumventing existing legislation through intergovernmental agreements and special laws persists.[37] As a result, certain projects are exempted from the

37 European Commission, *Serbia Report 2025*, pp. 65-66. Available at: https://tinyurl.com/5n84a6d4.

application of the Public Procurement Law, which continues to raise concerns regarding their compliance with EU standards. Transparency of projects contracted under intergovernmental agreements remains limited. Additional efforts are required to ensure the consistent implementation of the Public Procurement Law in practice, enhance competitiveness and transparency, and prevent conflicts of interest in public procurement procedures, which remain vulnerable to corruption risks.

Serbia has the strategic document that explicitly foresees measures to enhance transparency and competitiveness in the public procurement system. The Public Procurement Development Programme of the Republic of Serbia for 2024–2028[38] sets out a comprehensive framework to achieve these goals through several targeted measures. The Programme envisions strengthening the regulatory framework for public-private partnerships, enhancing the capacities of contracting authorities and economic operators, and advancing the electronic public procurement system through targeted activities such as training, comparative analysis with EU Member States, and upgrading the portal to improve efficiency and accessibility. Taken together, these initiatives aim to establish a more transparent and competitive procurement environment, demonstrating a commitment to a more open and efficient procurement market.

The Public Procurement Law explicitly establishes transparency and competitiveness as fundamental principles governing public procurement procedures.[39] The Law obliges contracting authorities to act transparently, ensure competition, and guarantee equal treatment of all economic operators without discrimination.[40] It further emphasises the principles of cost-effectiveness, equality among tenderers, and transparency in awarding contracts for social and other specialized services.[41] At the same time, a separate section of the Law requires contracting authorities to promote fair competition by avoiding discriminatory criteria and taking measures to prevent conflicts of interest.[42] Overall, the regulatory framework provides a clear legal basis for transparency and competitiveness as key guiding principles of Serbia's public procurement system.

Despite this, several special laws introduce temporary or project-specific exemptions from the general public procurement framework. For instance, in the past the Law on Special Procedures for the Implementation of Construction and Reconstruction Projects of Linear Infrastructure Facilities of Special Importance

38 Public Procurement Development Programme of the Republic of Serbia for 2024–2028, *Official Gazette of the RS*, No. 68/24, available at: https://tinyurl.com/25anxk7c

39 Public Procurement Law, *Official Gazette of the RS*, No. 91/19, 92/23, available at: https://tinyurl.com/2wj7r69p

40 Public Procurement Law, ar. 5,7-8

41 Public Procurement Law, ar.75.

42 Public Procurement Law, ar. 7 and 50.

for the Republic of Serbia (repealed in 2023)[43] exempted certain procurement rules relating to planning, prior notice, qualification requirements, deadlines, and decisions by the Republic Commission for the Protection of Rights in Public Procurement Procedures.[44] Under this law, the Government could also adopt special procedures for selecting strategic partners for urgent projects, while ensuring transparency and competition through by-laws. Other project-specific legislation, such as the rules for EXPO BELGRADE 2027[45], the Moravski Corridor section of the E-761 motorway,[46] and the Belgrade Waterfront project,[47] similarly introduce deviations from the general law to facilitate the implementation of large-scale or strategically important projects. These examples demonstrate that, although the Public Procurement law remains the main regulatory framework, several specific laws, allowing for targeted exemptions, distort the overall public procurement system, adversely affecting its integrity and functioning and creating risks of corruption and mismanagement of public funds.

Serbia has an established central procurement body, the Public Procurement Office (PPO),[48] which plays a key role in supporting transparency and competitiveness in public procurement processes. The PPO is mandated to monitor and report on the implementation of public procurement regulations at the national level, preparing annual reports for the Government and the National Assembly.[49] It provides professional support to contracting authorities and bidders through guidelines, manuals, forms, and other publications, all freely accessible online. By combining monitoring, reporting, guidance, and the provision of comprehensive online resources, the PPO contributes to transparency of public procurement system in Serbia.

Along those lines, the PPO regularly reports to the public on the implementation of the overall public procurement policy. Annual reports are available on the

43 Law on Special Procedures for the Implementation of Construction and Reconstruction Projects of Linear Infrastructure Facilities of Special Importance for the Republic of Serbia, *Official Gazette of the RS*, No. 9/20, available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2020/9/7/reg.

44 Law on Special Procedures for the Implementation of Construction and Reconstruction Projects of Linear Infrastructure Facilities of Special Importance for the Republic of Serbia, ar. 32, 37, and 39

45 Law on Special Procedures for the Realization of the International Specialized Exhibition EXPO BELGRADE 2027, *Official Gazette of the RS*, No. 92/2023, available at: https://tinyurl.com/2jv6mxpu and Regulation on the rules for the procurement of goods, services, or works required for the realization of the international specialized exhibition EXPO BELGRADE 2027, available at: https://tinyurl.com/mwx39cvm

46 Law on determining public interest and special procedures for the implementation of the project for the construction of the infrastructure corridor of the E-761 motorway, section Pojate-Preljina (Moravski koridor), *Official Gazette of the RS*, no. 49/19, available at: https://tinyurl.com/bdhftha5

47 The Law On The Determination Of The Public Interest And The Special Procedures Of Expropriation And Issuance Of A Building Permit For the Implementation Of The "Belgrade Waterfront" Construction Project, *Official Gazette of the RS*, no. 34/15, 103/15 i 153/20, available at: https://tinyurl.com/bdeb6fj4

48 See: https://kjn.rs/en/

49 Law on Public Procurement, *Official Gazette of the RS*, No. 91/19, ar. 179–180, available at: https://tinyurl.com/2wj7r69p

Public Procurement Portal from 2020 onwards[50], including reports for 2023 and 2024, in both Serbian and English, while past reports, for the period 2003–2019, are accessible on the PPO website[51]. The continued availability of these reports allows stakeholders to monitor developments in the public procurement system and review public procurement outcomes over time.

At the same time, the reporting on public procurement policy by PPO is largely citizen-friendly. Tabular and visual data presentations allow easy insight into key statistics and statistics and annual reports for 2020 onwards are published in the "Reports" section of the Public Procurement Portal, accessible within two clicks from its homepage, ensuring easy access. However, the reports do not include an overall, concise summary of the main outcomes in one place, while the "Reports" section from the PPO's website (covering older reports for 2003–2019) does not clearly indicate that subsequent reports are published on the portal, which may affect search and navigation for some users. Altogether, while the reporting practice is generally well-presented and accessible, it could still be upgraded towards more accessibility and citizen-friendliness.

When it comes to reporting, it should be noted that the Republic Commission for the Protection of Rights in Public Procurement reports to the public on the handling of complaints in public procurement procedures as well; however not fully regularly.[52] At the time of assessment in July 2025, reports for 2022 and 2023 were publicly available on the Commission's website while the report for 2024 had not been published despite the legal deadline for submitting it to the Government and National Assembly (31 March).[53]

The Public Procurement Portal is assessed as generally user-friendly, as it provides comprehensive access to key procurement information and functionalities. All tender documentation is freely accessible without registration or barriers, and the portal includes several practical tools to support users, such as detailed instructions,[54] video tutorials,[55] and a dedicated FAQ section.[56] It also offers an advanced search function, allowing users to filter tenders by contracting authority, procedure type, CPV code, or other relevant criteria, and to download current view in open format. Although the portal does not contain the glossary of key procurement terms, it is available from the Public Procurement Office's webpage. Overall, portals' structure and functionalities, as well accessibility of information and data make it a useful and user-friendly tool for public access.

50 See: https://jnportal.ujn.gov.rs/annual-reports-ppo-public

51 See: https://www.ujn.gov.rs/o-nama/

52 See: https://kjn.rs/.

53 See: https://kjn.rs/o-nama/izvestaji-o-radu-republicke-komisije/.

54 See: https://tinyurl.com/ycxh3b77.

55 See: https://tinyurl.com/37b4x3mb.

56 See: https://tinyurl.com/mrx4p6r4.

Furthermore, contracting authorities comply with transparency requirements concerning their procurement planning and reporting.[57] Their annual procurement plans for 2025 and 2024, as well as annual procurement reports for 2024 and 2023, are all publicly available on the Public Procurement Portal. On the portal's homepage, dedicated "Public Procurement Reports" section provides an institution-based search engine, while annual procurement plans are likewise easily accessed through clearly designated sections. At the same time, all public procurement plans are regularly updated to reflect amendments or revisions.[58] Established approach, where all plans and reports are consolidated in one place on the portal, facilitates easy access to all users and ensures that procurement information is updated.

According to the annual report of the Public Procurement Office,[59] in 2024, open procedures dominated public procurement practices. Among all procedures conducted, 98% were standard open procedures, while competitive procedures with negotiation accounted for less than 2%, restricted procedures for less than 1%, and negotiated procedures with prior publication for 0.01%. By contract value, contracts awarded through open procedures accounted to almost 97% of the total public procurement spending. The consistent use of open procedures in terms of frequency and contract value could indicate a strongly transparent and competitive procurement environment in practice. However, the continued reliance on lex specialis legislation and international agreements establishing special public procurement regimes, as mentioned previously, casts a shadow over these findings and raises the suspicion that the actual levels of transparency and openness of public procurements in Serbia are significantly lower than suggested by the PPO 2024 report.

In addition, public procurement processes in Serbia demonstrate low competitiveness. According to the same report, majority of public procurement procedures in 2024 attracted only a single bid – 51%. Competitiveness varies by procurement type: procurements of goods show the lowest share of single-bid submissions (44%), followed by works (46%) while procurements of services accounted for the most single-bid procedures (61%). The overall percentage of single-bid procedures, and the average number of bids (2,5), appears to be influenced by the relatively frequent participation of groups of economic operators, who submitted bids in nearly 15% of all procedures.[60]

57 Assessment was based on five contracting authorities' practices: City of Belgrade, Administration Secretariat for Public Transport; Republic Health Insurance Fund; Public Company "Electricity of Serbia"; Electricity Distribution of Serbia; City of Belgrade, Service for Centralised PP and Procurement Control.

58 Sampled public bodies have confirmed through their responses to FOI requests that their plans are regularly updated online to reflect amendments or revisions.

59 Annual Report On Public Procurement In The Republic Of Serbia For The Period From 1.1.2024 – 31.12.2024, available at: https://jnportal.ujn.gov.rs/annual-reports-ppo-public.

60 Annual Report On Public Procurement In The Republic Of Serbia For The Period From 1.1.2024 – 31.12.2024, page 5.

Taken together, these findings suggest that further reforms in the direction of increasing bidder participation and strengthening the competitiveness of the system are critical.

Public procurement data in Serbia is available in several open, machine-readable formats; however, the overall practice only partially meets the criteria for full openness. The national open data portal hosts a limited number of datasets published by the Public Procurement Office, but all of them pre-date 2020 and therefore fall outside the period considered for this assessment.[61] Other than that, the Public Procurement Portal enables users to download procurement data in multiple formats, including XLSX, XML, and JSON, ensuring that current datasets are technically reusable and interoperable.[62] While the portal itself provides for open data access, the absence of up-to-date public procurement datasets on the national open data portal indicates yet insufficient alignment with the open data standards.

Key non-state actors generally perceive the public procurement system at the central level as formally transparent, but view its competitiveness as only partially ensured in legislation.[63] Interviewees hold that while the legal framework is sound and much information is publicly available, transparency is insufficient in practice. Key data, such as the number of bids or details on negotiated procedures, are not always easy to locate or consistently published. Concerns about competitiveness were even more pronounced. Interviewees pointed to low bidder participation, and the prevalence of procedures with very few bidders. They also highlighted practices that restrict competition, such as disproportionate eligibility requirements, frequent changes to procurement plans, and overly detailed technical specifications. Although oversight mechanisms exist, all interviewees described them as weakly applied, with limited monitoring, rare sanctions, and declining publication of advisory opinions of Republic Commission - factors that collectively undermine accountability. Overall, while non-state actors acknowledge a generally transparent legal and institutional framework, they emphasise that gaps in data accessibility, insufficient user-friendliness, and weak enforcement undermine both full transparency and genuine competitiveness in practice.

61 See: https://data.gov.rs/sr/

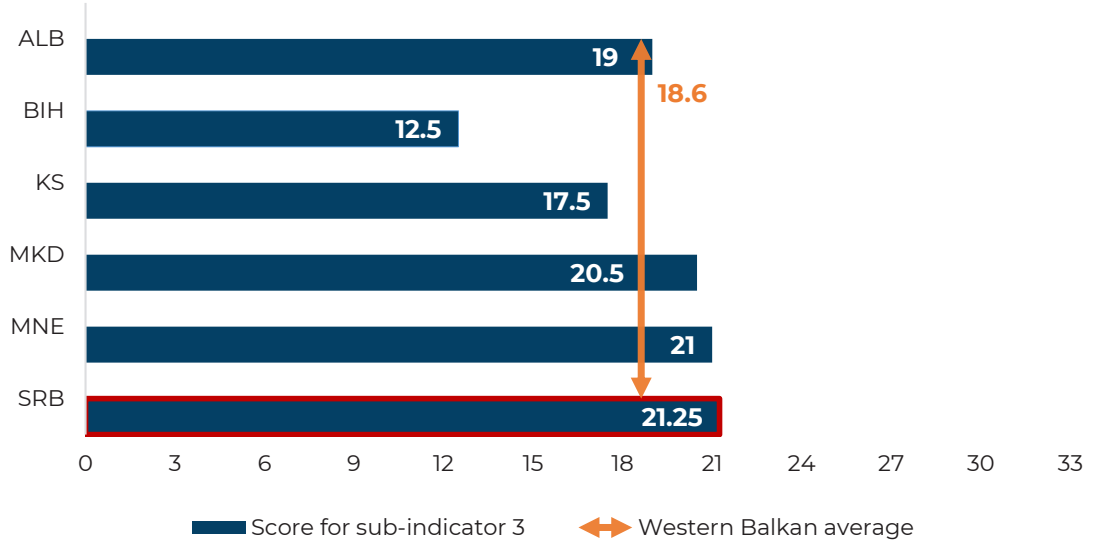
62 The data available for download do not provide result-related procurement information on, for example, individual procurements implemented, or on annual performance of the entire procurement system or else. Instead, users can download structured overviews of portal sections, including plans, procedures, decisions and contracts, register of contracts, rights protection, reports.

63 Key informant interviews were held on the July 23rd, July 24th and 18th August 2025. To the statement "Public procurement system, as established by the public procurement legislation, is transparent", two key informants responded with "tend to agree", while the third responded with "fully agree". To the statement "Public procurement system, as established by the public procurement legislation, is competitive", two key informants responded with "tend to agree" while the third responded with "tend to disagree".

Finally, interview findings further show strong consensus among key informants that exceptions from the Public Procurement Law are neither adequately regulated nor applied strictly as intended.[64] All three key informants expressed predominantly negative assessments. While the law formally defines exemptions in line with EU practice, interviewees stressed that this is undermined by lex specialis laws and special regimes, particularly for major infrastructure projects, EXPO-related activities, and contracts based on international agreements, often justified by confidentiality or project urgency. These frameworks effectively bypass the Public Procurement Law, reducing transparency and limiting possibilities for appeal. They stressed that a growing misuse of exemptions and a rising reliance on special laws and international agreements leads to high-value contracts being implemented outside standard procurement rules and official records. This practice was described as politically motivated, aimed at avoiding oversight and accountability. Interviewees expressed a concern that continued expansion of exemptions poses serious corruption risks. In their opinion, reforms should focus on eliminating special laws, as well as increasing disclosure of information on exempted projects.

HOW DOES SERBIA DO IN REGIONAL TERMS?

Sub-indicator 3: Transparency and competitiveness of the public procurement system (maximum score 32.5)



64 To the statement "The public procurement law adequately regulates exceptions to its application", two key informants responded with "tend to disagree", while the third responded with "fully disagree". To the statement "Exceptions from the application of the public procurement law are in practice limited to those regulated by the law", two key informants responded with "fully disagree" while the third responded with "tend to disagree".

II.4 Openness and transparency of state audit institution's work

Principle 31: All public funds are effectively audited by an independent auditor that provides assurance on the use of public resources and helps improve the functioning of the public sector.

Awarded points per element in sub-indicator 4: Openness and transparency of state audit institution's work[65]

Indicator elements	Element type	Score
E 4.1 There is a strategic document in force that envisages enhanced communication and cooperation of SAI with external stakeholders	Strategy and policy	1/1
E 4.2 Regulations stipulate the transparency of the SAI's work	Legislation	1/1
E 4.3 SAI's annual activity reports are regularly published and easily accessible online	Practice in implementation	4/4
E 4.4 SAI's audit reports are citizen-friendly and easily accessible online	Practice in implementation	4/4
E 4.5 Data contained in the external audit reports are available in open format(s)	Practice in implementation	1/2
E 4.6 SAI uses a variety of channels for external communication and promotion of its activities and reports	Practice in implementation	1/2
E 4.7 Key non-state actors consider SAI's work as transparent and SAI's reports as easily accessible	Outcomes and impact	3/3
Total score for sub-indicator 4		**15/17**

65 The fourth sub-indicator focuses on the following SIGMA sub-principles: Audit reports are concise and contain relevant and useful recommendations, and procedures are in place to follow up on audit reports; The SAI communicates widely on its activities and audit results through the media, websites and other means and makes its reports publicly available, in a timely manner.

State of play

The regulatory framework ensures the full independence of the State Audit Institution by safeguarding its functional, financial, and operational autonomy. According to SIGMA, the audit mandate is comprehensive and empowers the Institution to conduct audits in line with international standards.[66] At the same time, the European Commission, in its latest report,[67] notes that the continued focus on detecting errors and initiating proceedings against individuals adversely affects the Institution's capacity to carry out key audit tasks. Nevertheless, the Commission also observes that the quality of audit work is steadily improving and that the SAI began conducting real-time performance audits in 2024.

The Strategic Plan of the State Audit Institution (SAI) clearly defines a strategic goal dedicated to strengthening communication and cooperation with external stakeholders.[68] It outlines measures to improve public communication, enhance transparency of audit results, engage with the media, and collaborate with key stakeholders through events, training, and accessible reporting. The implementation of the SAI Strategic Plan is carried out through its internal organisational units, which are responsible for executing planned activities, including communication, cooperation, and strategic risk mitigation, ensuring accountability for the implementation of strategic measures despite the absence of a publicly available Action Plan.[69]

The legal framework governing the external audit explicitly establishes transparency as a guiding principle, aligning with INTOSAI standards.[70] The Law on SAI establishes that that the Institution's work is public by stipulating basic transparency and reporting requirements,[71] and the SAI's Rules of Procedure sets out further publication and transparency mechanisms, including submission of annual activity and other reports to the National Assembly, submission of audit reports on the state budget and social security organisations, press conferences, press releases, and publication of significant opinions and acts on the SAI's website. [72] The Rules further specify that only the President or

66 SIGMA/OECD, *Public Administration in Serbia 2024: Assessment against the Principles of Public Administration*, 2025. Available at: https://tinyurl.com/3f9ua2pt

67 European Commission, *Serbia Report 2025*. Available at: https://tinyurl.com/5n84a6d4.

68 Strategic Plan of the State Audit Institution 2024-2028, available at: https://www.dri.rs/strateski-plan

69 The Action Plan, intended to specify concrete activities, assign responsibilities, set deadlines, and provide funding sources and indicators, was not publicly available during monitoring cycle.

70 See: https://www.intosai.org/focus-areas/audit-standards.html

71 Law on SAI, *Official Gazette of the RS*, no 101/05, 54/07, 36/10 i 44/18, ar. 49, available at: https://tinyurl.com/3f7s32p9

72 SAI's Rules of Procedure, *Official Gazette of the RS,* no 9/09, ar. 47-48, available at: https://tinyurl.com/y53cyry2

an authorised person may provide information during or after audits, with public announcements detailing auditee identity, responsible persons, the nature of detected irregularities, subsequent actions, and measures taken by the Institution or other competent bodies. These provisions ensure that transparency principle is actively implemented through clear methods and processes, thereby fully meeting INTOSAI requirements for public reporting and accessibility of information.

In practice, SAI complies with obligatory reporting provisions. Observed annual activity reports, for 2023 and 2024, have been published in line with the statutory deadline of 31 March each year and are available on the SAI's website.[73] Users can access these reports within three clicks via the "Documents" drop-down menu on the homepage. When it comes to audit reports, they are also published regularly and all observed audit reports, published between 1 January and 1 July 2025 (41 in total), are easily accessible online and their format allows for easy text search, ensuring that users can quickly find specific information in the documents. The analysed audit reports contain concise summaries as well as tabular and visual elements to present key findings in a citizen-friendly manner. Users can access them in three clicks from the home page via the "Documents" drop-down menu, selecting "Audit Reports", and then filtering by year, report type, audit subject, audit product type or sector. Overall, the accessibility, searchability, and clear presentation of audit reports reflect an institutional commitment to improving access to audit findings and better reach.

Additionally, SAI publishes certain datasets in open, machine-readable formats online. Specifically, register of persons who have obtained titles of state auditor and authorised state auditor are available in XLSX and CSV formats as well as more recent publication of register of recommendations for 2023.[74] Data from the register of 2023 recommendations has also been visualised for more accessible insights.[75] Nevertheless, while available open datasets provide some structured information, no specific audit-related data are currently published in open format, which represents a clear opportunity for future improvement. No datasets related to audit findings, or SAI's performance in general, are available from the national Open Data Portal.

In its public communication, the SAI primarily relies on its official website, including a dedicated video gallery where all media appearances of SAI representatives are published. However, in the last 12 months prior to monitoring, there was nether evidence of use of social media channels nor on holding press conferences or hosting other public events aimed at promotion of SAIs activities. Overall, unlike previous monitoring cycles, SAI has in the past period

73 See: https://www.dri.rs/godisnji-izvestaji-o-radu?godina=2024

74 Available at: https://www.dri.rs/otvoreni-podaci.

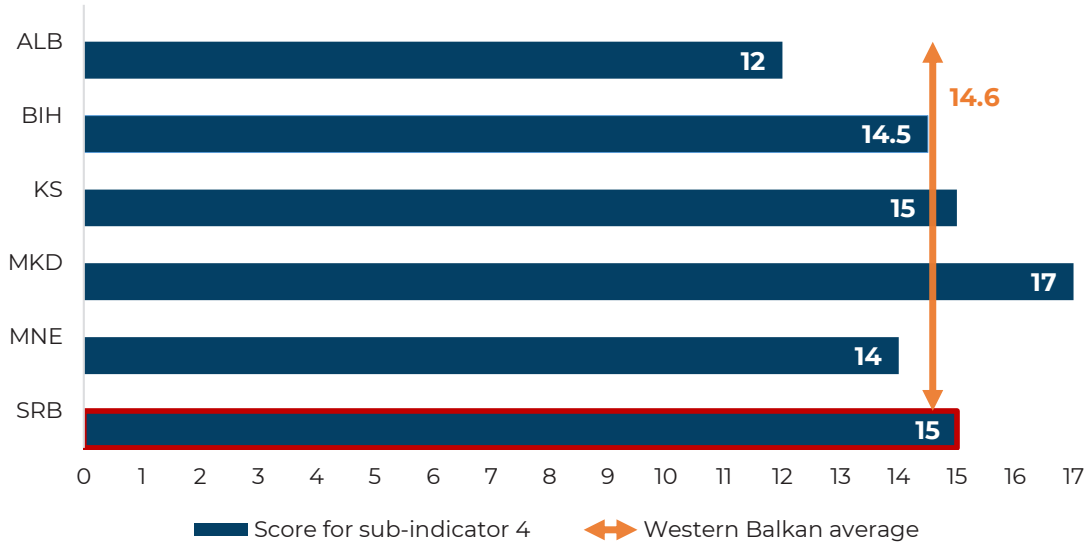
75 Available at: https://www.dri.rs/registar-preporuka-2023.

maintained a basic level of communication with the public, lacking a more proactive, multi-channel engagement.[76]

Key informants generally consider SAI's work transparent and its reports easily accessible.[77] All three key informants tend to agree that the SAI publishes reports on time and makes them available online, including audit-related reports and annual activity reports. They noted that while summaries and visual data presentations are often included, full comprehension of some reports may require prior knowledge of budgetary matters. Engagement with civil society and media exists, primarily through legally required channels and press conferences, though opportunities for influencing audit planning are limited. Overall, key informants perceive SAI as fulfilling its transparency obligations and ensuring accessibility of its reports, but practical challenges, such as limited public interest, unclear audit subject selection criteria, and minimal proactive outreach, constrain broader engagement.

HOW DOES SERBIA DO IN REGIONAL TERMS?

Sub-indicator 4: Openness and transparency of State Audit Institution's work (maximum score 17)

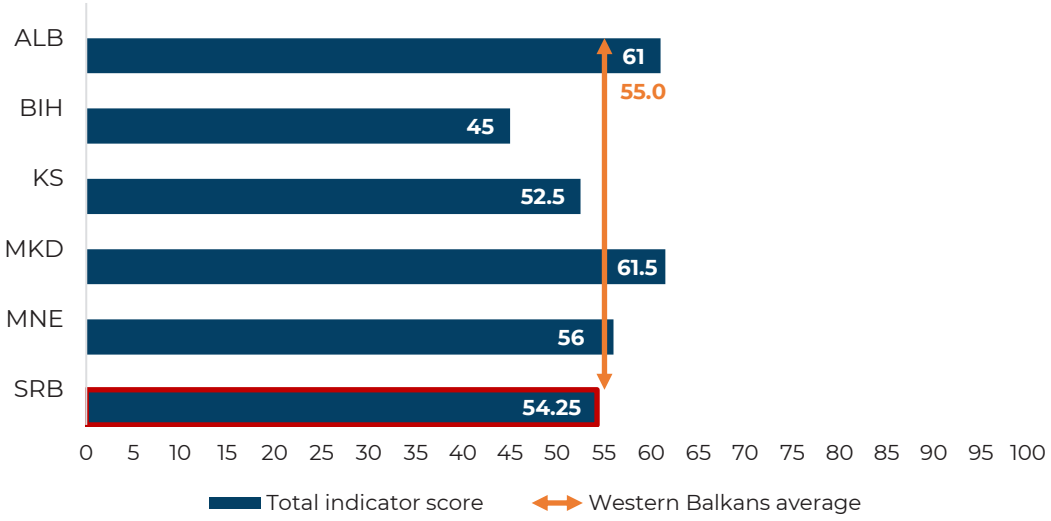


76 Monitoring of communication practices by the SAI was done in July 2025 and covered the period of past 12 months. At the time of writing this report, SAI had been actively using LinkedIn to communicate development.

77 Key informant interviews were held on the July 23rd, July 24th and 31st July 2025. To the statement "The work of the SAI is transparent", all key informants responded with "tend to agree". To the statement "SAI's reports are easily accessible online", two key informants responded with "fully agree" while the third responded with "tend to agree".

OVERALL SCORES COMPARISON IN THE PUBLIC FINANCIAL MANAGEMENT AREA

Indicator: Transparency and openness of public financial management



Regional overview report for Public Financial Management area, with results for all WB administrations is available at: **www.par-monitor.org**

II.5 Recommendations for the Public Financial Management area

II.5.1 TRACKING RECOMMENDATIONS FROM PAR MONITOR 2021/2022

Recommendations	Type (short term/ medium term/ long term)[78]	Status	Explanation
MoF should dedicate a single place on its website for ALL information on the executed budget (in-year, mid-year, annual), listing separately different budget execution reports.	Short term	No action taken	The Ministry of Finance did not establish a single point for accessing all budget execution documentation on its website.
MoF should publish budget execution data as comprehensively as possible, for a better understanding of external stakeholders and greater transparency. This means that, besides economic classification data, each report should allow for accessing execution data by functions of the Government and individual budget users, for the central state institutions at least.	Short term	Partially implemented	Different types of budget execution reports follow a different structure of reporting. The in-year budget execution reports (monthly finance bulletins) are the ones that diverge most from the structure of the other reports and the budget itself, and they contain only data on economic expenditures, with no other classifications. On the other hand, mid-year and year-end execution reports contain economic, administrative, functional and programmatic classi-fication, in line with the structure of the budget.
MoF should publicly disclose non-financial performance information in a concise and citizen-friendly way, explaining achievements by the Government as a result of budget execution. More detailed information can be provided by disclosing information on program-budget indicators at the level of the programs of all budget users.	Short term	No action taken	None of the reports on the budget execution observed during this monitoring cycle contain non-financial performance information, i.e., narrative sections which would explain the implications of the budget execution on different policy areas. Furthermore, there are no citizen-friendly sections or presentations that would explain the achievements of the budget execution.

78 Recommendations for which the assessed time for implementation is up to one year are labelled as short-term. Medium-term recommendations should be implementable within a period of one to three years. Long-term recommendations require more than three years to be implemented.

MoF should store expired editions of the Citizen budget at a single location, together with the current one.	Short term	No action taken	At the time of the monitoring, only editions for 2024 and 2025 of the Citizen Budget were available together in the designated section of the Ministry's website.[79] Versions from the previous years are available in the Archive section, but only for 2019, 2021 and 2023.[80]
MoF should pursue open data policy to the fullest, by publishing ALL budgetary data on the Open Data Portal.	Short term	No action taken	There are no datasets devoted to the budget execution at the central level available on the Open Data Portal.
Ministries in Serbia, but also other direct budget beneficiaries, should dedicate an easily accessible, single website section for updates on PIFC within the organization that should at least include: the mission and goals of the organization, responsible persons for implementing the PIFC, business procedures, information on risk management and reported irregularities.	Medium term	Partially implemented	Each ministry produces an Internal Audit Charter which has a standardised structure, and contains information on the purpose, role and mission of the internal audit in each institution, scope of work, jurisdiction and responsibilities, along with the description of how the procedure is conducted and of the reporting mechanisms and title of the responsible person for implementing IA. Responsibilities of the designated person for the implementation of IA are also mainly present, and they include planning the IA, ensuring the implementation of the plans, ensuring the quality of the results and adherence to prescribed standards in its implementation, and such. Charters are available in a single section devoted to internal audit for each ministry observed. However, reports on observed irregularities could not be found in these sections.[81]

79 Available at: https://www.mfin.gov.rs/dokumenti2/gradjanski-budzet

80 Available at: https://www.mfin.gov.rs/sr/arhiva-1/arhiva-gradjanski-budzet-1.

81 The assessment was conducted based on a sample of five ministries: Ministry of Internal Affairs, Ministry of Public Administration and Local Self-Government, Ministry of Labour, Employment,

CHU should improve external communication by publishing materials for explaining PIFC and highlighting important developments in the public sector to the citizens, using simple language and examples from practice (such as infographics, videos, brochures, readers' digests, or summaries of reports that CHU already produces).	Short term	No action taken	There are no citizen-friendly materials available on the MF's website, in the section designated for the Central Harmonisation Unit. Furthermore, the consolidated annual reports produced by the Unit do not contain citizen-friendly summaries of the findings, nor are such summaries published separately. The sub-section on the Managerial Accountability contains a video explaining what this term encompasses, but this is the only such material available in the section of the Unit.[82]
SAI should clearly promote information and its procedure on receiving and handling citizens' inputs, tips, and complaints on a specifically dedicated website location.	Short term	No action taken	There is no such section on the website of the State Audit Institution.
PPO should consider supplementing annual reports on public procurement implementation in Serbia with summaries of the performance during a year so that readers have a clear, simple, and visually adjusted insight into the real outcomes of public procurement in the reporting period.	Short term	No action taken	The Annual report for 2024 on the public procurement in Serbia does not contain a citizen-friendly summary of the overall public procurement performance during the observed year.

Veteran and Social Affairs, Ministry of Construction, Transport and Infrastructure, and Ministry of Science, Technological Development and Innovation. The Internal Audit Charters are available on the following links, following the order in which the ministries are listed: https://tinyurl.com/wu8bk686, https://tinyurl.com/4tm2mwt2, https://tinyurl.com/2u3uazdc, https://tinyurl.com/3n926ad3, and https://tinyurl.com/p3w27n6s.

82 Available at: https://www.mfin.gov.rs/o-ministarstvu/upravljacka-odgovornost

SAI should consider the possibility of conducting consultations with CSOs on a regular basis, at least once a year. For the purpose of planning and conducting these consultations, SAI should consider signing a cooperation memorandum or other, non-obliging forms of cooperation with CSOs.	Medium term	No action taken	There is no available information on such a manner of cooperation between the SAI and CSOs in Serbia.
PPO should make the Public Procurement Glossary available on the Public Procurement Portal as well so that users can find all useful information in one place.	Short term	No action taken	The Public Procurement Glossary is not available on the Public Procurement Portal, only on the PPO website, as was the case in the previous monitoring cycles.

II.5.2 RECOMMENDATIONS FROM THE 2024/2025 MONITOR REPORT

Recommendations from the monitoring cycle 2024/2025 for the Public Financial Management area are listed below. The recommendations are grouped into three types, according to the estimated time needed for their implementation. Recommendations for which the assessed time for implementation is up to one year are labelled as short-term. Medium-term recommendations should be implementable within a period of one to three years. Long-term recommendations would likely require more than three years to be implemented.

Short-term recommendations

- There is no single access point on the Ministry of Finance website that contains all the necessary information on the budget execution. Currently, the mid-year reports are not even available on the Ministry's website, only on the website of the National Assembly, while year-end reports (laws on the final account) are merely listed among other laws which the Ministry prepares under their jurisdiction and submits to the Government, limiting their visibility and accessibility. The Ministry of Finance should dedicate a single place on its website for all information on budget execution (in-year, mid-year, annual), listing separately different types of reports. The new Budget Portal can also be leveraged for displaying information in a single access point.
- The Government repeatedly relies on special procurement regimes for the purpose of implementing large-scale infrastructure and

priority projects – a practice that diminishes legal certainty, decreases transparency, and increases corruption risks. Thus, the Government should propose to the National Assembly the abolishment of all special laws and other regulations providing for exemptions from the Public Procurement Law. This measure is also envisaged in the Reform Agenda of Serbia with a deadline of June 2027.[83]

- In the external audit area, the SAI has relied in the recent past on a limited range of communication formats and tools for the purpose of public informing. To increase public awareness and interest in audit results, the State Audit Institution should consider adopting a more diversified communication approach by expanding communication channels beyond the official website, including – but not limited to – official social media accounts of the Institution, traditional media campaigns, etc.

Medium-term recommendations

- The Ministry of Finance introduced the Budget Portal in October 2025 and used it as a channel for gathering citizens' inputs and suggestions for the budget for 2026. However, a detailed report on all inputs received has not been published on the Portal, limiting the transparency of the process and disabling the assessment of its inclusivity. The Ministry should, for all future budget formulation processes, utilise the Budget Portal, or other means of public participation, to involve citizens in the earliest phases of the budget formulation process and publish detailed reports on the entire consultation process.
- The inclusiveness of the budget formulation process remains weak, reflecting a long-standing practice of not holding public debates on draft budget laws and the lack of external stakeholder involvement at earlier stages. Alongside public involvement in the early stages from the previous recommendation, the Ministry of Finance should organise public debates on each draft budget law and report on the outcome of the debate, in line with the legal requirements.
- The Ministry of Finance introduced the Green Budget as an annex to the Budget Law for 2025, presenting the environmental impact of projects implemented by four ministries, providing limited narrative explanations on their purpose and planned impact. For the future budget cycles, the Ministry of Finance should provide narrative explanations on how the budget will impact other policy areas, such as, but not limited to, private sector development and business environment, digital transition, human capital, fundamental rights and rule of law, while also expanding the

83 Reform and Growth Instrument for the Western Balkans, Reform Agenda of Serbia, available at: https://www.mei.gov.rs/srl/vesti/3115/detaljnije/w/0/usvojena-reformska-agenda-srbije/.

scope of the Green Budget to enable wider presentation of implications of allocated resources on the environment.

- Available budget execution reports present only financial data with no narrative explanations on the actual results of budget execution, especially in different policy areas. The Ministry of Finance should develop a mechanism for narrative reporting on the budget execution results and outcomes. It can be done in the form of a citizens' guide on budget execution or can be presented as an annex to the year-end report.
- Competitiveness of the public procurement market is low, with persistently high share of single-bid tenders. The PPO should support contracting authorities and economic operators through targeted measures to increase bidder participation, including but not limited to:
  - Clearer guidance: develop and regularly update practical, plain-language guidance on how to participate in public procurement procedures, including step-by-step instructions, and explanations of common administrative and eligibility requirements. Guidance should be easily accessible through the Public Procurement Portal and complemented by helpdesk support;
  - Targeted training and capacity-building activities: organise tailored capacity building for specific sectors with low participation or high rates of single-bid tenders. Such training should focus on practical skills, including bid preparation, understanding technical specifications, and responding to award criteria.
- The Public Procurement Portal enables mostly user-friendly experience as well as certain open data extracts. To enhance the openness, usability, and accessibility of public procurement information available on the Portal, the PPO should consider adding user-friendly summaries or dashboards on the Portal's homepage as well as ensure that key procurement-related data, such as those from contract notices, award decisions, contract amendments, framework agreements, and contract implementation monitoring are regularly published in open, machine-readable formats, to the extent possible.
- The SAI has published certain data in open formats but has not introduced regular practice of publishing datasets pertaining to audit findings. To enable wider impact of audit results, the SAI should expand the offer of reusable, machine-readable datasets on its website, by opening key findings from conducted audits. All such datasets should be made available on the national Open Data Portal, too.

METHODOLOGY APPENDIX

For producing this report for Serbia, the following research methods and tools were used for data collection and calculation of elements:

- Analysis of official documentation, data, and official websites
- Requests for free access to information
- Interviews with stakeholders and key informants
- Public perception survey.

Monitoring heavily relied on the analysis of official documents publicly available on the websites of administration bodies and on the data and information contained therein. However, in cases where the data was not available, researchers sent requests for free access to information to relevant institutions in order to obtain information necessary for awarding points for the elements.

Table 6. FOI requests sent in Serbia

Institution	Date of request	Date of reply to the request
City of Belgrade - Administration Secretariat for Public Transport	21.08.2025.	28.08.2025.
Republic Health Insurance Fund	20.08.2025.	26.08.2025.
Public Company "Electricity of Serbia"	20.08.2025.	04.09.2025.
Electricity Distribution of Serbia	20.08.2025.	04.09.2025.
Service for Centralised public procurement and Procurement Control, City of Belgrade	20.08.2025.	25.08.2025.

Interviews with key informants were conducted and used as a base for point allocation for elements 1.5, 2.14, 3.14, 3.15 and 4.7. Additionally, they were used to collect qualitative, focused, and in-depth inputs on monitored phenomena. Interviews with other stakeholders (such as representatives of public administration bodies) were additionally used in the research to complement and verify otherwise collected data and findings. Selection of interviewees was

based on purposive, non-probability sampling, targeting interlocutors based on their expertise on the topic.

Key informant interviews were comprised of a set of up to four questions where the participants expressed their agreement on a four-point scale: fully disagree, tend to disagree, tend to agree and fully agree. Points under elements 1.5, 2.14, 3.14, 3.15 and 4.7 were allocated if all key informants stated that they tend to agree/fully agree with the statement. Additionally, a set of open-ended questions was used, allowing for a discussion with interviewees and on-the-spot sub-questions rather than strictly following a predetermined format. Interviewees were given full anonymity in terms of personal information and institutional/organisational affiliation.

Table 7. Interviews conducted in Serbia

Date	Interviewees
23.07.2025.	Key informant 1, non-state actor, elements 1.5, 2.14, 3.14, 3.15 and 4.7
24.07.2025.	Key informant 2, non-state actor, elements 1.5, 2.14, 3.14, 3.15 and 4.7
30.07.2025.	Key informant 3, non-state actor, elements 1.5, 2.14 and 4.7
18.8.2025.	Key informant 4, non-state actor, elements 3.14 and 3.15

List of interview questions

- **Element 1.5**

The following questions are used for point allocation for element 1.5. Point allocation is determined based on fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The budget formulation process is transparent.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

2. To what extent do you agree with the following statement: **The budget formulation process is inclusive.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. Can you describe your experience, if any, with participating in the budget formulation process?
2. In your opinion, how open and accessible is the budget formulation process to non-state actors.
3. Have you observed any improvements or setbacks in transparency or inclusiveness over the past few years? If so, what triggered them?
4. Do you think that feedback from non-state actors is taken into account during the budget planning process? Please elaborate

- **Element 2.14.**

The following questions are used for point allocation for element 2.14. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 0.75 points are allocated.

1. To what extent do you agree with the following statement: **Available annual budgets are comprehensive enough.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

2. To what extent do you agree with the following statement: **Available annual budgets provide adequate information for the purpose of research, analysis and policy monitoring.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

3. To what extent do you agree with the following statement: **Available budget execution reports are comprehensive enough.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

4. To what extent do you agree with the following statement: **Available budget execution reports provide adequate information for the purpose of research, analysis and policy monitoring.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the accessibility of annual budgets and execution reports online? Are they easy to find and use?
2. In your view, does the format and structure of the published budget documents support understanding and analysis by non-experts?
3. What kind of information do you find missing or insufficient in the available annual budgets or execution reports?
4. Have you or your organisation used publicly available budget documents for research, advocacy, or monitoring? If so, how useful were they?
5. Have you encountered any challenges when trying to access or understand budget documentation? If yes, can you describe them?

- **Element 3.14.**

The following questions are used for point allocation for element 3.14. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **Public procurement system, as established by the public procurement legislation, is transparent.**

a) fully disagree

b) tend to disagree

c) tend to agree

d) fully agree

2. To what extent do you agree with the following statement: **Public procurement system, as established by the public procurement legislation, is competitive.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. Based on your experience, how would you describe the overall transparency of the public procurement system at the central level?
2. Do you believe that the current legal and institutional framework ensures fair competition in public procurement?
3. Have you observed any common practices or patterns that reduce transparency and competitiveness in procurement procedures?
4. Are there mechanisms in place that allow for meaningful oversight or public scrutiny of procurement processes? If yes, how effective are they?

- **Element 3.15**

The following questions are used for point allocation for element 3.15. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The public procurement law adequately regulates exceptions to its application.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

2. To what extent do you agree with the following statement: **Exceptions from the application of the public procurement law are in practice limited to those regulated by the law.**

a) fully disagree

b) tend to disagree

c) tend to agree

d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the clarity and adequacy of legal provisions regulating exceptions to the public procurement law?
2. In your experience, are exceptions applied strictly within the legal framework, or are there cases where they are used more broadly?
3. Do you think the use of exceptions has increased or decreased over time? What factors might have influenced this trend?
4. Are there sufficient oversight or control mechanisms to monitor the use of exceptions in public procurement?
5. What reforms or safeguards would you recommend to ensure that exceptions are used appropriately and do not undermine integrity of public procurement, transparency or competition?

- **Element 4.7.**

The following questions are used for point allocation for element 4.17. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The work of the SAI is transparent.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

2. To what extent do you agree with the following statement: **SAI's reports are easily accessible online.**

   a) fully disagree

   b) tend to disagree

   c) tend to agree

   d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the overall transparency of the SAI's work, including its audit and reporting practices?
2. In your experience, how easy is it to access SAI reports online? Are they published in a timely and user-friendly manner?
3. Do you find the content and structure of the SAI's reports suitable for understanding key findings and recommendations?
4. Do you think the SAI engages sufficiently with civil society, media, or the public to communicate its work and findings?

The public perception survey is based on a questionnaire targeting the general public (18+ permanent residents) of Serbia. The survey was conducted through computer-assisted telephone interviewing (CATI) in combination with computer-assisted web interviewing (CAWI).

The survey was conducted between the 15th and 19th of February 2025. The margin of error for the sample of 1006 citizens is ±3,52%, at the 95% confidence level.

Table 8: Public perception survey questions in the area of Public Financial Management

Statement 20	**Strongly disagree**	**Disagree**	**Agree**	**Strongly agree**	***Don't know/ No opinion***
I have the opportunity to influence how money from the state budget funds is spent.	1	2	3	4	99
Statement 21	Strongly disagree	Disagree	Agree	Strongly agree	***Don't know/ No opinion***
State authorities publish information about how money from the state budget funds is spent.	1	2	3	4	99

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