

Minutes of the Second Plenary Session of the Intersectoral Working Group for Monitoring the Implementation of the Reform Agenda of the Republic of Serbia

Hotel Putnik Inn, Belgrade, 27 May 2026

The second plenary session of the **Intersectoral Working Group for Monitoring the Implementation of the Reform Agenda of the Republic of Serbia (IWG RA)** brought together **63** participants from civil society organisations, state institutions and the Delegation of the European Union to Serbia. The central focus of the session was the presentation and discussion of the **First Independent Monitoring Report on the Implementation of the Reform Agenda** prepared by the IWG on the implementation of the Reform Agenda, covering reform steps with deadlines up to December 2025 and presenting findings on the fulfilment of preconditions and general conditions for disbursement, progress in the implementation of reform steps and financial implementation, as well as recommendations addressed to the Government of the Republic of Serbia and the European Commission. In addition to the presentation of the report and comments from institutional representatives on individual reform steps, participants were also introduced to the findings of the regional project „*Western Balkans Reform and Growth Monitor*“ and the small grant facility „*Re-form for Growth*“.

Opening Remarks and Presentation of the Report

In her opening remarks, **Milena Mihajlović Denić, Coordinator of the IWG RA** and Chair of the session, emphasised the importance of the second plenary session as an opportunity to present the First Independent Monitoring Report on the Implementation of the Reform prepared by the IWG - the first tangible output of the thematic subgroups - to representatives of civil society organisations, state institutions and the Delegation of the European Union. The report covers reform steps with deadlines up to December 2025. She highlighted the importance of a constructive dialogue on the report's findings and on the next steps in the reform monitoring process.

Speaking about the broader context, **Bojana Selaković, Coordinator of the National Convention on the European Union (NCEU)**, reflected on the role of the NCEU and civil society in independently monitoring the implementation of the Reform Agenda and welcomed the strong participation of representatives of state institutions as an opportunity for direct exchange of views.

Following the opening remarks, members of the IWG unanimously adopted the agenda of the session.

During the presentation of the report, the IWG Coordinator presented an independent assessment of the fulfilment of preconditions and general conditions for disbursement under Article 12 of the Regulation on the Reform and Growth Facility. She noted that the precondition related to democratic mechanisms, elections, media freedom, judicial independence and human rights was not fulfilled, referring to the regression of democratic standards during 2025, the escalation of violence in response to protests, the conditions under which local elections were held on 29 March in ten municipalities, as well as setbacks in the judiciary and media freedom. The precondition related to the normalisation of relations between Serbia and Kosovo was assessed as fulfilled, albeit with a number of outstanding issues. Among the general conditions, macro-financial stability and the quality of the public finance management system were assessed as fulfilled, while transparency and budget oversight were assessed as not fulfilled due to a significant share of public expenditure being executed outside standard public procurement procedures.

Findings of the thematic subgroups

The coordinators of the thematic subgroups presented key findings within their respective areas of monitoring, as well as recommendations addressed to the Government of the Republic of Serbia and the European Commission. The report covers 37 reform steps with deadlines up to December 2025; of these, six were assessed as fulfilled by the IWG, three had previously been assessed as fulfilled by the European Commission, while 28 were assessed as not fulfilled (including one with significant progress).

The Business Environment and Private Sector Development subgroup was presented by **Mihailo Gajić (NALED)**. He noted that three out of seven steps were fulfilled, including increased support to researchers and innovative enterprises, alignment with the ERIC Regulation, and contracting of rural infrastructure projects. Unfulfilled steps included state aid alignment, transparency of intergovernmental projects, and amendments to the Government Rules of Procedure, where the revised Article 41a was noted as broadening exceptions to public consultation.

The Green Transition subgroup was presented by **Sonja Licht (BFPE)**, who noted partial fulfilment in the energy sector, including greenhouse gas monitoring plans, while key gas sector and just transition-related reforms remained unfulfilled. She also highlighted shortcomings in inclusiveness and meaningful participation in the Just Transition planning process.

The Digital Transition subgroup was presented by **Kristina Obrenović (Partners Serbia)**, noting partial progress on information security governance, while key legislative steps under the Gigabit Infrastructure Act, eIDAS 2.0, NIS2, and Artificial Intelligence framework remained unfulfilled or pending.

Nataša Vučković (Centre for Democracy Foundation) presented the subgroup on **Human Capital**, noting that this area did not contain reform steps with deadlines in the current monitoring cycle and that the first relevant steps, scheduled for 2026, would be covered by the next IWG report.

The Fundamental Rights and Rule of Law subgroup was presented by **Nemanja Nenadić (Transparency Serbia)**, noting that this area had recorded the strongest emphasis on gaps. Out of thirteen assessed reform steps, twelve were found to be unfulfilled. The only fulfilled step related to the strategic framework for the control of small arms and light weapons for the period 2025–2030, while the European Commission had previously assessed visa policy alignment as fulfilled. Among the most significant unfulfilled steps were those relating to the electoral framework and media legislation, as well as measures in the fields of organised crime, security, migration and anti-corruption.

Building on the presentations of the subgroup coordinators, the IWG Coordinator presented the systemic risks identified in the report. These included the increasing reliance on grace periods, limited participation of civil society and independent experts in legislative drafting, and significant gaps in measurement and verification mechanisms. She also highlighted amendments to the regulations governing the methodology for drafting public policy documents and conducting consultations during legislative drafting, adopted in early 2026, describing them as particularly problematic and as further constraining processes that should remain open and inclusive.

The Financial and Budgetary Implications subgroup was presented by **Jelena Jokić (CEVES)**, outlining the financial structure of Serbia's allocation under the Reform and Growth Facility. She noted that Serbia's total allocation amounts to EUR 1.586 billion, with 53.5% channelled through the Western Balkans Investment Framework (WBIF). She also outlined the risks associated with non-fulfilled payment conditions, which may lead to proportional reductions in funding and the reallocation of unused investment resources to other beneficiaries in the Western Balkans.

Discussion with Representatives of State Institutions

Representatives of the Ministry for European Integration, the Ministry of Finance, the Ministry of Mining and Energy, the Ministry of Environmental Protection, the Ministry of Information and Telecommunications, the Office for IT and eGovernment, the Ministry of Science, Technological Development and Innovation, and the Ministry of Justice commented on the findings related to their respective reform areas, providing updates on the status of individual reform steps and clarifications regarding implementation challenges.

The discussion focused particularly on public consultation procedures, the implementation of legislation adopted through expedited procedures, the functioning of working groups, transparency standards and the practical challenges of implementing reforms within the prescribed timelines.

Presentation of regional findings and the “Re-form for Growth” Small Grants Facility Programme

Marko Todorović, Senior Researcher at the European Policy Centre (CEP), presented the regional project “*Western Balkans Reform and Growth Monitor*”, implemented by the Think for Europe Network (TEN) with financial support from the European Union and co-financing from the Open Society Foundations. He explained that, unlike the national report, the regional monitoring exercise focuses on a smaller number of comparable reform steps across all Western Balkan Reform Agendas, enabling cross-country comparison through a common methodology.

He highlighted uneven implementation progress across the region, transparency challenges and legislative activity that often exceeds institutional capacities. Regarding Serbia, he emphasised the participation of civil society in the Monitoring Committee and the cooperation model established through the IWG and the National Convention as examples of good practice. He also presented the “*Re-form for Growth*” Small Grants Facility and invited subgroup coordinators to involve supported organisations in future subgroup activities.

Address by the Delegation of the European Union

Oliver Šarov, representative of the Delegation of the European Union, thanked the IWG for its extensive work and described the report as highly detailed and containing useful and actionable recommendations. He confirmed that the European Commission values and uses civil society input in its assessment processes and described the IWG’s systematic approach as an example of good practice.

He welcomed Serbia’s decision to publish payment requests and the strong participation of representatives of state institutions, which enabled a concrete and constructive discussion. He also underlined the importance of the upcoming period, as grace periods for a significant number of reform steps will expire during the year, and called for stronger cooperation, broader involvement of civil society and further efforts to build mutual trust in the implementation of reforms.

Recommendations of the Working Group

The recommendations addressed to the Government of the Republic of Serbia and to the European Commission, set out in the monitoring findings and presented during the session by the subgroup coordinators and the IWG Coordinator, were discussed with the representatives of state institutions and refined in the course of the discussion.

To the Government of the Republic of Serbia

Legal guarantees for evidence-based and inclusive law-making

- Repeal the March 2026 amendments to the Regulation on Regulatory Impact Analysis and the Regulation on the Methodology for Drafting Public Policy Documents, which exempt legislation and policy documents adopted in the EU accession process, covering the large majority of Serbian legislation, from regulatory impact analysis, public consultation and the quality-assurance opinion of the Republic Secretariat for Public Policies. Retaining these exemptions removes the principal legal guarantees of evidence-based and inclusive law-making in the area where the Reform and Growth Facility and the Reform Agenda make evidence-based reform and civil-society participation foundational obligations.

Conduct of public consultations

- Conduct timely and sufficiently long public consultations on draft public policy documents, legislation and relevant secondary acts, including consultation events and not only written procedures, with particular attention to systemic legislation and reform steps carrying fundamental-rights, security or rule-of-law implications.
- Apply the twenty-day statutory minimum under the Government's Rules of Procedure to public debate on all policy documents, legislation and relevant secondary acts, and allow longer public-debate periods for systemic legislation and larger legislative amendments.
- Publish the initial grounds (polazne osnove), draft acts, impact assessments, consultation reports and final adopted outputs on the eConsultation Portal and on the websites of the responsible institutions.

Transparency of drafting arrangements and documentation

- Form working groups for reform outputs under the Reform and Growth Facility through a transparent, open procedure coordinated by the Ministry of Human and Minority Rights and Public Dialogue, ensuring transparent selection of civil-society participants.
- Publish the composition of working groups and of other inter-ministerial or expert bodies established for these reform outputs.
- Where civil-society, business or external-expert representatives are included, make their participation traceable in the outputs and in the consultation record.
- Ensure that, as a member of the Monitoring Committee for the Reform and Growth Facility, the IWG receives, together with each payment request, the supporting documentation explaining the level of fulfilment of each reform step included in the request.
- Begin publishing regularly and in good time all reform deliverables, the information from payment requests sent to the European Commission, the opinions on draft legislation obtained from the Commission and other international organisations such as the Venice Commission, and the latest versions of draft legislation sent to them for opinion.

Fidelity to the objectives of reform steps

- Ensure that the acts delivered in implementation of each reform step remain faithful to the intended direction of the step and do not introduce provisions moving in the opposite direction. The present cycle records two such instances: the new Article 41a of the Government's Rules of Procedure (Reform 6.2.1), which widens rather than narrows the grounds for exemption from the public-hearing obligation, and the proposed amendments to the Criminal Code and the Criminal Procedure Code (Reform 9.2.1), which in their current draft would reduce rather than strengthen fundamental-rights protection for vulnerable individuals.

Parallel measures affecting reform objectives



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- Refrain from legislative measures, adopted in parallel to the Reform Agenda, that work against the reforms it commits the Government to deliver, as with the January 2026 amendments to the Law on Public Prosecution, which reduced the operational capacity of the Prosecution for Organised Crime precisely when Reform 9.5.1 requires its vacant posts to be filled. Legislation bearing on institutions whose strengthening the Reform Agenda requires should be assessed in advance for its effect on those reforms and developed in consultation with the competent professional bodies, civil society and the European Commission.

Evidence base for verification

- Publish the final output of each reform step at the location designated as its source of verification in the Reform Agenda, so that the Commission, the IWG and other stakeholders can verify fulfilment independently.
- Document the action supporting fulfilment of a reform step in an instrument publicly accessible to third parties, such as a Government act or a published ministerial decision, rather than relying on working-level correspondence with Commission services as the sole record. The present cycle illustrates the risk through the State aid inventory under Reform 6.2.1, recorded as finalised in the Government's 2025 report through working-level correspondence, while the Commission's Implementing Decision C(2026)18 of 12 January 2026 records the step as not achieved.

Sequencing and capacity

- Initiate work on each reform step in good time, taking into account the capacity of the institutions responsible for its implementation.

Priorities for the grace periods

- Within the 24-month grace-period windows now open, and the 12-month windows opening in the next monitoring cycle, give priority to the Fundamentals cluster, where twelve of the thirteen reform steps not approved by the Commission were assessed as not achieved and which is the policy area most directly implicated in the finding on the precondition under Article 5(1), point (a) of Regulation (EU) 2024/1449.
- Within that cluster, prioritise remediation of the two reform steps already in the 24-month grace period, namely the first electoral composite under Reform 9.1.1 and the amendment of the media laws under Reform 9.2.2.
- Within that cluster, prioritise the quantitative reform step under Reform 9.6.1, due on 31 December 2025 and entering a 12-month grace period running to 31 December 2026, where, against a target of a 10 per cent increase, the number of elected judges has instead declined from 2,718 to 2,658.

Budget transparency and oversight (general condition under Article 12(3))

- Discontinue the addition of new exemptions from the ordinary budgetary and procurement framework, beginning with the dedicated EXPO 2027 legal framework, and reduce the stock of existing exemptions.
- Implement in full the Reform Agenda's own transparency commitment under Reform 6.2.1 by publishing, in a systematic and comparable form, the texts of contracts and amendments concluded under intergovernmental agreements and special laws.
- Restore end-to-end traceability of capital investment projects across the Fiscal Strategy, the annual budget and budget-execution reports.
- Confine the use of the current budget reserve to genuinely non-recurrent and unforeseen spending.
- Ensure that parliamentary scrutiny of the budget, of supplementary budgets and of significant changes to the fiscal framework is not compressed by fast-track procedures or scheduled so as to preclude meaningful civil-society participation.



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To the European Commission

Structured engagement with civil-society monitoring

- Include the findings of the IWG monitoring in the dialogue surrounding the payment-request assessment, for example in the technical-level meetings.
- Provide a substantive response on the points where the IWG assessment differs from the claims of the Serbian authorities.
- Maintain regular communication with the IWG across the payment-request cycle.

Substantive interpretation of ambiguous reform steps

- Where the wording of a reform step admits more than one plausible interpretation, assess fulfilment against an interpretation that captures the genuine reform intent rather than one satisfied by a minimal procedural adjustment. The reform step on the transparency of projects contracted under intergovernmental agreements (Reform 6.2.1) is a clear example, where assessing fulfilment against the substantive publication of the contracts and amendments concluded under intergovernmental agreements and special laws would better serve the objective of the Reform Agenda.

Conclusion

At the conclusion of the session, Milena Mihajlović Denić thanked all participants and the Open Society Foundations for supporting the operational work of the IWG and the preparation of subgroup reports. It was announced that the First Independent Monitoring Report would be published in early June, first in English and subsequently in Serbian, and distributed to all members. Participants were invited to submit messages they wished to be conveyed at the meeting of the Monitoring Committee of the Reform and Growth Facility, scheduled for 3 June, through their subgroup coordinators by 2 June at the latest. The organisation of meetings of individual thematic subgroups was also announced with coordinators to provide further information to members in due course.

