



2008 GOVERNANCE OVERVIEW for SERBIA*

Overall, Serbia continues to have good capacity in the area of public administration. However, there was a slowdown in public administration reform during the reporting period.

Civil Service: In November 2007 the Law on public administration was revised in line with the Constitution. The changes introduced more precise provisions on the role of the central administration in monitoring the legality of acts adopted by local governments. Further efforts need to be made to fully implement the 2005 Law on Civil Servants to improve the recruitment system and strengthen professionalism and accountability throughout the civil service. Independent and regulatory bodies performed well under difficult conditions. Greater determination needs to be shown by the Serbian authorities to empower regulatory and independent bodies, and to ensure that they operate effectively.

Anti-corruption policy: Some progress has been recorded concerning this issue, however corruption continues to be widespread and poses a serious problem in Serbia. The Civil Law Convention on Corruption and the Additional Protocol to the Criminal Law Convention on Corruption were ratified in November 2007. Despite greater public awareness of the issue and newly adopted legislation, major problems remain. These include the lack of sufficiently independent and efficient oversight bodies (the anti-corruption agency has not yet been established) in core areas such as party financing, conflict of interest, public procurement and privatisation. These problems will have to be addressed in the context of implementation of the newly adopted legislation.

Public procurement: Some progress has been made in the area of public procurement, although Serbia still lacks a consistent, effective and fully independent public procurement system with streamlined award procedures. Additional efforts are needed in terms of amending the legislative alignment, implementation of the public procurement strategy and strengthening the capacity to implement the requirements of the SAA. Transparency of award procedures was improved by the establishment of a web-based portal.

Public Internal Financial Control (PIFC): There has been little progress in this area and Serbia is at a very early stage of preparations for introducing PIFC and a modern system of external audit. An adequate co-ordination and harmonisation function for PIFC implementation is also lacking. The Central Harmonisation Unit has not been established. Internal Audit units have not been set up in all ministries. The State Audit Institution is not yet fully operational.